

Dams , Rivers & People

UPDATE ON RELATED ISSUES

SANDRP

VOL 1-ISSUE 6-7

JULY-AUG 2003

INDEX

Ken Betwa Link Project rejected by Water Parliament	<i>by Bipin Chandra</i>	2
National Workshop on Riverlinking Proposals in Thrissur, Kerala		3
River Link Plans: The Flood of Nonsense	<i>by Himanshu Thakkar</i>	6
River Link News: How Opposition is Mounting: Bangladesh is worried		11
President, PM in August 03		12
W Bengal Academy of S&T Workshop: Riverlinking doable?		13
Assam Science Society Seminar Opposes RL Plans		14
Floods: Patna, Delhi and Kathmandu	<i>by Dinesh Kumar Mishra</i>	15
A river diverted, the sea rushes in: Indus basin in Pakistan		18
Bansagar 30 years, 18 B, yet no result		19
Tipaimukh Opposition		20

Hydro Projects	21	Bottled Water Standarads	37
Karcham Wangtoo gets Opposition	23	Groundwater Pllution	38
News from Narmada Valley	24	'Maintain Delhi Waterbodies':HC	40
Snippets of post SSP Gujarat	25	Decline in Rural outlays	42
Camdessus Report and WB Response	27	5 000 000 000 kg wheat disappears	43
Water Rights over Godavary sold to L&T28		Contract Farming	44
Mass Fish Death in Gomti	29	Sugar: Biggest threat to Agriculture	45
Inter State Disputes	30	Hydropower without dam	46
CAG on non-existent CAT & CAD	31	10 th Plan targets already off	47
Maharashtra Irrigation: Drowning in debt32		Bhakra oustees	48
Maharashtra Rural Water Supply	33	More profitable to let rivers flow than dam49	
CAG on CAD projects in Gujarat	34	Chana's dam-safety systems in chaos	50
Hippargi: Barraged under protests	35	2 nd International meeting of dam displaced51	
Delhi Water Unsafe?	36	YOUR RESPONSES	52

Dams , Rivers & People

The *DRP* will be available both in electronic (text and word versions) and printed versions. The *DRP* are also available at www.narmada.org/sandrp and www.janmanch.org/newsletters.

The suggested minimum annual subscription for the *DRP* is Rs 100/-, which would cover the cost of printing and mailing. Please send your DD in favour of YUVA, payable at Mumbai and send it to our Delhi address.

CONTACT INFORMATION: Himanshu Thakkar, Bipin Chandra, Himanshu Upadhyay, Ganesh Gaud, South Asia Network on Dams, River and People, C/o 53B, AD Block, Shalimar Bagh, Delhi 110 088. India. Ph: 2747 9916. Email: cwaterp@vsnl.com Web: www.narmada.org/sandrp

Ken-Betwa river-link Proposal

Rejected by Bundelkhand Water Parliament

The "Bundelkhand Water Parliament" held on 23 July at Orcha in Tikamgarh district of MP rejected the proposal to link Ken and Betwa, two main rivers of the region. The "Public consultation on Water Problem of Bundelkhand, Ken-Betwa Link and Alternatives" was organised by Vigyan Siksha Kendra, Banda; Navdanya; and Gram Sewa Samiti & Navchetna Samiti, Nivadi. Representatives from eleven districts of Jhanshi, Lalitpur, Jalaun, Hamirpur, Mahoba, Banda, Chhatrapati Sahuji Nagar from UP and Chhatarpur, Datia, Panna and Panna from MP were present.

Under the Ken Betwa Link Project the Greater Gangau dam is proposed on the border of Panna and Chhatarpur districts of MP on Ken river and to divert water from there through a link canal Betwa River. The main justification of this scheme is that Ken has surplus water and Betwa is a deficit basin. Both Ken and Betwa rivers originate in MP and flow parallel through similar geographical areas and merge with Yamuna in UP.

Bhartendu Prakash from Vigyan Siksha Kendra stated that if one looks at rainfall record of previous 50 - 100 years of Bundelkhand region it would be clear when one basin experiences drought or flood, the other basin also has the same experience. The bigger question is when even Ken basin is facing scarcity of irrigation water, then why it is planned to divert Ken water to another basin. Moreover, in the hilly terrain like Bundelkhand, this type of scheme is totally unliveable.

Major areas of Chhatarpur, Panna and Banda districts would be water scarce if this project is implemented. Moreover one part of world famous Panna Tiger Reserve will also submerge in this scheme. Proposed scheme would submerge thousands of hectares of cultivatable land in Chhatarpur, Tikamgarh and Jhanshi districts. The diversion would also mean deficit in existing Gangau and Bariyarpur dams on Ken River downstream of the proposed site. The project will also involve displacement of tens of thousands of people and experience of thousands of people displaced by dams in the basin in the past hardly inspires any confidence. If govt believes that just resettlement is possible, it can prove that by justly resettling the people displaced in the basin in the past. Then only its words on R&R may have some credibility. The project will also lead to possibility of water logging in Hamirpur, Mahoba, Jalaun and Banda districts in UP.

Vandana Shiva of Navdanya stated at the meeting that how can one think to implementing this expensive and mega project when even now large numbers of projects

are incomplete. She also expressed apprehensions that this is an attempt to privatise country's water resources.

People of Bundelkhand averred that this completely bypasses the planning and decision making processes. People objected that govt has not even done feasibility studies and detailed project reports of the proposed links and have constituted a task force and started propagating the project. Without assessing or achieving rainwater harvesting potential in a river basin and exhausting other local options, such a project cannot even be considered.

Mangal Singh from Lalitpur said that on the one hand the govt is propagating inter-linking rivers without providing prior information to people. On other hand

Govt is allotting public lands of ponds for other uses, which were built by peoples' efforts. This is complete violation of Supreme Court's direction of July 2001 against construction in water bodies. It is also violation of govt's own policy to leave 8% open land in villages for public purposes.

The Parliament called for a movement against the devastating Ken-Betwa Proposal

People coming from different areas emphasized that already over 35 dams exist in Bundelkhand region including Gangau, Bariyarpur, Rangwan (on Ken and its tributaries), Rajghat, Matatila, Dhukwan, Barwa, Paricha (on Betwa and its tributaries) Lachura and Pahari (on Dhasan river, a tributary of Betwa). Why is the govt pushing this new project when optimum benefits from these projects have not been achieved?

Prem Sing from Hamirpur said that from centuries local water bodies, some built in 700 AD, were the main water sources for Bundelkhand. People believe that if these water bodies were renovated, then water problem of Bundelkhand would automatically get solved.

After a day long meeting, the parliament passed a resolution: "Ken-Betwa link project is against local people, environment and culture and is not required and the people of Bundelkhand reject this project. Encroachment from all existing water systems should be removed and these systems should be renovated. All documents of whole river-linking project should be made public for local people and without consent from gramsabha no further work should be allowed."

Held on the birthplace and the birthday of well-known freedom fighter Chandrashekhar Azad, the people warned that no one has to right to violate democratic rights of Bundelkhand's people. .

Bipin Chandra

National Workshop on Riverlinking proposals

KERALA IS OPPOSED TO RIVER LINKING PROPOSALS

The National Workshop on the Proposed Inter linking of Rivers of India organised by Chalakudy Puzha Samrakshana Samithi & SANDRP on 12-13 July 2003 at Thrissur, Kerala started off by raising a fundamental question, "Who gave the bureaucrats-politicians the right to redraw the Geography of India?" raised by Shri. Ramaswamy R.Iyer, former Water Resources Secretary, Govt of India. The presumptions of the Govt that water can be transferred from 'surplus' to 'deficit' basins stems from the concept that water abstracted from rivers is 'used' and water flowing is 'wasted'. The ignorance of flowing water dynamics and ignorance of the consequences of diversions is the main reason behind these contentions, Iyer added.

In the session on River Ecology, Dr. S.Sathischandran Nair from INTACH, Kerala, pointed out that Surplus is the most erroneous of human conceptions. No river can have a drop of surplus. It is our judgemental stance of surplus. He also stressed the need for rekindling of ecological obedience. Sea level has gone up in the peninsular coast of Andhra Pradesh, Goa and Karnataka and consequently, these states are facing deltaic loss. We are not learning from our past experiences.

"Making deserts bloom is not so wise", a comment by Iyer raised the fundamental question that if water is supplied to drought prone and arid areas, the cultivation which will be taken up as in the wetlands will have another set of severe consequences. Moreover, how far the Ministry of Agriculture has been consulted on this project is another important aspect given the claims that the project will increase the area under irrigation by 35

M Ha. If the project materialises, will the farmers be able to afford the price of the irrigation from the Project?

Bhaskar Rao, farmer representative from Karnataka, also raised this concern. Rao pointed out that the Upper Krishna Project was started in 1965 with a planned ayacut of 2 M Ha and projected investment of Rs 110 B, incurring a cost of Rs 0.16 M per Ha. Presently, the Project faces 100% canal mismanagement.

Rao, while speaking in the South Indian farmers' session on July 13 said, "How to involve the farmers in water management is the first challenge." Quoting example of the existing problems of diversion from Bheema River to Seena River in Maharashtra, he also requested that the issue should not be politicised. The govt need not follow Supreme Court's suggestion blindly. Sri Bhavani Prasad from the Krishna delta region and Sri. Ramachandra Reddy from Anantpur district of Andhra Pradesh narrated the severe drought situation in AP. They were not against Inter linking. "First we need to analyse the benefits of the project. Farmers are not aware what is happening at the Centre" Ramachandra Reddy remarked. But Leo Saldhana from Environmental Support Group, Bangalore warned that the Inter linking may pit farmers against farmers. Sri. Vadivelu and Sri. Ramaswamy from Lower Bhavani Project in Tamil Nadu insisted that inter linking is the only way out for Tamil Nadu to alleviate the recurring drought. However, when challenged by Nair to travel with him in the Cauvery and Vaigai basins, the TN farmers had no response.

Iyer also questioned the basic concept of linking of rivers. There has been deliberate ambiguity, dishonesty, lack of clarity and violation of the right to information on the part of the govt. The Project starts with the proposition that rivers should be linked. The Ninth or the Tenth Plan document does not contain any details of or allocation for the Riverlinking Project. Meanwhile, the MoEF has asked 30 questions to the Riverlinking Task Force. The Govt never discloses the river flow data. It is not clear on how mitigation of floods, electricity generation and drought relief can be met from this project. It is not possible to persuade states within a river basin to

Meeting in Thrissur on River Linking Proposals

resolve their issues in water sharing. And the Govt wants to jump ahead and go for inter basin transfers. Money from other Govt projects earmarked for watershed development and tank rehabilitation maybe diverted for the Inter linking Project. "This is too important a matter to be left to the internal processes of a Govt. All studies should be made public" Iyer demanded.

The PM, the President, the water resources Ministry and Supreme Court is talking about the completion date of a project for which feasibility studies have been completed. On the other hand, in spite of constructing 4200 odd large dams in India, not single comprehensive post facto evaluation of a dam project has been done. We live with two kinds of disengagement in decision making in which macro planning that goes about has no relation with micro reality and the decisions on how to use water is still centralised while water requirement and rainfall is decentralised. Is there water in Kerala to transfer into Tamil Nadu? Hydrological data in each river basin has to be made available. The states that are going to lose water say that there is no surplus, raising credibility of NWDA studies. We do not know what is the rainwater harvesting potential in any river basin said Himanshu Thakkar of SANDRP. The experience of NBA, which has been demanding the hydrological data of the Narmada Basin for the past 18 years, is there before us. Not only is the hydrological data not made public, but also when NBA dug out the data, it was revealed that the river does not have the amount of water that the projects have assumed.

In the session on social and legal dimensions of inter linking, Dr. Sudhirendar Sharma called it as the Arrogance of the State to go forward with such a Project and criticized the way we have been repeatedly. The interests of the farmers of the country are at stake. The expanding area under waterlogging to 23 M Ha as per unofficial estimates was pointed out as the most terrifying example of the 'real benefits' of canal irrigation to farmers.

There are inherent difficulties of approaching the court on this issue. The chances for local govts to intervene in the issue are there since it involves land use change of a fundamental nature. Leo Saldhana also quoted example of the proposed Netravati-Hemavati Link, which will pit farmers against farmers.

The session on water privatisation was enriched by the case study of Sheonath River presented by Lalit Surjan from Raipur, Chhattisgarh actively working on the issue in which the contract with the private company Radius Water Ltd entered on 5 Nov 1998 by the Madhya Pradesh State Industrial Development Corp was successfully concealed from the people dependent on

the Sheonath River for almost four years. Here again, no feasibility studies were conducted either by the company or by the Govt of MP regarding availability of water in the river, the impact of the project on the traditional users in both upper and lower command areas. The traditional users such as farmers, fisher folk or existing industries were not consulted or taken into confidence before approving the project.

Though a decision has been taken to cancel the contract owing to huge public pressure, it has been pointed out that in case of termination, the govt will have to pay more than Rs 4 B by way of compensation to the Company! As pointed out in the discussions, River Corporatisation as a likely implication of inter linking cannot be ruled out against the backdrop of this experience.

Sri CP John from Kerala State Planning Board announced that Kerala has decided to oppose the Pamba Achankovil Vaippar River Link proposal

The Kerala experience in Inter basin river diversions to Tamil Nadu like the 106 year old Mullaperiyar Agreement, the 45 year old Parambikulam Aliyar Project Treaty, the Siruvani Treaty, the proposed Pandiyar- Punnapuzha water diversion from Chaliyar River, the unaccounted water diversion from the Neyyar river is fraught with misconceptions of scarcity and surplus,

treaties that have been consistently violated, corruption on both sides to name a few. While the treaties themselves have been imposed through pressure tactics, the drafting of the treaties and the terms and conditions of the treaties were highly in favour of the water receiving state. Even the state of Kerala is not aware as to how much water is diverted in the Inter State Treaties said Sri Krishnankutty, Ex MLA of Kerala. Though the PAP is projected as the best model of inter state consensus, PAP was signed under tremendous pressure from the Central Govt. The clearance to the Idukki HEP was used as the trump card to obtain Kerala's consent to the PAP Project.

Water is not released into the Chalakudy or Bharathapuzha rivers of Kerala as per the treaty. Tamil Nadu uses the water for irrigating 0.24 M Ha. Even the Aliyar spillover is not allowed into the Chittoor River in Kerala. The once fertile Chittoor area in the Palakkad district into which the waters were to be released via Aliyar is now reeling under severe drought. As for the diversions from Neyyar River into Tamil Nadu, Kerala incurs all the expenses for the water diversion. Joseph Karoor, presenting the Mullaperiyar case and SP Ravi, presenting the PAP case gave very clear indications of what is in store if Inter linking of rivers materialises. The possibility of arm-twisting to get the consent of unwilling states is the immediate threat.

As for the Proposed Pamba Achankovil- Vaippar Link, the Mekkara dam has already been constructed across the border. The NWDA has not even consulted the

people living in the two river basins. Kuttanad, the rice bowl of Kerala, is already under the severe threat of salinity ingress and pollution from all the five rivers draining into it among which Pamba is the most important. Any diversion will simply spell the death of this pristine wetland ecosystem. NK Sukumaran Nair demanded that the govt should withdraw its decision on this link. It is a myth that Kerala has surplus waters pointed out TM Varghese.

People in both the river basins should come together and visit the basins to understand the actual scenario. The workshop came out with strategies and course of action to be taken up at different levels of the society. The ethical and ecological questions raised were whether we had the moral right to interfere with the natural and life support systems in such a massive way. The ecological and generational injustice involved in denying the rights of the river to flow, of all life forms in the flowing river and of the people dependent on the river and related ecosystems also came up for discussion. The very concept of inter-linking of rivers was questioned by many in the light of our past experience with over 4200 large dams and a large network of canals.

The gigantic plan to interlink Indian rivers to enhance irrigation, drinking water supply, control floods, generate electricity and also facilitate transportation through inland waterways was discussed in detail. The forum also raised serious reservations about its claims, especially regarding water availability. Its impacts at an international, inter-state, inter basin and intra basin level were also discussed. The most important issues raised which need further detailed studies are:

- Is there a water surplus in any river? How do you decide the quantum of surplus?
- What would be the social cost in terms of people directly displaced from the several reservoirs and the thousands of kms of canals and also the livelihoods of people destroyed by the implementation of this gigantic project?
- What would be the ecological fallout of the dams, reservoirs and canals of the inter-linking plan on the natural ecosystems, habitats of wildlife, traditional land use patterns and life supporting soil and water resources?
- What are the impacts of canal irrigation and the massive and often-destructive changes it brings to agricultural systems and traditional sustainable land use and water-use systems?
- The dangers of privatisation / Corporatisation of the water resources.
- The inter-linking could be a prelude to an even more authoritarian centralized State.
- Right to information needs to be realised.

Actions What can be done individually and collectively?

➤ The Raitha Pragathi, a quarterly published by Pragathi – a Farmer's Society for Rural Studies and Development, 72, 7th Cross, C.T. Street, Vasanthnagar, Bangalore -560052 is a platform for farmers and concerned citizens to share concerns and information. SANDRP's *Dams, Rivers & People* that is also available in electronic version can be used for sharing information.

➤ Collection and collation of all information available on the river inter-linking project and related issues, translation into local languages and raising the issues involved through wallpapers in villages, all local media and also through regional workshops was proposed. A concerted effort is required to bring all the issues and the basic questions they raise to a larger audience.

➤ Long term answers to the problems related to basic human survival have to be evolved at the local level through participatory and decentralized ways of water management and agricultural development.

➤ Work at the farmers' level - forming farmers' groups, supplying them with all information on interlinking that they can decide for themselves what to do on their land and mobilizing them to take up socially just and ecologically sustainable agriculture and land restoration work. Empower them to become better negotiators with the authorities concerned.

➤ In critical areas, to address interstate disputes like in the case of Cauvery, there should be regular meetings of farmers from the different States or different regions to discuss their problems in an amicable way and find long-term and just solutions. There was also a suggestion that participatory studies on the ecological state of river basins from the catchment areas downstream up to the deltas and the coastline should be undertaken by farmers with the help of environmentalists and scientists. This would go a long way in the eco-restoration and watershed management in the catchment areas of our dying rivers.

➤ Collect case studies from the experience of other countries in inter - basin transfers and make them available to all concerned.

➤ Initiate post facto socio-economic and ecological impact studies of a few major river valley projects in India. The Kerala State Planning Board was urged to take up one such post facto study of a large dam project in Kerala. Sri.C.P.John has agreed on behalf of Kerala State Planning Board to take up such a study for a dam in Kerala.

➤ Undertake independent impact studies of a few of the proposed inter-linking projects.

➤ Involving children in the whole issue – in discussions, in letter-writing campaigns and bring their perceptions and aspirations also in the decision making process.

➤ Effort to form river protection groups who will raise the issue of conserving wild and untouched rivers or parts of rivers and also the restoration of rivers.

Chalaky Puzha Samrakshana Samity, Thrissur-Kerala

River Linking Plans:**The disconnect between drought of good deeds and Flood of nonsense**

The current raging debate in India on the river linking proposals of the Govt of India is occurring at a time when the coalition in power at the centre is preparing to face general elections next year. On the issue of water, agriculture, food and energy resources development and management, the coalition could not have done much worse. There are many indicators of this achievement, but the clearest evidence comes from the way it managed the droughts in 2000 and again in 2002-3 and the way it is managing floods this monsoon. The river linking proposals is a way it has sought to divert the attention away from its real performance. The suggestion of the Supreme Court on Oct 31 2002 without really going into the merits of the project, following rather unscientific mention of the proposal by India's *Scientist* President in his speech to the nation on Aug 14 2002 and rather gullible political opposition and uncritical handling by a section of media have all played a supporting role in this charade.

The events are unfolding at a rapid pace. The megalomaniac water resources establishment in India suddenly found a new reason to reassert its existence. The emergence of the World Bank's new Water Resources Sector Strategy where it has said that it is again time to back High Risk High Reward projects like large dams and long distance water transfer projects was, we are told, only coincidental. Suresh Prabhu, who had to leave the Power Ministry last year following Party boss being unhappy with his *performance*, got what he thinks to be a fitting new role as Chairman of the Task force for River Linking Proposals. His over confidence notwithstanding, it must be a unique event in the history of development planning, when all concerned authorities are swearing by completion date of a project whose feasibility, they admit, is yet to be established.

The additional trouble, as if it was required, is that even the need and optimality (which alone can decide its desirability or lack of it) of the proposals are yet to be ascertained.

Current Episode The latest episode in the River Linking proposals started on Aug 14, 2002 when India's President Dr A P J Kalam, in his speech to the nation on the eve of Independence Day said, "It is paradoxical to see floods in one part of our country while some other parts face drought. This drought - flood phenomenon is a recurring feature". Dr Kalam went on to recommend a Water Mission, " One major part of the water mission would be networking of our rivers". This

seemingly rather compelling logic of transferring water from "flood affected" and "surplus" areas to "drought affected" and "deficit" areas has been repeatedly used to justify river-linking proposals. Also, many a times the very appearance of overflowing rivers flooding the surrounding land need not mean the river has too much water. As a matter of fact it can mean silted riverbeds with reduced carrying capacity due to the destructive embanking of the rivers, as is many a times the case in Assam and Bihar. It could, at other places and times could also be due to uncontrolled and sudden releases of water from upstream dams. Moreover, the phrases like "surpluses" and "wasteful flow" in river do not have are scientific basis and are misleading, to put it in most charitable way.

At the other end of the *illogic*, the apparent drought could be due to a number of man-made reasons including destruction of local water systems, destruction of forests in the catchment, overexploitation of groundwater and diversion of water in the upstream areas. The solution would lie in reversing the reasons at the roots of the crisis. Rejuvenation of a number of rivers by the communities in large parts of Alwar and adjoining districts in Rajasthan is a proof that it is feasible to solve drought related problems through local efforts. It may help our President and other luminaries swearing by this project to visit such areas and see for themselves the impact of local solutions.

Court intervention Soon after President's speech, an intervention petition was filed in the Supreme Court of India in the ongoing Yamuna Pollution Case. Supreme Court converted it into a Public Interest Petition and Notices were issued to the Union govt and all the state govts. Only two responses were received to the Apex Court notices: one from the Union Water Resources Ministry and another from Tamil Nadu govt. Let us take note that at least 25 states did not even reply to the Apex Court notice. Oddly (as we will see below), the Apex Court assumed that this meant that the states had no objections to the proposals. That assumption has proved to be unfounded, as subsequent events have showed. What did the two responses received in the Apex Court in Sept 2002 say?

The GOI response, in essence said that the feasibility reports of the proposals were yet to be completed, that after the feasibility reports are done then only can preparation of Detailed Project Reports be taken up, that there are serious legal and policy issues of

interstate water allocations outside basins, availability of financial resources and also environmental issues (in fact in case of a number of links, the Union Ministry of Environment and Forests had disallowed even field investigations as the links passed through national parks or sanctuaries). In any case, the GOI response emphasised that as per current plans, the links can be completed in about 45 years. The only other response received by Apex Court was from Tamil Nadu, which was a recipient basin from all directions and hence obviously had no objection to the proposals.

As is normal course in such matters, the Court could have decided to give more time to the states to respond on this important issue. Instead, not very realistically (as we will see below), the court assumed that the states have no objection: "The presumption therefore clearly is that they do not oppose the prayer made in this writ petition". On Oct 31, 2002, a bench headed by the then Chief Justice of India, Justice BN Kirpal (incidentally, he was to retire the next day) made an order that many judicial commentators have criticised for being unconvincing and exceeding the mandate. That order "suggested" that the govt take up the river linking proposals expeditiously and complete it in ten years. We have put the word *suggested* in inverted commas as weeks after the order of 31.10.02, when Justice (Retd.) Kirpal was asked if the policy decisions were not the mandate of the executive, he clarified at a public meeting that his order on river linking was only a "suggestion". The clarification has no impact on the ongoing case in the Supreme Court. The Supreme Court continues to be seized of the matter and has fixed next date of hearing in Nov 2003.

Presumption of Consensus As we noted above, Supreme Court assumed that lack of response from almost all the states mean that there is consensus on the issue. Paradoxically, the terms of reference of the task force that was set up following the Apex Court order included that the task force would "go into the modalities for bringing consensus among the states". Let us see how that presumption of consensus among states has proved to be wrong. So far the states that have opposed river linking proposition include Kerala, Bihar, W Bengal, Assam, Punjab, Chhatisgarh and Goa. Some states like Gujarat, Karnataka, Andhra Pradesh, Orissa and Maharashtra have shown only conditional agreement in that they may agree to some of the links (generally the ones where they are recipient states), but oppose others (generally the ones where they are donor states). Only states that seem to have shown unconditional agreement are Haryana and TN.

"Consensus building" How then will the task force build consensus? The fact that the task force is finding achievement of consensus extremely difficult is apparent from the fact that the task force has already missed one of the most important deadline, namely to call a meeting of the Chief Ministers of all the states in May/ June 2003. That meeting is yet to happen even as we are in August 2003. The task force, instead, have gone about dealing with the states individually. How the task force is going about this brief is not clear as the negotiations are happening away from public eye.

From the public statements from the various states so far, the prospects of the Task Force achieving consensus in near future does not look very bright. Water is a politically very emotive issue in the minds of the politicians and they would think hard before compromising the water rights of their state. Even states like Assam, which is the only agreeably water surplus state in monsoon, has seen the banks of the Manas river reverberating with shouts of *tej dim pani nidu* (we will give blood, not water) by activists of the

All Assam Students Union protesting against the Centre's decision to link the country's major rivers. In fact the media in Assam is full of debate on the issue and Assam govt has also been raising objections to the centre's proposals.

So while the job of the Task Force sounds tough, it is not insurmountable if past experience of building consensus by hook or by crook, as we see below, is any guide.

Kerala Tamil Nadu Model: Enforced donation! One of the earliest known attempts at river linking was the case of transferring waters from Periyar, Chalakudy and Bharathapuzha river

basins of Kerala to Bharathapuzha basin and beyond in Tamil Nadu. There was opposition to this move from media and people in Kerala. And yet Tamil Nadu got away with this apparently unjust treaty with a lot of pressure from centre. In fact, a number of papers presented at a River Linking workshop (organised by Chalakudy River Protection Committee and South Asia Network on Dams, Rivers & People) in Thrissur on July 12-13, 2003 showed that Centre made the approval of Idukki Hydroelectric Project in Kerala conditional to Kerala's signing the Parambikulam Aliyar Project treaty with Tamil Nadu. That the approval for Idukki HEP and signing of the PAP treaty (in 1970) happened in quick succession only substantiates the possibility of this being a *quid pro quo* arrangement.

The fact that Tamil Nadu has not followed releases of water into Kerala as per PAP treaty should provide lessons for the state govts considering such treaties in

future, but that is another story. What is interesting in PAP episode is that even through the PAP treaty was signed in 1970, the various dams that were used to transfer the water from Kerala were built much earlier. In fact, it seems quite strange at this stage that the then Prime Minister Nehru had laid foundation stone for the Parambikulam reservoir in early sixties when there was no treaty! Stranger still that the dam was being built on Kerala soil, exclusively for the use of Tamil Nadu when Kerala govt had yet to sign the treaty. How this happened remains unresolved mystery till date.

In the current river linking proposals the only link involving Kerala is the Pampa Achankovil Vaippar Link that proposes to transfer water from Pampa and Achankovil rivers of Kerala to Vaippar Basin in Tamil Nadu. The same combine of Tamil Nadu and Centre that were active in pressurising Kerala in the PAP case is at it once again. As if history were repeating, much like the building of Parambikulam dam before signing the PAP treaty in earlier case, now Tamil Nadu has already completed the Mekkara Dam, which is to be used in the proposed PAV link, even as Kerala is vociferously opposing the proposal and saying that there is no surplus water in Pampa or Achankovil basins! What is relevant to note here is that the Hanumanthodu, a small stream on which Mekkara dam has been built does not have water to fill even one fourth of the dam. Stranger stuff: recently it was debated in Kerala assembly that Mekkara dam had water far in excess of rainfall in its catchment! Suspecting that TN has already diverted water, the Kerala Assembly subject committee has been asked to go and investigate how water arrived at Mekkara dam. Does this mean Kerala will be once again be given a de facto river link to agree to? We will have to wait for the report of the Kerala Assembly subject committee report to get an answer to that question.

Narmada: Mystery of agreement between disagreeing parties An interesting instance of consensus building comes from the Narmada Valley. In 1970s, the Narmada Water Disputes Tribunal was adjudicating the dispute regarding sharing of water from Narmada river between Gujarat, Madhya Pradesh and Maharashtra. MP and Maharashtra were opposing Gujarat move to build a high dam on Narmada River. The Tribunal was also asked to decide the claim of Rajasthan, a non-riparian state as far as Narmada River was concerned. Both Maharashtra and Madhya Pradesh opposed the claim of Rajasthan. However, Gujarat supported Rajasthan claim as it implied that Gujarat could build a bigger dam! NWDT in one of its

interim orders said that Rajasthan not being a riparian state was not entitled to water from Narmada. Rajasthan appealed against this order to Supreme Court and Supreme Court stayed the proceedings of the Tribunal in 1972. An *agreement* was signed under the *good offices* of the then Prime Minister in July 1974 between the Chief Ministers of the four concerned states that among other things stipulated that Rajasthan should be allotted 0.5 Million Acre Feet of water from Narmada River. How that *agreement* came about when two of the three concerned states were in disagreement is not known. Arm-twisting and pressure tactics on behalf of centre is most likely reason. However, what is clear from this is that such *agreements* between non-agreeing parties through non-transparent means should not surprise us in future.

Sutlej Yamuna Link: Agreement without due process Another instance of river linking attempt in

India is the Sutlej Yamuna Link Canal. It was part of the Rajiv Longoval accord signed in 1986, when many of the constitutional institutions were not in any position to work in Punjab. Now Punjab finds it difficult to give water from Sutlej basin for the Yamuna basin area in Southern Haryana. Haryana state went to the Supreme Court for implementation of the Link Canal. The Supreme Court, in January 2001, made an order that the Link Canal be completed in One year (much like the ten year deadline given for River Linking proposals). It is six months since the one-year deadline has expired and there is no sign of the Sutlej water for the South Haryana as yet, even as the Supreme Court is hearing the contempt petition by

Haryana. As far as consensus building experience is concerned, what this instance shows is that in this case, though there was no consensus, one was assumed, in absence of proper working of constitutional machinery at state level.

Goa-Karnataka episode: Consensus by Manipulation Yet another "consensus building" effort was seen when Karnataka wanted to divert water from Mahadayi to Krishna basin recently. Goa was opposed to this move and contended that Mahadayi has no surplus water. The dispute went to Central Water Commission in Delhi, whether Mahadayi had surplus water for diverting to Krishna basin. Weirdly, even as these deliberations were going on in CWC, the then Union Water Resources Secretary, Shri B N Navalawala issued a letter to Karnataka, saying that Karnataka could divert 7.56 Thousand Million Cubic Feet of water. Goa Chief Minister was so angry that he charged Navalawala of corruption on the issue and

demanded from the Prime Minister that Navalawala should be removed. In short, soon Shri Navalawala had to go and the CWC letter regarding surplus water in Mahadayi basin was withdrawn. All this happened in first half of 2002. This instance shows us yet another *model* of consensus building: manipulate the surpluses with the help of friendly institutions.

Bihar: Agreement by Incentives? Another possible way of achieving consensus could be by providing monetary or other incentives in non-transparent way. The following episode from Bihar, narrated by our friend Shri Dinesh Kumar Mishra of Barh Mukti Abhiyan throws some light on this. In the early days of current episode of river linking former Chief Minister of Bihar Shri Lalu Prasad Yadav declared that not a drop of water will be allowed to be taken away from Ganga basin as Bihar has not been able to use the Ganga water for its own development and that did not mean that there was surplus water in Ganga. Using characteristic example, Yadav said that the fact that hungry person without purchasing power does not imply that he will have no use of food in future. However, a few days latter another statement came from the same gentleman, now saying that not a glass of water will be allowed to be diverted from the Ganga basin. A few days further down the line, the *de facto* ruler of Bihar declared that water is like oil for them. What it meant was that if right price was offered, he may be ready to sell. It is not known if Suresh Prabhu has been using his charms on Shri Yadav in achieving this transition from not a drop to not a glass to selling at a price. What is apparent is that such a transition is feasible, even as the main reason for not diverting water from Bihar remains as valid as ever: another model of Consensus building.

Maharashtra, Karnataka and Gujarat: Expand the scope Another way Shri Prabhu is trying to achieve consensus is by expanding the scope of the proposals. For example, when Maharashtra, Mr Prabhu's home state, said it did not find anything beneficial in the scheme and hence would oppose the proposal, Mr Prabhu asked them to prepare schemes that would benefit them. So the Maharashtra state has set up its own committee to explore the river linking proposals in the state for its own benefit. Karnataka has also set up its own committee to give such a report for the state in three months. Prabhu could use the same way for a number of other states including Gujarat.

Consensus without people, in whose name the projects are being pushed, seem to have no place in the decision making process. In the current River Linking episode too, people seem to have no place at all. This comes out most glaringly from the fact after 21 years of its existence, National Water Development

Agency under Union Govt's Water Resources Ministry, which has been given the mandate of doing the studies on River Linking proposals, have not been able to put any of its study in public domain. Even the task force under the media savvy leadership of Mr Prabhu, eight months after its formation, have not been able to put any of the pre-feasibility or feasibility reports of the river link proposals in public domain.

Only option left in the hands of the people is to take up the issue in their own hands and declare opposition to the project. As has been done by the people of Bundelkhand in Uttar Pradesh – Madhya Pradesh border area after a *Jal Sansad* (Water Parliament) on July 23 2003 when they rejected the Ken Betwa link being proposed as one of the first links under the river linking proposals. Similarly, at the workshop on river linking issue in Thrissur earlier in July 2003, the proposal of PAV link as mentioned above was rejected, almost unanimously including by the Kerala govt participants.

What is common to all the examples of *consensus building* is that in no case, have people been asked or even involved

Other Players There are a number of other players that Prabhu is trying to bring in. He has already had a number of meetings with the World Bank officials including one on March 27 2003 with the objective, according to water resources ministry, "to request them to share their expertise and experience on mega projects implemented elsewhere in the world."

The Bank was not lacking in enthusiasm while responding for supporting the river linking proposals. In fact, the advisor to the Bank President during a meeting in early March in Washington spoke highly of India's River Linking proposals, possible signs of events to unfold. The fact that Bank is having open-ended water resources projects in a number of states (e.g. Uttar Pradesh, Rajasthan, Haryana, Andhra Pradesh, Orissa, Tamil Nadu and also forthcoming project in Madhya Pradesh) would help this issue in no small way. Asian Development Bank and Japanese Bank for International Cooperation could be other possible candidates looking at their past records. While on a trip to Germany recently, Prabhu had requested German govt and it has been reported that Germany has offered to help in this matter.

Prabhu has also been wooing industrial bodies like the Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry through several public meetings. These meetings have raised obvious questions about privatisation and Corporatisation being part of the river linking agenda. Prabhu's numerous statements saying that private funds would be invited for river linking projects have only added strength to these suspicions. Prabhu has also been wooing some NGOs to join his bandwagon,

but his efforts here have so far not resulted in any credible results.

For management on environment side, the Task Force has roped in usual suspects like Central Pollution Control Board (a govt agency), The Energy Research Institute (formerly Tata Energy Research Institute) and National Environmental Engineering Research Institute. The trouble for Prabhu is that none of them have the requisite credibility. TERI has earned bad name after the episode regarding plagiarising of EIA for Dandeli Hydro Project on Kali River in Karnataka in which Ernst & Young too was involved. NEERI's performance has been strongly criticised when its EIA for the proposed Karcham Wangtoo Hydro Project on Sutlej River in Himachal Pradesh has been found to be biased, incomplete and shoddy. Earlier too NEERI has faced public criticism in Taj pollution case and also Delhi polluting industries case. Another agency Prabhu has sought to rope in is National Council for Applied Economic Research. However, its performance in socio economic research for Rajghat dam on Betwa River on UP-MP border and in the case of the proposed Tipaimukh Dam in Manipur has been found to be biased and inadequate. Of course it is not yet clear if Mr Prabhu cares about luxuries like credibility!

Cost of Inaction A number of proponents of the river linking proposals are fond of asking what is the cost of not taking up the project. While this sounds smart, it may be helpful for them if this article is ended with some questions that follow from that question:

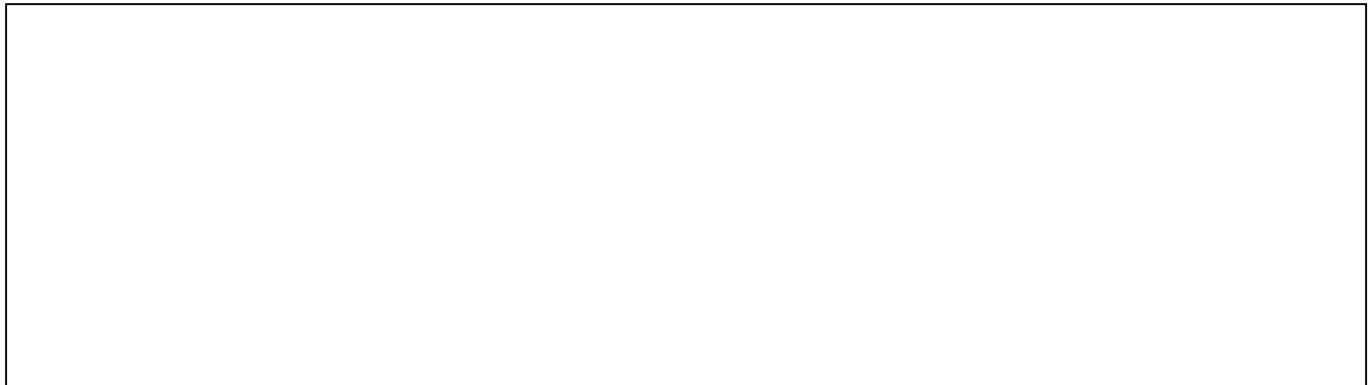
- What is the cost of not assessing and realising rainwater harvesting including groundwater recharging potential in any of the river basins in India?
- What is the cost of not assessing and realising the benefits of watershed development in any of the river basins in India?
- What is the cost of not maintaining and rejuvenating the existing local water systems (including tanks, ponds, wetlands and so on) in any of the river basins in India?

- What is the cost of not arresting the siltation in existing reservoirs in India that are silting up at much higher rates than the design assumptions?
- What is the cost of not getting optimum results from existing irrigation infrastructure in India, which is the largest in the world, but which is performing far from its optimum levels as per official reports?
- What is the cost of not creating and maintaining drainage systems in irrigation commands and other agricultural areas?
- What is the cost of not arresting the pollution of our freshwater systems?
- What is the cost of not assessing and realising demand side management options in water and energy systems?
- What is the cost of not arresting the transmission and distribution losses from our water and energy supply systems, stopping thefts and making the elites pay for the services they use?
- What is the cost of not stopping implied export of water with huge subsidies that India is indulging in at the moment in terms of sugar and foodgrains export?
- What is the cost of not managing peak power demands, not charging higher tariff during peak periods and not using the existing hydro capacities for peak power supply?
- What is the cost of not allowing adequate freshwater flows in our rivers downstream of dams & towns and also destroying the navigation potential in the process?
- If the measures listed above can take care of our needs for years to come, as has also been concluded by the report of the Govt of India appointed National Commission for Integrated water Resources Development Plan and others, why do we need projects like river linking with all its huge social, environmental, economic and financial costs?

Which *Prabhu* will answer these questions?

Himanshu Thakkar

(A different version of the article was published in Himal in Aug 03)



RIVER LINK NEWS**HOW OPPOSITION IS MOUNTING**

Bangladesh: Crisis looms Dr Qazi Kholiquzzaman Ahmad, president of Bangladesh Economic Association has expressed concern over India's plan to unilaterally divert one-third of the Brahmaputra river waters annually to its northern and southern regions, threatening Bangladesh with a serious crisis. Terming unilateral re-channeling of such a huge quantity of water by India as 'unacceptable', he said it would make Bangladesh suffer seriously. Dr Ahmad said water-sharing talks in the South Asia region should include Nepal, a suggestion India refuses to accept. New Delhi is in favour of bilateral negotiations with Dhaka. Speaking at the meeting, organised by Media Network for Sustainable Development (MNSD), Dr Khandakar Azharul Huq, MD of Dhaka WASA, urged India not to take any unilateral decision on the international rivers. (THE DAILY STAR Dhaka 070403)

Bihar says NO RJD supremo Laloo Prasad Yadav has accused the Centre of hatching a conspiracy against Bihar and said he would prefer to sacrifice his govt and face contempt of court rather than allowing the state's water to go out under the PM's national river interlinking project. Yadav threatened bloodshed if the Centre compromised the interest of Bihar on river issue. He described the project for interlinking of rivers as a dangerous mission. (THE HINDUSTAN TIMES 020403)

Gujarat objects to Damanganga-Pinjal riverlink The State Government has raised objections to the Centre's project to divert water from the Daman Ganga river in South Gujarat to Pinjal in Maharashtra, stating that this will defeat the very purpose of inter-linking of rivers having surplus water to those having deficit water. The Daman Ganga-Pinjal River Linking Project is one of the 30 inter-state projects that are to be implemented by 2016. Patel said, "We have put up a proposal to the NWDA, stating that the Daman Ganga-Pinjal river linking project is not acceptable to us, as it defeats the very purpose of the linking rivers," Patel said. "The per capita per annum amount of water in Daman Ganga basin is 3,000 metre cube, while it is around 4,000 metre cube in Pinjal. Those areas have got more rainfall than those in the Daman Ganga basin". (THE INDIAN EXPRESS 190403)

Kerala against the riverlinking project CM A. K. Antony reiterated Kerala's opposition to the Centre's riverlinking project. Addressing the MPs' conference on the eve of the monsoon session of Parliament, on July 5th, Antony said urgent steps had been initiated to protect the State's water resources, on the basis of the consensus arrived at an all part meeting convened the other day. If the project were implemented, thousands of acres of forest lands would be submerged besides rendering the central Travancore belt, including

Kottayam, Alapuzha and Pathanamthitta districts prone to droughts. The Kuttanad belt would be seriously affected owing to the intrusion of seawater. It would also hit 12 drinking water projects, said Antony. (THE HINDU 060703)

Sarva Seva Sangh opposes RLP The Sarva Sewa Sangh, the apex body of the Sarvodaya Movement in the country has opposed the proposed River Linking Project, as it will disturb ecological balance. The resolution adopted by the working committee has said, "The previous experience shows that the central control over water is bound to deprive the common people of one of their basic necessities of life in favour of vested interests". (THE HINDU 130303)

Chennai seminar seeks informed debate Prof. Vaidyanathan said he did not understand why the details of the studies and appraisals on the linking of rivers in the country continues to be a closely guarded secret rather than being open to informed debate. Sharing his views at a seminar organised by South Madras Cultural Association Vaidyanathan said, "several obvious but prima facie important, questions about the concept, feasibility, desirability and viability of the proposal need to be clarified before its implementation can be considered seriously". (THE INDIAN EXPRESS 060703)

Chennai wildlife conservation workshop calls for assessment The EIA on the proposed project to interlink rivers should be done by competent, independent and technically qualified institutions, a workshop on wildlife conservation at Chennai recommended. Expressing fears that such assessment could be obtained from many fly-by-night operators, participants said that adequate attention should be paid in choosing the agency to conduct assessment. (THE HINDU 030703)

River linking raises MoEF's hackles The MoEF has raised a host of concerns on the river-interlinking issue and demanded that an appraisal mechanism be drawn out for environmental impact assessment as well as for valuation of loss of bio-diversity and ecology. In a communication to the Task force, MoEF secretary K C Mishra has said that the proposal entails coverage of forests and wildlife sanctuaries like Raidak and Buxar tiger reserve forest. Asking for a detailed environmental study on each aspect, he has said that expert bodies from within and outside the country could conduct the study. He has also pointed out that prior approval from the Centre would be required under the Forest (Conservation) Act, 1980 even to conduct a survey in the national parks and sanctuaries. (THE ECONOMIC TIMES 050603)

River linking to have big impact on environment India's top forests and wildlife officer has warned that the environmental impact of the national river linking plan would be "very colossal" and has said that the Union Ministry of Environment and Forests (MoEF) has set up a committee of five institutes to study its impacts. (THE INDIAN EXPRESS 060503)

Climb down on river linking In a climb down aimed at bringing on board critics of the centre's proposal to link the rivers of India and develop the inter basin transfer of water, Suresh Prabhu said that the linking of rivers was still "a concept and not a project". In an interaction with Shekhar Singh, Mr V Eshwaran and Sanjoy Hazarika, Mr Prabhu said that he was prepared for a public debate on the issue and sought to allay public concerns that the centre had made up its mind and was charging ahead without being prepared to listen to another voices. On May 23rd, the secretary, Ministry of Environment and Forests put out a tough 23 point listing the ministry's concerns. (THE STATESMAN 290503)

Karnataka sceptical Inaugurating a national seminar on interlinking rivers, Karnataka Minister for Water Resources said there were may small rivers in the region which could be linked to benefit the States, but the attitude of the Centre indicated that it did not have political will to do so. He said that linking of Almatti with the Pennar in AP would be to the disadvantage of Karnataka. He said that many had their doubts about the practical problems in implementing such a huge project, particularly in view of the destruction of forests and migration of people. Recalling the success stories of Rajendra Singh and Anna Hazare, he said harvesting rainwater and adopting other conservation measures could tackle water scarcity. He urged the Prime Minister to amend the Constitution to making rainwater harvesting and water conservation a fundamental duty. (THE HINDU 010503)

Bahuguna dismisses river grid idea Renowned environmentalist Sunderlal Bahuguna today termed as "political stunt" the idea of interlinking rivers. He said the rivers were not solely for human beings. They also belonged to the aquatic animals and the flora and fauna dependent upon them. (THE TRIBUNE 060603)

Riverlinking plan a sham: Vandana Shiva A clutch of NGOs have come together under the banner of Jal Swaraj Abhiyan led by Vandana Shiva's Research Foundation for Science, Technology and Ecology to expose what it calls privatisation of rivers in the guise of riverlinking projects being planned by the centre. Citing an example Vandana Shiva says "Delhi's Sonia Vihar water treatment plant set up by Ondeo Degremont for Rs 1800 M was nothing but a river diversion scheme to fetch 635 Million litres water daily from Upper Ganga canal to Delhi. (THE ECONOMIC TIMES 170503)

M. C. Mehta decries river linking project Noted environmentalist and Magsaysay award winner M. C. Mehta has opposed the move to link rivers of the country. He termed the proposal as a short-term political move with an eye on the vote bank and utter disregard for national interest. (THE TRIBUNE 050603)

River linking is a political gimmick: Ramaswami The go ahead given to the gigantic River linking scheme by the NDA govt is aimed more at drawing political mileage than providing relief to those who suffer from excess of rains or water deficit, said the former water resources secretary, Ramaswamy Iyer. Speaking at a workshop on Water and Sanitation for the Poor at ICRISAT, Iyer said that the RLS would be the biggest ever intervention in nature that would change the geography and ecological balance \in the country. Iyer disputed the notion that the linking of rivers would be of nay assistance to control floods. He said, quoting an expert, that even if all rivers in India were linked together, the problem of flooding would not be solved. The rivers have a natural course unlike highways and there could be no comparison between wires, pipes and rivers. (DECCAN CHRONICLE 020703)

President of India to Nation on August 14 2003

"Mission 1: Networking of Rivers The first mission on the Networking of Rivers is under active consideration of my Government and from the task team evolving the plan of action, we must move on to a mission mode programme including an ecological enhancement plan for executing the project. This mission will eliminate the periodical problem of droughts and floods experienced in a number of river basin States and provide both water and power security. In addition the nation has to embark on water harvesting and desalination of seawater as national missions.

Mission 2: Quality Power Availability of quality uninterrupted power should be ensured at an affordable price, which is a key to economic growth. This is our second mission. The existing capacity of about one lakh Megawatts would need tripling by the year 2020. To achieve it, apart from hydel, thermal and nuclear power systems, we need to give thrust to sustainable energy resources like bio-mass, wind and solar farms of 800 to 1000 Megawatts capacity and to efficient transmission and distribution."

Prime Minister ON AUG 15 2003 "Friends, for decades a debate was going on about a project to link our rivers, as a way of freeing India from the curse of floods and droughts. Now we have taken up this challenge. I am pleased to inform you that work on two river-linking projects, with the cooperation of State Governments, will be taken up before the end of this year. We will mobilize necessary resources for these projects."

W Bengal Academy of Science and Technology Workshop:**Interlinking of Rivers: Doable and Desirable?**

The Earth and Planetary Sciences Section of the W Bengal Academy of Science and Technology, organised a Workshop on Interlinking of Rivers on the 23 May 03 at the Indian Institute of Chemical Biology, Kolkata. It was co-sponsored by the Geological Survey of India, National Bank for Agriculture and Rural Development, Indira Gandhi Rashtriya Manab Sangrahalaya - Bhopal, Xth West Bengal Science and Technology Congress, Vidyasagar University - Midnapore, State Water Investigation Directorate - W Bengal, among others. Over 70 senior Scientists and Technologists from various institutions and different fields of expertise comprising civil engineers, earth scientists, hydro geologists, biologists, ecologists, agronomist, academicians, social scientists, economists, specialists in environmental science and others from different institutions participated. 15 invited experts presented theme papers on different aspects, which was followed by discussion from the floor.

It was broadly recognised that the technical challenge of the proposal may be “doable” but not “desirable” before a careful study, analysis and monitoring of impacts over a period are made, as the proposal is beset by several potentially dangerous consequences many of which may be unforeseeable. It was resolved that the scheme may not be executed at least not in its ‘Grand scale’ and not before an in-depth study is made; transparency on various environmental, ecological, economic and social issues is desirable. The parameters to determine water surplus and water scarce areas and balancing by water transfer are contentious issues and critical technical data e.g. river flow and many others are mostly lacking, and those present are not available in public domain and often not even to the investigating experts. It was noted that the Northern, Southern and Western regions of the country, which broadly conforms to basin configurations and climate, might be analysed separately. Integration and basin-wise information from these regions regarding rainfall, generated water endowment, per-capita availability of water as surface run-off and groundwater, storages created in reservoirs, as against projected all purpose demand, including irrigation, during 2050 (when the population is presumed to stabilise), indicate that the Northern India is deficient in water whereas the Southern and drought prone-Western regions are excess in water resource - which is just opposite of common perception. Further, the issue of transfer of river water may cause severe inter-district, inter-state, inter-country disputes, and there is a danger of severe social strife that can divide its people and break the country; example of Cauvery intra-basin transfer of water dispute between Karnataka and Tamil Nadu being a pointer. Execution of the project requires

consensus with the neighbouring countries like Nepal, Bhutan, Bangladesh and also China.

It was recognised further, that rivers are natural systems connected like a web in a macro-dynamics of nature, its floral faunal milieu and not merely conduits of water; and that the idea of excess water in any basin is an unmixed myth, and the peak discharge and flooding are natural hydrological events that restore ecological balance of the river valley, its delta and estuary; and that any withdrawal of water at upper reaches depletes water resources downstream changing river dynamics, parameters of its flood and delta plain

The biogeochemical parameters of river water are in harmony with the rocks, soils, climate and aquatic life of the river basin and thus mixing of water from diverse ecological and environmental settings, and pollution levels are likely to invite ecological disasters. The criss-crossing of canals will have significant negative impact on prime wildlife habitat (as in N Bengal) resulting in loss of valuable biological diversity in protected areas and accelerate man-animal conflict; and link canals may also change the vector-distribution profile resulting in potential spread of vector-borne diseases in hitherto fore unaffected territories.

The criss-crossings canals, often would be oriented across the natural slope of the terrain and cut across fertile agricultural land; the diversion of rivers and construction of long system of canals in a densely populated country like India will also involve displacement of people on a colossal scale. There would be significant loss of water as leakage and evaporation in long distant transfer, affecting hydrological and geohydrologic setting of the tract causing water logging, salinisation of soil and other problems, example of Rajasthan canal being a pointer.

The proposed Brahmaputra-Ganga link has to traverse numerous Himalayan rivers, across natural topography and requiring construction of numerous aqueducts and structures controlling the courses of Himalayan river system, which are known for their rapid change; such massive interventions would, in turn impair hydrological balance, geohydrological setting and ecology of the area, which is also tectonically disturbed and seismically active. Many of these identified problems would also accompany other interlink canal systems. It was therefore resolved that comprehensive, transparent, participatory and extended cost-benefit analysis are necessary for each subprojects before action plans are formulated.

It is further recognised that, the mega-proposal involve huge investment, the estimated cost based on pre-feasibility studies being to the tune of \$112 B, which is

likely to escalate substantially and it is apprehended that the cost is likely reach \$ 500 B or more which exceeds the present annual GDP of the country; and this cost estimate excludes the unquantified cost of environmental and ecological damage and long term effects of inter-basin transfer of water. Noting in this context further that several medium and major scale irrigation and water resources projects of much lesser dimensions are languishing since the 2nd 5 Yr Plan and the major factor identified for their delay is inadequate cash flow. Besides 9th and 10th 5 Yr plan documents show that “river linking plan” had not been considered as part of the planning exercise at national level.

Large dams have created many controversies not only from ‘displacement’ point of view but also on their function as flood protecting measure, and are often blamed to have induced floods. Further, the “transfer of water from other river basins” even if doable, is unlikely to ameliorate the drought-prone regions of the country for which local and regional watershed development and water harvesting, developments of community water projects need to be practiced. The work of Anna Hazare and Rajendra Singh has redemonstrated the efficacy of this.

It was thus resolved that a thorough scrutiny of the mega-proposal is particularly important at this juncture when the paradigm of water resource management is undergoing a fundamental change.

It is thus resolved that an assessment of present and optimal use is necessary within donor basins after ensuring that other cost-effective alternatives for augmentation of water resources in receiving basins have been implemented and requirement of water (projected demand for irrigation, domestic, environment and industry) scientifically assessed, so that such transfers, if at all are minimal and within similar agro-climatic zones.

- SK Acharyya, Convener, Workshop on Interlinking of River Basins & Convener, Earth and Planetary Sciences, W Bengal Academy of Science & Technology

Assam Science Society seminar oppose The majority of participants at a national seminar on riverlink plan organised by the Assam Science Society in Guwahati opposed the central govt’s river link project on the ground that the issues connected with the environmental, physical; economic and social impacts of the project on the State are yet to be made public for the consideration by its people. Confronted with the question as to how a storage dam on Sankosh or Manas can prevent extreme flood in Upper Assam, Dr CC Patel, the vice chairman of the Task Force admitted that such a dam had no such capacity. But, he said in

reply to another question that the project was such that it was possible to supply a regulated amount of water against payment. Most of the participants however felt that the project has rather eyed on taking away river water from the state, rather than doing anything to solve the State’s problem of flood. (ASSAM TRIBUNE 010503)

Guwahati University teachers oppose Under the auspices of Guwahati University teachers Association, a seminar on ‘Interlinking of rivers: Issues and Concerns’ was held. Prof D C Goswami in his keynote address alleged that the govt has all along maintained a secrecy regarding the negative fallouts of the project. He also criticised govt for showing utter negligence towards the genuine concerns of the people arising out of the interlinking project. Prof Bhagwati gave an anthropological perspective on the project, detailing the humane and cultural implications of the project. Participants in the seminar emphasised that the proposed project lacks transparency and the people have been deprived of their right to information about the project as well as its impact on the people. (ASSAM TRIBUNE 290503)

Massive protest against riverlinking Hundred of people today made a unique demonstration against the proposed riverlinking by forming a human chain on the bank of the river Manas, which is also included in the project mooted by the Centre. The protest was called by AASU and Asom Unnati Sabha. (ASSAM TRIBUNE 280603)

Scholars warn of Disaster Speaking at Shanti Niketan at a seminar conducted under Natural Disasters Management Cell of Viswa Bharati, Scholars warned that riverlinking will bring disasters in Assam, W Bengal and Bihar, besides other places. They also wondered how the govt could take up the project without taking written consent of the concerned states and countries. Dr Manik Kar said that the project would not be possible and if attempted would bring dangerous consequences to flood management. (ASSAM TRIBUNE 100303)

Only 45 monsoon days water to be transferred from Brahmaputra? According to Planning Commission Advisor (WR), only the water of about 45 monsoon days in a year will be transferred from the surplus areas, where the rivers are in high flood during this period. In case, there is no flood, there will be no transfer of water, he claimed. He was contradicting the Planning Commission Member in Charge of Water Resources. He was also contradicting Task Force Chair Suresh Prabhu when he said that the country needed 400 MT of foodgrains by 2050. Mr Prabhu, in an obvious attempt to inflate figures to inflate his case of river linking, has been parroting that India needed 450 MT foodgrains by 2050. (Assam Tribune 070303)

Floods- Patna, Delhi and Kathmandu

It is floods time again. The agenda is how to save Bihar from the recurring floods it faces and a commonly agreed expert approach is that the solution to the flood problem of the state lies not in Patna but in Delhi and Kathmandu. This implies that unless the tributaries of the Ganga are dammed in Nepal, the floods will persist. Obviously, the responsibility to convince Nepal to agree to such a proposal lay with the Central Govt and not Bihar. It is also asserted, though unofficially, that flood control is the constitutional responsibility of the centre and this is not the state's job. Because Bihar floods are horrifying, it is easier to understand the state's eagerness to hand over the responsibility to the centre. It is altogether a different matter that such offers are made only when different parties rule in the state and the centre. If the political parties were serious about the flood issue, then the problem would have been sorted out during the 40 years of Congress rule or, more recently, during Devegowda or Gujral's tenure.

Some 3454 km long embankments are built along the Bihar rivers at a cost of Rs 113.27 B (till March 2002) to protect 2.949 M Ha. At the same time, the flood prone area of the state has risen from 2.5 M Ha (1954) to 6.88 M Ha (1994). There is balance of about 4 M Ha of the flood affected area that is yet to be tackled for which, apparently, no money is available as all the money that is allocated for flood control is consumed in maintaining the already constructed embankments. Not an inch has been added to the embankment length in Bihar for the past 13 years. The embankments along the rivers are in a dilapidated condition and 11 km length of them has been washed away in past 2-3 years. Some 0.941 M Ha remains waterlogged in the state and a proposal to drain 0.441 M Ha at a cost of Rs 9.41 B is awaiting sanction. Nobody knows, when the money would be made available and when the work will start. The Water Resource Secretary of the state mentioned in a workshop in Patna, on 2 March 2002, that there was no money available for taking up any of the projects.

Annual report of the Bihar Water Resources Dept (1999-2000) suggests that some 0.15 M Ha of waterlogged land in the state has been cleared of water logging. The Planning Commission has directed the state to constitute a special task force to study the problem of water logging. The task force identified 11 schemes in the Gandak Command and 13 in the Kosi Command to be taken up at an estimated cost of Rs 3.18 B (1998) to clear 0.15 M ha from waterlogging. No work was, however, done on the drainage for past 10 years (prior to 1998) because of paucity of funds. The

govt allocated Rs 50 M in 1998-9. But as no work was done for past so many years, when the engineers went to execute the schemes, they found that the topography has changed a lot and no work is possible with the drawings and the estimate that they had prepared. No work is likely to be done till such time the topography is re-assessed. They could complete just one such scheme, worth Rs 10.18 M, and 886 Ha was freed from water logging (no one knows where this scheme is located). At this pace, it will take centuries to free the state from the menace of water logging.

Maintaining the embankments has become a drain on the resources of the state. Bed level of the rivers has gone up because of the embankments and water logging is on the rise. Frequent breaches in the embankments have created a state of fear in the minds of people living in the so-called protected areas and, sometimes, they resort to cutting the embankments. In places like Manihari (Katihar), the govt officials encourage and help the villagers to cut the embankments. This has aggravated the conflict between those living within the embankments and outside them. Those living inside of the embankments want the embankment to breach because of the rising flood levels but that would spell a doom on to those living outside the embankments. Guns have replaced lathis when the warring groups come face to face with each other. The breach that occurred in the right embankment of the Burhi Gandak in Sept 2001 was sponsored by the traders of Samastipur, the local villagers suspect, since the place where the breach occurred was one of the sturdiest reach. If that had not happened, the river water would have entered their godowns in Samastipur. The same traders were the first to reach with the relief materials to the affected villages, the villagers complain. Embankments also breach because some engineers, contractors and the fishermen want them to breach and such cases are increasing by the day.

Seeking reprieve from floods by building embankments is no less controversial. Embankments prevent the spill of a river but they also prevent the free flowing water from entering into the river during monsoon causing water logging outside the embankment. This is further aggravated due to the seepage from the embankments. The embankments also prevent small rivers and nallahs from draining their water into the river. Theoretically, a sluice gate at the junction should solve the problem but, in practice, such gates get jammed in sand and lifting them during monsoon would mean that the river water might flow back into the tributaries. When sluice gates fail, the only option left is to embank the tributary also

The Bihar Water Resources Secretary said in 2002 that there is no possibility of any dam being constructed in Nepal, at least, for 60 years to come

and that leads to water locking between the embankments and makes water logging a permanent feature. When embankments break, as they inevitably do, it converts floods into deluge. A status paper on the floods of Bihar published by the Govt of Bihar calls these views as colonial bent of mind because the British held similar views as long as they stayed in India.

A section of engineers, however, believe that if the same quantity of water is passed through a narrow area, as happens in case of an embanked river, its velocity increases and so does its eroding capacity. The river water resections the river by cutting its banks and dredging the bottom. This increases the discharge carrying capacity of the river and the floods decline. These were the arguments put forward by engineers in independent India when they resorted to massive embanking of rivers in the Ganga and the Brahmaputra basin. The debate, whether embankments reduce the floods or enhance them, is not likely to be resolved in the technical circles.

Engineers take advantage of this inconclusive debate. They have solid scientific arguments to defend or reject the embankments to meet the wishes of the politicians that lead to a nexus between the two. The contractors and the financial institutions join them. The common public has never had any role in any decision-making. It is not likely to have one in near future also. Now that the embankments are not functioning and accusing fingers are being raised towards them, and excuse is being found in the dams proposed in Nepal.

Why should Nepal be interested in the floods in Bihar, in the first place? She might have had a feel of floods in 1993, when thousands had died in the floods that followed a breach in a natural dam upstream of the Kulekheni dam built on one of the tributaries of the Bagmati. In the same basin, floods in Sitamarhi and Sheohar districts are an annual ritual. There was so much devastation due to floods in Alwar and Bharatpur in Rajasthan in 1996 but those floods are forgotten now. They were forgotten because the event was repeated after a lapse of 20 years. No one in India is, apparently, bothered about the floods in Rajasthan. Going by the same logic, Nepal is entitled to forget the 1993 floods.

The fact is that the flood control is a non-issue for Indians also; we use it only as a plank to propose the dams in Nepal and give false hopes to the flood victims of Bihar. We also need power and that is the reason when these proposed dams make any news, it is the megawatts, and never the area to be protected in million hectares, that is counted. Benefits of flood control are incidental and relate to emergencies and can very easily be sacrificed for power production that runs through the year. It is essential for flood control

that part of the reservoir is kept empty to provide for the flood cushion all the time but the 'power brokers' will never allow that to happen. Flood control is purely a welfare measure and will not generate any revenue.

The performance of the dams in controlling the floods is suspect at best. In July 2001 frequent releases from the Hirakud Reservoir in Orissa ranging between 1 - 1.6 M cusecs had inundated the coastal areas rendering millions homeless, breaching embankments in more than thousand places and killing hundreds. The tale of miseries that the people of Orissa suffered, in 2001, was drowned in the din of Parvez Musharraf's Agra visit and, later, due to the brutal murder of Phulan Devi. Nobody ever asked why there was such a massive release from the dam in the beginning of the monsoon. Wasn't flood control one of the stated objectives of this dam? The dam building lobby tossed up the names of many dams then that should be built, as a supplement, for Hirakud to be effective. Just as the media and politicians were busy with Musharraf and Phulan Devi, nobody asked as to what purpose Hirakud has served.

The engineers have solid scientific arguments to defend or reject the embankments to meet the wishes of the politicians that lead to a nexus

Earlier in 1999, the dams built on the Bargi, the Tawa and the Barna in the Narmada Valley had proved grossly ineffective in containing the floods in the hilly terrain of Bhopal and Hoshangabad. The parliamentary elections here had to be postponed because of, and despite, these dams. Seeking flood protection through dams is like relying on fair weather friends who part company when needed most. The DVC dams in 2000 in W Bengal stood a silent witness to hundreds of human deaths. Unfortunately, the builders and those

seeking protection from the dams, both tend to forget the history and firmly believe that this is not going to happen to them. One is reminded of the famous legend in Mahabharata, when the Yaksha asked Yudhishtira as to what a wonder was (*Kim Ashcharyam?*) and Yudhishtira replied that people everyday watch persons dieing and yet believe that this would not happen to them. It is this attitude that acts as shield to the dam lobby. The engineers and politicians exonerate themselves of any responsibility by saying that the damage would have been much more had the dams not existed. The respective CMs faithfully observed the ritual in case of DVC, Hirakud & Narmada dams.

We are yet to find an answer to the problems of location of the proposed dams in the seismic zone, heavy sediment load that the Himalayan Rivers carry in their flow, power tariff, strategic defence of these dams and now protecting them against terrorist attacks, and so on. It is also foolish to think that to protect the people from floods in Bihar, so many people in Nepal will offer themselves to bear the brunt of displacement. If at all they do, they will quote a price that will be high enough

to heal their wounds of leaving their homes and hearths. There is a proposal for 30 dams in Nepal at the moment. If constructed, these dams will submerge 2200 sq km of prime land in Nepal, which constitutes 1.5 % of the total land there, and will drown 20 % of the irrigated area of that country. These dams will also edge out 0.6 M people from their homes who constitute 3 % of Nepal's population. It is a million dollar question whether Nepal will ever agree to such a proposition.

Present govt in Bihar has started appreciating the role of embankments because, it seems, it has started seeing reason in the indefinite postponement of the construction of the said dams in Nepal. It now wants the existing embankments to be strengthened and raised. It also wants to blacktop the embankments to facilitate movement of the vehicular traffic. It is difficult to appreciate whether any of these measures would reduce the floods, rising of the riverbed level or water logging. There is a directive to evacuate the embankments of encroachers who have made the embankments their permanent or seasonal abode. Many such people living on the embankments have been served notices. The encroachers obstruct the maintenance, the govt feels.

What the govt does not feel is that these encroachers are not there for fun. They are there because their villages and homes are eroded, sand-cast or waterlogged and they have no other place to live. The embankments are the only high grounds available now where people can find some place to pass the rainy days. Why doesn't the govt identify the reason for such encroachment and provides these encroachers with alternative place to live?

who takes these decisions? This cannot be the verdict of those living within the embankments because rising and strengthening of the embankments will definitely spell a doom on them. Those living in the countryside, but not very far from the river, also may not subscribe to such views, as higher and sturdier embankment would pose a greater threat to their survival. This is a verdict of those who live far away from the rivers and may not have anything to do with it. The proposed measures would inflict more injuries on those who are already suffering. Blacktopping of the embankment will not affect floods or water logging. The flood victims will suffer more if the flood control or management process slips away from the river itself and their hardships will be proportionate to the distance where decisions are made. While distance up to Patna is safe, Delhi or Kathmandu is not desirable at all. It will not take much

time for the solution to travel from Delhi/ Kathmandu route to multinationals in Europe, Australia, Japan or USA. In which case, the HQ for Bihar flood control will be somewhere in New York, Melbourne or Tokyo.

It will then become far easier to say more emphatically "What can we do?" Just as they say today that the water that causes floods in the Bihar plains is released from Nepal knowing fully well that Nepal has no control over the flow of water of the rivers debauching into the Indian territory. Bihar engineers, who work solely on the directions of the Water Resource Dept of Bihar and draw their salaries from the Govt of Bihar, man the two barrages on the Kosi and the Gandak. The pity is that the media, print and electronic both, helps spreading such canard and passes the buck on to Nepal while it should stop somewhere in Sinchai Bhawan, in Patna.

Any decision to control floods in Bihar or, for that matter, in the Ganga Valley, should not be taken emotionally, by shifting the responsibility or on popular slogans. It should be done realistically and with the consent of the affected people after a national debate.

Now, a new phenomenon of Riverlinking proposals has emerged which is supposed to solve all the problems of the droughts and floods. The proposed dams in Nepal are the essential component of the riverlinking and, it seems, Nepal is not aware of our plans. Shri Lalu Yadav, in an open meeting to discuss the riverlinking issue had said, on 2 April 2003 in Patna that he will not allow 'our water' to go elsewhere. He repeated these remarks in his famous *Lathi Ghumawan Tel Pilawan* rally in Patna, later in April. But in the month of May he said 'this water is our petrol'. This implies that if somebody is prepared to pay the price, Bihar won't mind selling it. That is agreeing to sell rivers for a

price.

The BJP in Aug 2002, had held a meeting on floods in Patna emphasizing that the proposed dams are uncertain and that the state should not pass the buck of floods on to the centre and must strengthen the state machinery to tackle the floods locally. The same BJP now wants the riverlinking to be pursued knowing well that the Himalayan Component of the riverlinking means dams in Nepal first. Can even God (or Prabhu for that matter) save the people?

Dinesh Kumar Mishra (mishradk@satyam.net.in) August 03

A river diverted, the sea rushes in: Indus basin in Pakistan

Abbas Baloch gazed ruefully at a wide, shallow bay of the Arabian Sea. "This used to be our land," he said. "And now it's covered by the sea." When Baloch was born 38 years ago, this watery expanse was far away from his family's estate on the Indus River delta. But after decades of dam and canal projects upstream, his farmland has largely been swallowed. The dams and canals were built in India and upstream parts of Pakistan for irrigation and power. Little thought was given to the consequences downstream. Here at the mouth of the Indus, the river has dried up and seawater has rushed in to replace its flows, inundating 800 Ha of the Baloch family's land. The family has received no compensation, said Baloch, who is now trying to make a living in the overcrowded business of coastal fishing.

For millions of smaller-scale landowners, tenant farmers and river fishermen, the loss of land and the water shortages caused by diversions upstream have been even more devastating. Many have moved to the slums of nearby Karachi; others remain in desolate villages, stunned by the sight of empty canals. From its glacial origins in the Himalayas to its mouth at the Arabian Sea, the Indus and its tributaries support the world's largest system of irrigation canals. The waters of the Indus basin sustain millions in Northwest India and literally underwrite the nation of Pakistan, population 145 M & growing. The progressive blocking & diversion of those waters have also provided a stark example of the ecological havoc such projects can cause.

"It was just a race for the water, with no expert planning," said Sikander Brohi of the Center for Information and Research of the Bhutto Institute in Karachi. No one has fully measured the economic and environmental effects of half a century of water developments on the Indus, or shown what a different pattern of management may have achieved. By now, the pitfalls of large dams are notorious. The largest single project on the Indus is the Tarbela Dam, in North, completed in 1976. As a report in 2000 by the World Commission on Dams said in damning understatement, "the ecological impacts weren't considered at the inception as the international agencies involved had not realized the need for it at that time."

Yet the pressure for new, perhaps dubious projects remains intense. Residents of Punjab Province in central Pakistan, who have enjoyed major benefits and suffered relatively few of the damages of past projects, are pressing for another major dam. Pakistan is forging ahead with a disputed new canal in Punjab that will divert still more water to bring new desert lands under cultivation. "A lot of the engineers and politicians consider any flow of water into the sea to be a waste, and they consider the mangrove swamps of the delta to be a wasteland," said Mohammed Tahir Qureshi, coastal ecosystem director in Pakistan for IUCN.

The division of Indus basin waters has been a source of Indo-Pakistan friction, largely but not entirely solved by the Indus treaty in 1960. Even more, it is a source of bitter

conflict in Pakistan, with Sindh Province here in the south claiming that the more politically powerful Punjab Province of Pakistan is grabbing more than its share. "Upstream, they are demanding more water for canals, but we are demanding water to save our coastal area," Mr. Brohi said. "The dams are not giving proper benefits to Sindh," he added, expressing a view that is universally held in Sindh and rejected by officials in Punjab. "When our crops need water, they are filling the dams to meet needs in Punjab."

The social & environmental damage is most visible in the Indus delta itself, which used to be a vast network of creeks surrounded by rich silt that yielded abundant rice crops for export. The traditional year-round flow into the sea was drastically curbed a few decades back, and more recently, with ever more withdrawals it has disappeared altogether. "At least we used to get water through here for 2-3 months of the year," said Muhammad Ali Shah, Chairman of the Pakistan Fisherfolk Forum, during a visit to half-abandoned villages just above the delta. "But for the last four years there has been no flow at all. The fields can't be planted and now drinking water has become the biggest issue." With no river to push it out, the sea is pushing in. Along the coast, at least 0.5 M Ha of farmland have been covered by seawater. Millions more acres inland have been impaired or destroyed by salt deposits.

The coastal marshes, where fresh water and salt water are mixed, were filled with the mangrove forests that are vital to spawning of fish and shrimp and to protect the shoreline. Long under pressure from timber lobby, these forests now suffer the greatest threat yet, a lack of incoming fresh water. Once more than 345 000 Ha, the area of mangroves in the Indus delta has shrunk to less than 200 000. Trees are stunted in many of the remaining forests, and the number of species has dropped to 3 from 8. Fisheries have suffered with catches of some of the most valued species nearly disappearing. Overfishing is another problem: driven out of farming by the absence of water, thousands of people have switched to offshore fishing, putting enormous pressure on the stocks.

The flood plains along the lower hundreds of miles of Indus were covered until recently with rich forests, occupied by more than 500 000 people engaged in animal husbandry, farming and forestry. But now the river so seldom overflows that the riverine ecosystems are failing. At best, the mix of tree species is changing and in some areas, vegetation is dying out, leaving ghost like skeletal remains of forests and abandoned settlements. Could it be different? Scientists in Sindh want more water released from upstream, in patterns more attuned to ecological needs of the lower basin. They also note that an estimated 40 % of the diverted waters are lost to seepage from canals and evaporation, losses that can be curbed with investments in modern irrigation. (By Eric Eckholm in NEW YORK TIMES 220403)

DAMS**Bansagar Dam: 30 years, 18 B, project incomplete**

The foundation stone for 67 m high and 1020 m wide dam on Son river in Devlaud village in Shehdol district (70 km from Rewa district) in MP under the Bansagar Multi Purpose Project was laid in 1973 and the project cost was estimated at Rs 3 B when Planning Commission approved it. The latest CWC estimate is Rs 26.34 B. So far Rs 1.86 B has been spent on irrigation component. After 30 years and having incurred the expenditure of 18 B, it has surely submerged 56428 Ha land and displaced 0.15 M persons from 336 villages but there is no result. On the other hand, in 2000 there was a breach in the Dam wall and now there are unconfirmed reports of yet another breach. The inter-state project between MP, UP and Bihar needs Rs 7 B more. The central govt has allocated Rs 590 M for Dam wall and canal construction as well as for compensation towards land acquisition under AIBP while at present govt has to spend Rs 170 M towards establishment charges and Rs 130 M for wages. Currently Bihar is getting 2000 cusecs water from the project. On completion project will use 4 MAF water, of which 2 MAF is MP share and 1 MAF each is for UP and Bihar. The project is now planned to be completed in June 2004. 0.157 M Ha land is to be irrigated by the project in Rewa subdivision including Rewa (93056 ha), Satna (23186 ha), Sidhi (34 396 ha) and Shahadol (4047 ha). (JANSATTA 210303)

Upper Tunga cleared The central govt has cleared the Rs 10 B Upper Tunga project in Haveri dist on Tunga river, a tributary of Tungabhadra, to be completed by 2005 at a cost of Rs 10.52 B (2001-2 prices). The main aim of the project, apart from irrigation is to divert water during floods. The project became controversial, as it required 449 Ha of forestland for 339.5 km main canal, of which 49.26 Ha come under the eastern border of the Shettihalli Wildlife Park. On completion the project is to irrigate 0.076 M Ha in Hirekerur, Ranebennur, Haveri and Hanagal taluks in Haveri district. The local Farmers have been demanding compensation for lands lost. (DECCAN HERALD 210303)

Dam proposed on Suvarnarekha Close on the heels of Arjun Munda becoming CM of Jharkhand an ambitious Dam project over Suvarnarekha near Ghodabandha and Birsanagar is under consideration. TELCO is also interested. (HINDUSTAN 270403)

Water from Lakya dam Kudremukh Iron Ore Company has agreed to release one tmc ft of water from Lakya dam in Chikmangalur dist to Bhadra reservoir for drinking water needs in the drought affected Tungabhadra basin. (BUSINESS LINE 120403)

NABARD, AIBP Funds NVDA secretary has said that NABARD has released Rs 580 M for Maan Irrigation Project (to irrigate 15 000 Ha), Rs 770 M for Jobat

Irrigation project (9 850 Ha) and Rs 3.85 B for Rani Avantibai Sagar project. For the Bargi diversion scheme, the central govt and NABARD has released Rs 3.16 B. This project involves 194 km long canal of which construction for 65 km has been started. The project to irrigate 0.245 M ha including 0.157 M ha through left bank canal is to be completed by 2012. He also informed that under AIBP, the central govt has released Rs 7.5 B for Indira Sagar Project. NABARD has sanctioned Rs 803.2 M for Upper Beda Irrigation project in Khargone district to irrigate 9900 Ha. (BUSINESS STANDARD 310303, JANSATTA 180403)

CAT work a fraud? Himachal Pradesh power minister expressed concern over the poor implementation of the Catchment Area Treatment plans under the HEPs and sought details from the HPSEB in this regard. She said she was disgusted that hardly any vegetation was visible in various project areas though crores had been given under the CAT plans. Saying that no efforts were made to ensure proper implementation of CAT plans, she asked the Board to probe what happened to funds allotted to forest dept. (THE TRIBUNE 250403)

Idukky to get seismographs Kinometrics Inc, the earthquake instrumentation equipment supplier to the US defence system has offered to step in to give new generation broadband seismographic support to Idukky HEP, Asia's first arch dam. KSEB is expecting delivery of 10 high sensor digital seismographs from the California based company in 30 days. KSEB's three HEP – Idukky, Edamalayar and Kakkayam – will be brought within the automated seismographic ambit. (FINANCIAL EXPRESS 210303)

Rajasthan Plan Rajasthan govt has formulated a plan for each district for utilisation of water after a survey. It comprises of 48 000 big, medium and small projects for watershed development and 150 schemes for irrigation, 92 of which has been sanctioned by NABARD. Also, an Rs 7.33 B WB funded scheme for repair and strengthening of the dams constructed before 1970.

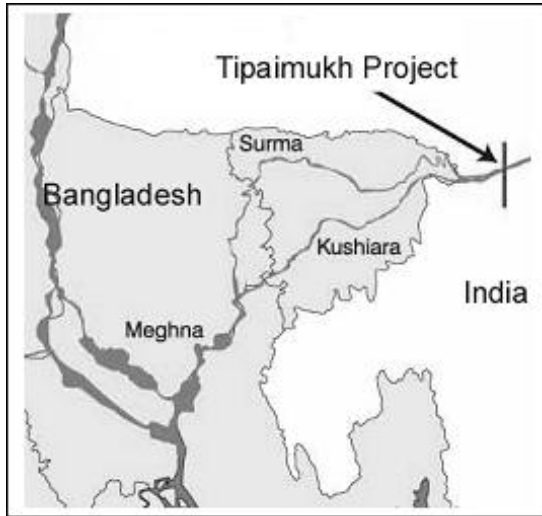
➤ The state govt has prepared a master plan for utilising the Chambal basin waters and sent proposals for 348 minor irrigation projects, 10 lift schemes, 10 medium projects and two large projects to the Central Water Commission. (THE HINDU 120403, 210403)

Rs 50 B needed for Cauvery Schemes Karnataka Water Resources Minister informed legislative council that Rs 50 B was needed to complete 5 major irrigation and 29 lift irrigation projects in Cauvery basin to be completed by 2004-5. At least Rs 2.10 B was needed to complete lift irrigation projects in Hemavathy region. Totally Rs 30 B is required to complete the projects in Hemavathy region and Rs 8.7 B is required for Kabini II. The govt will establish Cauvery Neeravari Nigam to mobilise resources for implementing these projects. (BUSINESS LINE 190303, DECCAN HERALD 270303)

Tipaimukh opposition

Bangladesh objections to Tipaimukh project

(Map not to scale)



Tipaimukh is set to be built on the river Barak, which divides into two streams as it enters Bangladesh — the rivers Surma and Kushiara. The Meghna originates at the confluence of the Surma and the Kushiara. Being upstream of a major river system of Bangladesh, officials and experts of Bangladesh fear that the Tipaimukh Project could inflict on its downstream neighbour's economic, ecological and human catastrophes. They claim that it could hit the country fatally. "After completion of the project, Bangladesh would get less water in three rivers — Meghna, Surma and Kushiara," Quamrul Islam Siddiqui, president of the Institution of Engineers said. A source in the Joint Rivers Commission said, "We unofficially requested our counterpart in India to give information about the Tipaimukh project. But they did not respond to our request." Dr Ainun Nishat, country director of IUCN Bangladesh said, "Bangladesh govt can attempt to find out how the project would operate during the rainy and dry seasons and negotiate to ensure the flow of the rivers". Sources at the water resources ministry in Dhaka said that at the Tipaimukh instance, the international convention that an upper-riparian country would inflict 'nothing damaging' on its lower-riparian neighbour is not being practiced. In August, the concerned people of Bangladesh have launched a movement against the project. (New Age (Bangladesh) 220703, 180803)

Objections to the Dam Many indigenous organizations had made formal submissions objecting to the Project to NEEPCO, the implementing agency, by 19 March 2003, the deadline for submissions under Section 29 of the Electricity (Supply) Act. These included the Citizens

Concern for Dams and Development, Committee Against Tipaimukh Dam, Naga Women's Union of Manipur, Centre for Organisation Research & Education, Naga People's Movement for Human Rights, Hmar Students' Association, United Naga Council, and All Naga Students' Association Manipur. In addition, many indigenous Naga and one Hmar Village Authorities from Tamenglong District, Manipur made submission demanding that the project be discontinued.

Meanwhile the UN Permanent Forum on Indigenous Issues, during its second session, discussed the threat posed by the Tipaimukh project to local tribals. Raising the issue in the Forum, representatives of the Centre for Organisation Research and Education said, "the Dam will mean virtually the total destruction of the worlds of Hmar and Zeliangrong tribes and also have a long term impact on many other indigenous tribals in the adjoining areas." (CCDD PR 170403, THE TELEGRAPH 240503)

Compensatory Afforestation before Env Clearance!

In a strange move in April 2003, Divisional Forest Officer, Tamenglong, Manipur, wrote a letter to the Chairman, Old Tamenglong Village Authority, saying, "the W Forest Division, Tamenglong is to take up compensatory afforestation works over 1471.4 ha for Tipaimukh HEP in areas near the affected forest villages along the Barak and Irang rivers. This expenditure will be borne by NEEPCO and the plantation so created is to be permanently protected. You are therefore requested to convey the willingness or unwillingness of your village". As CCDD, a Manipur network active on Tipaimukh and other dams in the region said, "This is in gross violation of the guidelines laid down by the GOI. There is no environmental clearance given yet for this project, nor has there been a public hearing. Yet the Forest Dept of Manipur issued this notice". This implies that the whole process of Env clearance and public hearing is just for show and the decision of taking up the project is independent of that. Another evidence that the MEF is just acting as an appendage of the Dam lobby.

The reply given by RK Inthuingong, Chairman, Tamenglong Village Authority is thought provoking, "We are not interested in your so-called "compensation". Our interest is to safeguard, protect and develop our land. Our land is everything to our life. We cannot allow our land to be taken away by anyone or allow it to be submerged under water for any reason. It should remain with us for generations to come. I, therefore, pray to you that you should leave us and our land alone, never try to do anything funny at the cost of our land and rivers against our interest". (CCDD 050703)

HYDRO PROJECTS

Hydro MoUs under scanner The Himachal govt has decided to review all MoUs on HEPs signed by the outgoing govt. (THE INDIAN EXPRESS 210303)

Nathpa Jhakri The Sutlej Vidyut Nigam has signed a PPA with the Rajasthan Rajya Vidyut Prasaran Nigam for the sale of 112 MW power. SJVN has already signed PPA with Punjab, Haryana and Chandigarh for sale of 188 MW. (TRIBUNE 060303)

SJV gets Rampur HEP The HP govt has decided to entrust the Rampur HEP to the Sutlej Jal Vidhyut Nigam. The decision was taken at a meeting between Union Power Minister and HP CM. Union Power Minister was non-committal on the state's demand for a review of the agreements on the Parbati and Kol HEPs, being executed in the central sector, to facilitate HP's equity participation. The CM however stuck to his stand, saying his Govt believed that equity participation should be allowed in ongoing projects as the centre and state govts could easily renegotiate the agreements. The CM said the issue of equity participation was all the more important when a question mark had been put on the continuation of policy of giving 12 % free power as royalty to the source state. Later, CM said that the govt would look into the controversial PPA with J P Industries under which the Board had to buy electricity from the 300 MW Baspa HEP at Rs 3.36 per unit. (THE TRIBUNE 100403, 030603)

Russia interested in Himachal HEPs Russian ambassador has said that Russia would extend its cooperation in setting up medium and small HEPs. He said that instead of developing mega hydel projects, small units should be set up. (INDIAN EXPRESS 090303)

Sewa HEP cleared The MEF cleared 120 MW Sewa HEP II in Basholi tehsil of Kathua district in J&K. The project is to be completed in four years with an estimated cost of Rs 7.05 B including Rs 0.70 B Interest during Construction. (TREIBUNE 090403, 160403)

Kol dam hit by controversies Another controversy relating to distribution of Rs 3 B compensation to displaced families whose land was acquired for the Kol dam, in Bilaspur dist in HP rocked the project. Under the first phase, 1500 bighas of land belonging to about 3000 families from nearby villages, falling under Bilaspur, Mandi and Shimla districts was acquired. The controversy arose as some villagers in Bilaspur including Kasol, Chamian, Bhaut and Shand complaining of the award being discriminatory. Congress MLA from Kot Kehloor had raised the issue during elections. Project Director said that Rs 1.4 B has already been paid as compensation.

➤ **Management served notice** Himachal Labour and Employment Minister said that the govt had served a notice on the management of Kol dam Project in

Bilaspur district for its alleged violation of memorandum of understanding with the state as the management had not earmarked jobs for Himachalis. (THE TRIBUNE 110403, THE INDIAN EXPRESS 140303)

Govt pushing private HEPs The power ministry is trying to expedite the financial closure of 8 'fast track' private power projects including 3 HEPs – Maheshwar in MP, Dhanwari Sunda in HP and Vishnu Prayag in Uttaranchal. Also in the list are 5 projects in Andhra Pradesh where the state govt has proposed an incentive linked payment security mechanism in place of escrow cover. Currently all the six AP projects lack a viable payment security mechanism. The financial institutions involved in the projects, led by The Industrial Development Bank of India had been dithering on coming forth to finance the projects. The lenders have also expressed doubts about the 8-9% return on investment for the projects. Meanwhile, CAG has taken objection to the fact that Uttaranchal Power Corp is providing electricity to Jaiprakah Associates at its under construction Vishnuprayag HEP at Rs 1.75 per unit when it should be charged Rs 4.5 per unit as per commercial rates, as is applicable to Tehri project. (BUSINESS STANDARD 040303, RASHTRIYA SAHARA 050303, POWERLINE March 03)

Purulia awaits PIB nod The 900 MW Rs 31.89 B Purulia Pumped Storage Project has been placed before the PIB for approval. While 85% of project cost is being funded through soft loan being extended by the Japan Bank for International Cooperation, the equity component is to come from the NHPC (70%) and WBSEB (30%). These projects produce costly power since they use more power than what they generate, while claiming to fulfill the vital need of providing quick energy during peak periods. Mitsubishi Heavy Industries, Mitsui & Co and Toshiba Corp are among the Japanese companies involved. (BUSINESS LINE 200303)

Supa HEP rendered idle The Supa reservoir's main water storage facility of Kali HEP is fast receding rendering most of the power generation capacity of the project idle. The water level stood at 518.70 m (against maximum level of 564 m) as on March 18th, the water level on the same day last year was 523.45 m. Ganeshgudi power station (50MW X 2) attached to Supa dam, can generate power till water level comes down to 513.5 m. Thereafter sluice gates of the dam will have to be opened (till water level reaches 494 m, below which no water will flow downstream) to continue power generation at Nagzari, Kodalalli and Kadra stations downstream. Against total generation capacity of 22 MU, only 3-7 MU are generated now. Moreover, people living downstream in Ganeshgudi, Dandeli, Ambikanagar, Haliyal and Kadra are dependent on the Kali River for water supply. The 145 tmc Supa reservoir filled only once in 1994 since its commissioning in 1981.

Now it has only 19.25 tmc water. (DECCAN HERALD 200303)

Graft alleged in Baglihar HEP On March 25, in J&K assembly the opposition National Conference and some coalition partners demanded the appointment of a commission to probe in the allocation of work for constructing 450 MW Baglihar HEP to Jai Prakash Industries without inviting global tender. There were noisy scenes as Ali Mohammed Sagar (NC) alleged that contractors had paid a bribe of Rs 200 M to certain high-ups in the present govt. Power Minister denied the allegation and said members should come out with evidence to enable the govt to take action. He said that an advance payment of Rs 4.05 B was made to Jai Prakash Industries for civil and hydro-mechanical works, Rs 1.88 B to Siemens Hydro Wavey for electrical and hydroelectric works. Three other companies were given advance payment of Rs 140 M. Mr Tarigami questioned why the govt was hesitant in ordering an inquiry into the functioning of the project management which was committing atrocities against the labourers by retrenching 1500 of them arbitrarily and not implementing the labour laws. J&K govt was contemplating a probe into the procedures through which the contract of the project was allotted to Jai Prakash Industries Ltd.

Baglihar workers strike The indefinite tool down strike by workers of Baglihar HEP to protest the termination of 1400 employees started in the first week of March. On March 10 around 4500 workers along with their family members assembled at the dam site at Chanderkote in Doda Dist demanding cancellation of termination orders and immediate release of their union leader. Protestors charged politicians on corruption and financial irregularities to benefit JP Industries. On March 13, Police opened fire on the protestors injuring some 50 protestors. On March 25, Mohammed Tarigami (CPM) raised his concerns for the ongoing strike by workers, criticised the illegal termination of workers and pointed out that after three weeks the govt was yet to respond. Dy CM Mangatram said that govt would try to resolve the issue by tripartite dialogue. On 30 March, 7 workers were arrested during a demonstration against the govt. On April 10 workers ended their strike following the compromise with management over retrenchment of 1400 workers. Javed Zargar, General Secretary, Baglihar Project Workers Union said "we have resumed work at the site this morning, as J P Industries has accepted workers' demands including the cancellation of the termination of 1400 employees of the project". (THE TRIBUNE 100303, 260303, 110403, BUSINESS LINE 100303, 280303, RASHTRIYA SAHARA 260303, DAILY EXCELSIOR 100403)

Salal employees protest transfer The employees working on Non-Gazetted posts in Salal project who are sitting on protest dharna for the past several days against transfers, were assured from time to time that

none of them shall be transferred out of their native state, where over a dozen new power projects have been taken up by NHPC. The plea of NHPC authorities to declare employees as surplus cannot be accepted when recruitment of supervisory persons on large scale continues in this part of the country. A deputation of Salal employees called on Minister for Power on April 9. The Minister assured the delegation to take up the matter with the Union Power Minister and NHPC.

➤ **Salal employees lathicharged** The security Force lathicharged the employees of Salal hydel power project, who were sitting on dharna at Jyotipuram in Reasi tehsil for last several days in protest against their transfers to Arunachal Pradesh. Salal Project Employees Union president, Mr Narinderkant Sharma has condemned the lathicharge on the peacefully protesting employees.

➤ **High court stays transfer of 119 Salal employees** In a significant order, Justice Parmodh Kohli of State High Court has stayed the transfer order of 119 employees of Salal Project. These employees have been transferred from Salal Project Jyotipuram to Arunachal Pradesh where the National Hydro Electric Power Corporation has been allotted three hydro projects. (DAILY EXCELSIOR 070403, 100403, 060503)

Pala – Maneri HEP Preliminary survey and research work has begun on (Rs 22 B) 416 MW HEP Pala-Maneri HEP on the river Bhagirathi by the Uttaranchal Jal Vidhyut Nigam. It is claimed that the project would generate 1576 MU of power. (BUSINESS LINE 100303)

Chamera 3 NHPC has invited global bids for the construction of the 231 MW Chamera 3 HEP on Ravi River after receiving techno-economic clearance. The work will be awarded on a turnkey basis. (BUSINESS LINE 140303, POWERLINE March 2003)

PPAs of 8 Karnataka HEPs cancelled The Karnataka SERC has cancelled the PPAs of 8 HEPs including one promoted by the Samajvadi Party leader Amar Singh, who had promoted the 16 MW Harangi HEP near Mysore. Other PPAs cancelled include a 24 MW HEP of Godavari Sugar Mills. The decision means that none of the project would be entitled deemed generation benefits among others and promoters will have to submit the PPAs to SERC to get its approval. These PPAs were signed in 1999; however, none of these obtained any regulatory approval before feeding into the grid. These projects currently contribute about 190 MU per annum. The tariff applicable to these projects is Rs 3.49 per unit and the financial implication is Rs 660 M. The tariffs of these HEPs are in line with the norms of the MNES, which assures 16% return on equity. The regulator has reduced the purchase from these units to 34 MU. (BUSINESS LINE 150303)

Vishnuprayag pact signed A tripartite agreement has signed by the Uttaranchal govt, Uttar Pradesh govt and Jai Prakash Power Ventures Ltd, according to which

12% power produced from 400 MW Vishnuprayag HEP will be provided free of cost to Uttaranchal. (THE TRIBUNE, BUSINESS LINE 240303, JANSATTA 270303)

MoU with THDC for Uttaranchal HEPs The Uttaranchal govt signed a MoU with the THDC for the 340 MW Vishnugad-Pipalkoti HEP on April 8th. A multi-purpose storage scheme on the river Alaknanda in Chamoli district is to be completed in six years at a cost of Rs 18 B. (THE HINDU 030403)

Uhl With the first blast for the construction of 8.28 km long headrace tunnel, the work on the 100 (2X50) MW Uhl III HEP has started. The project approved in 1987 and estimated to cost Rs 976.6 M (1999 prices) has seen 500% cost escalation by now. Located near Jogindernagar in Mandi district, the powerhouse will be on the right hand of the Beas near Chulla village. The project earlier envisaged use of the tail water of the Shanan and Bassi HEP I and II respectively. Later the capacity was raised from 70 to 100 MW by adding the water of the Neri and Rana rivulets after desilting. Combined water will be carried through 1.145 km and 0.7 km long open channels to the Bagla reservoir of 17.6 ha m capacity. (THE TRIBUNE 250403)

Subansiri: Assam clears 856.3 Ha Assam govt has given clearance for use of 856.3 ha of reserve forest land required for Rs 66 B 2000 MW Lower Subansiri HEP. However the NHPC has been given clearance subject to conditions. One of the conditions is that no more big hydro projects will be taken up in the Subansiri basin and that entire catchment of the dam will be converted into a National Park. (ASSAM TRIBUNE 180303, other sources)

The Union Ministry of Env and Forests have cleared Env clearance for Bairabi the 80 MW Bairabi HEP in Mizoram. The work on 22.92 MW Bairabi TPS is in advanced stage. (BUSINESS STANDARD 190303)

Karcham Wangtoo gets PEOPLE's Protests and CEA nod

Even as the People of Himachal Pradesh rejected the controversial Karcham Wangtoo HEP, the CEA has accorded techno-economic clearance to the largest private HEP so far, to be set up on Sutlej river. The project would be executed by Jaypee Karcham Hydro Corp at an estimated cost of Rs 59.1 B. (BUSINESS LINE, THE ECONOMIC TIMES 180403, see DRP May-June 2003 and Down to Earth 310703, p 15)

SMALL HYDRO

HP Power Minister has decided to ascertain whether the generation capacity of mini & micro HEPs assigned to the private sector had been underrated by the IPPs.

➤ **Kurhed HEP cleared** HP has cleared (Rs 306.4 M) 4.50 MW HEP on the Kurhed Nallah, a tributary of the Ravi River in Chamba district. (TRIBUNE 020403, 250403)

UP The centre and state govts have sanctioned estimated Rs 232.5 M for small HEPs in UP. The capacities of various proposed projects are: Chandiyala and Akbarpura projects in Meerut 500 KW each, Betwa project 200 KW, Betwa Canal Head powerhouse in Jhansi 1300 KW, the Ghunchai project in Pilibhit 800 KW, Jamuni project in Lalitpur 200 KW and Kuthaund project in Jalaun 1400 KW. (BUSINESS LINE 190403)

Karnataka Bobba Power Projects, Bangalore has invited bids for the civil engg works (approx value Rs 0.2 B) of 15 MW (3X5) Mannapitlu HEP on Gurupur River in Dakshin Kannada district.

➤ Geneva Power Ltd, Bangalore has invited National Competitive bids for civil works for 4.5 MW Grikan HEP (approximate value Rs 70 M) in Chickmangalur Dist under the World Bank funded second Renewable Energy Project. (INDIAN EXPRESS 250403, BUSINESS LINE 270403)

"Privatise R&M of SHP" The 33rd report of the Parliamentary Standing committee on Energy has recommended privatisation of renovation and modernisation of SHPs due to lack of resources for their maintenance. (BUSINESS STANDARD 050303)

UNIDO sets up S. Asian centre for SHP The Vienna based UNIDO has opened its South Asian regional centre for small HEPs at the Energy Management centre in Thiruvananthapuram. The centre will take up R&D in SHPs with a focus on participatory sustainable development. EMC has already been associated with International Network on SHP of China in efforts on generally the same lines. The CM, while inaugurating the centre said the state was being forced to tap HEPs yet again as its flirtation with thermal power in the interregnum had cost it dearly. He stated that the state holds the potential for at least 400 SHPs with an estimated 800-1000 MW capacity. These projects would be able to generate 2000 MU annually. UNIDO hopes to provide assistance for 30 SHPs in the state initially. (BUSINESS LINE 050403)

8 PPAs termed illegal in HP Several HEPs being executed in private sector face uncertain future with HP SERC issuing notices to the HPSEB that PPAs signed for these projects are illegal. The previous state govt had empowered SEB to sign PPAs with private parties. The 8 HEPs include 4.8 MW Jagatsukh, 2.5 MW Hul, 3.5 MW Balij ka Nallah, 5 MW Masali, 3 MW Aleo, 16 MW Patikari, 5 MW Dehar augmentation project and 3 MW Sechi. The agreement for the Sechi HEP was signed on Feb 17 2003. SERC maintains that SEB has no jurisdiction for signing PPAs and the govt decision in this regard was a violation of the act. (THE TRIBUNE 190303)

NEWS FROM THE NARMADA VALLEY

SSP: Agitation in Mumbai On April 23, the discussions were held with the Maharashtra CM, which was also attended by the rural development Minister. The CM said that work on the Sardar Sarovar dam would not be allowed to proceed further until rehabilitation of all the oustees is completed. He promised to hold detailed discussion on all the questions raised by the NBA on 8 May. On April 24, the Planning Committee and the Overview Committee meeting with respect to the Task Force were also held. The govt has been trying to reduce the number of people to be rehabilitated, as brought out by the Task Force. Also by threatening people with submergence they have been trying to force uncultivable lands on to them. The NBA and Punarvasan Sangarsh Samiti representatives made it very clear that they will not allow this to happen. Keshavbhai explained how the whole process of showing land to people for selection is flawed and how the authorities have been misbehaving with them during the whole process. The govt agreed to send the proposal with regard to the undeclared oustees so that they are not deprived of rehabilitation. Regarding 73 forest-villages discussions were held with the Revenue Minister. It was demanded that the conversion of these forest villages into revenue villages is completed at the earliest and that adivasis should be allowed to live there and not be displaced. (NBA PR 240403)

Maheshwar: Rob LIC to save SKumars LIC has been asked by the finance ministry to hold a board meeting to take a decision to pay up SKumars' default dues to make it eligible for Power Finance Corp's credit enhancement guarantee. LIC has been asked to reconsider payment of Rs 1 B in advance so that SKumars can clear their dues.

➤ Lenders to the MHP were to meet to discuss the issue of Rs 3.5 B fully convertible debentures to make up for the equity gap. SKumars is scouting for strategic partner or a domestic FI to cover the Rs 3.5 B gap.

➤ **Holes in project financing** NBA has questioned the Centre and the MP Govt's latest move to set aside the minimum requirements of public financing of projects. NBA was highly critical of the Centre and state govt going overboard to bail out SKumars. NBA said that the Union govt as well as the state govt had chosen to virtually order the LIC to hand over Rs 1 B of public money to SKumars so that the company could pay off its huge default in terms of repayment to the PFC. It may be recalled that till very recently, the SMHPCL were the PFC's third largest defaulter. It would be illegal for the PFC to give SKumars a credit enhancement guarantee or any more public monies since it had defaulted on the money already borrowed from it. Moreover, legal proceedings had begun against the SKumars groups companies, Induj Energetech Ltd and SMHPCL and the movable and immovable properties of the MHP were attached on Dec 20 2002. It

may be recalled that the Tarapore Committee had identified and censured the "ever-greening" practices of various FI in which they extend loans to corporates who have defaulted on previous loans in order to wipe off their defaults. It may also be noted that the Policy on Private Participation in the Power sector issued by the Ministry of Power through gazette notification of 22 Oct 1991 stipulated that "at least 11% of the total outlay must come through promoter's contribution." The project outlay of Rs 22.33 B necessitates a minimum promoter's contribution of Rs 2.45 B. Yet, there seems to be no discussion about the order of magnitude difference in the estimate of promoter's contribution. In fact, the Secretary (Power), GOI merely concludes that the Promoter will infuse balance equity in a time bound manner. Thus, the promoter will pay his contribution "in due course" and "in a time bound manner", but the LIC will have to be milked for an advance subscription to the debentures, without fulfillment of any of the stipulated conditions, so that the SKumars defaults can be paid off. This is in clear violation of the pre-disbursement condition stipulated by the lead bank - the IFCI in its March 2000 reappraisal report that the SKumars must bring back the Rs. 1.064 B with interest that it had given away to agencies that neither did any project work, nor had any approved project contracts, before any further public funds are disbursed. The Reports of the CAG of 1998 & 2000 note that the promoters are yet to pay millions to the govt. (BUSINESS LINE 100303, THE ASIAN AGE 290303, NBA PR 040403, THE HINDU 080403)

Indira Sagar: Stop work notice from Railways The Central Railways have slapped a notice on the Narmada Hydroelectric Development Corp asking it to stop raising the Indira Sagar Dam's height. The notice has been slapped under Railways Act 1989 Section 151(20) to prevent submergence of a 57 km long railway line between Talwadiya and Khikiya stations on the Mumbai-Kolkata line. The alternative route is under construction, to be completed by Aug 2004. The NHDP was planning to raise the dam height already at 225 m, to 239 m, which would have submerged the rail line. (BUSINESS STANDARD 030303)

Omkareshwar: CCEA clears project estimates The CCEA has approved Rs 22.247 B as the cost estimate of the Omkareshwar project (Unit 1 & 3). The multi-purpose project is being constructed on the Narmada River and will have an installed capacity of 520 MW. The project is to generate 1166 MU in the initial stage and is to provide peaking support to the W Grid.

➤ **Omkareshwar Contract to Voith Siemens** The NHDC has handed over Omkareshwar HEP to the Jai Prakash – Voith Siemens consortium on a turnkey basis. "Work is to begin in a month", said NHDC chief executive officer. On the R&R, he said it would not be a problem since "only" 4613 families of 30 villages were to be resettled on account of submergence. (BUSINESS LINE 010503, THE ECONOMIC TIMES 160603)

Snippets of scene even as Narmada Water has reached Gujarat a year ago...**POST SSP GUJARAT:**

Neglect of Saurashtra dams boomerang With summer setting in only 2 out of 70 dams in Saurashtra have water that could last till the monsoon. Nearly 60 dams are virtual playing fields. Though 8 other dams have little water, they may dry up by mid-April. As excess water was released by the govt in view of the assembly and local body elections, shortage is imminent now. While govt has allocated 80% of Irrigation budget on massive Sardar Sarovar year after year, there are no funds even to maintain or undertake desilting for Saurashtra dams. (THE TIMES OF INDIA 160303)

Nal sarovar dries

Villagers from Nani Katechi - a village in the vicinity of the famed wetland Nal Sarovar - are migrating in the midst of acute drinking water crisis as the lake has completely dried, after seven years. Only half of its people are at home this summer. Men from nearby villages too have gone in search of work. For their livelihood they depend on fishing, agriculture and ferrying tourists when the birds arrive - all gone to naught with the drying of the lake. Worst hit this year are the 700 odd fisherman and boatmen. Just 80 kms away from the state capital are these villagers who have to walk and wait for hours at *viridis* to fill one pot of water. (THE INDIAN EXPRESS 250403)

Fish die as Sabarmati is dry Guj CM's promise of bank-to-bank water permanently in Sabarmati river -- when waters of the Narmada river were released into the Sabarmati amid much fanfare eight months ago -- now rings hollow and smells fishy, literally. The banks of Sabarmati River now stink, as millions of dead fish lie rotting. Water is no longer being released into the Narmada canal, as it is has been shut down for maintenance and repairs. The Sabarmati is dry again. Besides, the river is facing another hazard: stagnant sewage water. The riverbed had long become a breeding ground for mosquitoes. To check the threat from mosquitoes, the AMC released 500,000 Gambusia fish a month ago. In a month, with waters receding, the fish started dying. Officials say the river is likely to remain dry for several months. (IANS 240303, INDIAN EXPRESS 130303)

Contractors halt pipeline project A sudden spurt in basic steel and PVC resin prices and bureaucratic delays has brought work on the SSP drinking water pipeline work to a near standstill. The result is, despite having an 835-km-long trunk pipeline network capable of transporting water in bulk, the 5400 villages of Saurashtra may remain thirsty for yet another year. The Gujarat govt's inability to tie up funds on time led to the contractors developing cold feet. During the period

there was an unprecedented 40 % price hike in steel and PVC resin immediately after an additional Rs 2.4 B was arranged through a HUDCO loan. With no price escalation clause in the contracts, there was no way the contractors were going to start work. "It is hard to believe that after investing nearly Rs 30 B, the Saurashtra pipeline project is struck in a phase that barely needs another Rs 5 B," commented a bureaucrat. (THE TIMES OF INDIA 050403)

Narmada Water to Rajkot to stop The supply of water to Rajkot from the Maliya branch canal of SSP will stop from Aug 11 for cement lining of the Saurashtra and Maliya Branch Canals. The Water Supply started in May was being supplied through unlined canals. The water supply to Rajkot for now will be from the Aji, Nyari and other dams as was the case before May 2003. (INDIAN EXPRESS 110803)

Tremors in SSP Area

Even as the Sardar Sarovar Dam was being filled to its highest reservoir level so far in July 2003, the areas around SSP felt several earthquakes, the highest one being of 4.3 on Richter Scale. The project authorities were quick to declare that dam is not affected by the quake. There were contradictory statements by some connected with the project. While one structural engineer claimed that the dam could withstand a quake of magnitude 6.0 on Richter scale, another claimed that dam could withstand quake of upto 8.5-9.0 on Richter scale. The imprecise statements must leave the people of Gujarat and Narmada valley completely doubtful, particularly in view of some questions that the SSP and NCA authorities have consistently refused to answer:

- Why is the quake activity in the project area not made public every month?
- Why are the reports of the Dam safety panel kept under raps?
- Why is there so little progress on the underground River Bed Power House of SSP?
- Why is there no disaster management plan for SSP, made in consultation with the affected people and made public knowledge?
- Why is it not declared what is the maximum earthquake that the dam can trigger and dam area can experience and what will be impacts in various areas surrounding the dam site?

Gujarat, having experienced one of the worst earthquakes just two years ago, can ill-afford not to get answers to these questions. (Various)

No Narmada Water for Kidney failed Mangrol In Junagadh dist in Gujarat the coastal area of Mangrol block have become the scene of a major health scare.

Take Loej village five kms from coastline for instance. 200 odd families have one thing in common: each has at least one member suffering from kidney stones. According to WHO norms, the total dissolved solids in drinking water should not exceed 500 ppm. In Loej, the TDS content is 4000 - 8000 ppm. Over the past three decades, salinity ingress has made ground water unfit for drinking in village after village. "Out of the 60 villages, 23 are gripped under total salinity ingress. In 29 other villages it has contaminated more than half of the ground water resources. As the state's drinking water schemes always remained pipedream, villagers had to rely on well water, even while ground water table was depleting fast. Rhetoric of Narmada water supply can't put balm as the scheme is meant for only parts of Jamnagar and Rajkot. (THE INDIAN EXPRESS 280403)

Gujarat jobs growth lowest

In a startling disclosure, statistics published by the govt indicate that the employment growth in organised sector in Gujarat is at a 15-year low. The Gujarat govt's latest reports, 'Development Plan 2003-4' and 'Socio-Economic Review 2002-3', show a drastic fall of 11.34 % in the availability of jobs during the last five years in private and public sector industries put together. Both these budget documents report that in 2002, the state's organised sector employed 1.586 M people, the lowest since 1988, which was then at 1.562 M. The deceleration in jobs is uniform both in public and private sectors. The public sector — including units owned by the Central and state govts, quasi-govt and local bodies — employed 95.5 M in 1998. The figure was down to 88 M in 2001. In 2002, it further went down to 84.9 M. The private sector employed 81.8 M in 1998. It went down to 74 M in 2001 and further to 73.7 M in 2002. (THE TIMES OF INDIA 160403)

Gujarat: Drowning under Debt

CAG The Comptroller and Auditor General of India has warned that the Gujarat govt 'is gradually getting into a debt trap' by violating 'the cardinal rules of debt sustainability'. Not only have revenue receipts and own resources during 1997-2002 failed to increase at the same pace as debts, there is a decline in the net availability of funds from the borrowings, as 'a large portion of the funds are used up in debt servicing'. Taking strong exception to the 'application of borrowed funds to meet current consumption', the CAG says, this indicates the inability of the state to expand 'its developmental activities'. In the section on public debts, the CAG says, "The overall fiscal liabilities of the state increased from Rs 201.39 B to Rs 453.01 B between 1997-2002, at an average rate of 22.82%. CAG adds, "In addition to these liabilities, the govt guaranteed loans of its various corps and others in 2001-2 stood at Rs 162.19 B". The CAG regrets, "The Constitution of India provides that the state... may borrow within such

limits as may from time to time be fixed by an Act of the legislature. However, no such law was passed by the state to lay down any such limit."

Gujarat warned Increasing amount of money has to be set aside in each year's state Budget to finance past debts. If the amount was Rs 45.12 B in 1999-2000, the govt set aside Rs 79.06 B in the Budget for 2003-04. At a recent govt-sponsored workshop, the state's political leadership was warned that debts of the Gujarat govt were 'rising at an alarming rate' and there is a 'sharp increase in interest and debt-servicing'. As a result, the state may fall in 'a debt trap and unsustainable fiscal situation' leading to fewer funds made available for infrastructure and social sector.

RBI The Reserve Bank of India report reveals that Gujarat's Gross Fiscal Deficit has been one of the highest in India. At Rs 97.525 B, the budget estimate for 2002-3 suggests that the state's GFD is next only to W Bengal's. Standing at Rs 58.16 B in 2002-3, the revenue deficit of Gujarat is higher than all other states. As a percentage of GFD, the state's revenue deficit was 59.6%. Comments the study, "More than one-half of the GFD has been on account of the revenue deficit. This implies that a significant proportion of borrowed funds have been utilised for meeting revenue expenditure. The accumulation of debt and debt service obligations has put constraints on the state's ability to undertake developmental activity." Quite in line with the RBI's observation for the country, the higher borrowings to finance the budgetary deficits, have led to an increase in debt, and have had an adverse impact on Gujarat's developmental expenditure. The budget estimate for 2002-3, quoted by the RBI, suggests that developmental expenditure has gone down by 8.3% over the previous year. At Rs 197.63 B now, it was Rs 215.52 B in 2001-2. Gujarat's non-developmental expenditure rose by 10.5%, from Rs 75.84 B in 2001-2 to Rs 83.78 B in 2002-3. (THE TIMES OF INDIA 020303, 030403, 280603)

CAG concern over Guj Water PSU losses In its latest report, the Comptroller and Auditor General of India has expressed serious concern over the total budgetary support to the Gujarat govt's public sector undertakings within one year went up from Rs 40.05 B (2001-2) to Rs 64.88 B (2001-2). This is apart from the Rs 132.98 B of outstanding loans guaranteed to all state PSUs as on March 31, 2002. The CAG, in an instance of political interference in PSUs' working, said the Gujarat Water Resources Development Corp drilled excess number of tubewells—332 of 500 in the plan—in just one *Mehsana* district, mainly on the recommendations of the then ministers and MLAs, ignoring the allocation made to other districts. (THE TIMES OF INDIA 290303)

WATER SECTOR

India ranked 120th in Water Quality India has been ranked 120th for its water quality in the United Nations evaluation. Only Morocco and Belgium are ranked lower than India. Bangladesh, Sri Lanka, Nepal and Pakistan have fared better occupying the 40th, 64th, 78th and 80th slots. India also ranks 133rd among 180 countries for its poor water availability of 1880 cubic metres per person annually. The Asian rivers are the most polluted in the world, with three times as many bacteria from human waste as the global average and 20 times more lead than those of industrialised countries, says the report. Despite huge amounts of money being spent on increasing water supply and installing water treatment plants, the quality and availability of water is fast deteriorating. Central funding for the Accelerated Rural Water Programme was stepped up to Rs 21.10 B in 2002-3 and for Accelerated Urban Water Supply Programme the central govt released Rs 4.3 B and the state govts Rs 3.1 B in 2002-3. 40% of the total water supply goes waste. The UN report predicts that by 2050, at worst seven billion people and at best 2 billion people in 48 countries will face water scarcity. Climate change will account for 20% of increase in global water scarcity. (BUSINESS STANDARD, HINDUSTAN TIMES, THE TIMES OF INDIA, THE HINDU 060303)

FAO “warning” According to a new FAO study “Unlocking the water potential of agriculture”, there is significant scope for increasing rain fed foodgrains production through suitable water harvesting systems, but appropriate investments and policy changes were needed. (THE HINDU 160303)

WATER PRIVATISATION

ADB gives \$ 1.4 M grant for Kathmandu project ADB has approved a \$ 1.4 M technical grant assistance to help improve Nepalese capital Kathmandu’s sanitation and water supply system. The project, to be implemented under the private sector participation will cost a total of \$ 1.75 M, of which the Nepal govt will contribute \$ 0.35 M. (THE TRIBUNE 160403)

Camdessus Report and WB Response The World Panel of Financing Water Infrastructure, chaired by Michel Camdessus, issued a report at the Third World Water Forum in March 2003 with recommendations on ways of meeting investment needs in the water sector. According to estimates of the World Commission on Water, quoted by the Panel, investment in water must increase from \$ 75 B to \$ 180 annually. As part of this, water supply and sanitation investments need to double from the current \$ 15 B to \$ 30 B annually to achieve Millennium Development Goals. The Camdessus Report, much to the delight of the World Bank, has recommended resumption of lending to high-risk high

Increasing reliance on tubewell and handpumps

Between 1991 and 2001, India’s population grew by 21.3% but the number of houses grew by 27.7%, from 195 M to 249 M as per the census data released recently. The number of households with sanitation facilities has nearly doubled over the decade to 70 M, more than 60% of households still stand deprived of a latrine on premises. While there is a decline in the number of households that depend on wells for drinking water from 49 M to 35 M, there has been a remarkable increase in the number of households that depend on handpumps and tubewells for drinking water: from 45 M to 79 M. The number of households with access to piped drinking water has gone up from 49 M to 70 M. 85 M, or 44% of households still do without power. (THE ECONOMIC TIMES, BUSINESS STANDARD 180403)

Tamil Nadu Only in Madurai and Coimbatore (out of total of 29) districts the percentage of families with access to safe drinking water and sanitation are above the average level in the urban and rural areas, says the study by M S Swaminathan Research Foundation. More than 10% of the households in TN did not have access to safe drinking water till 1999. Ramanathapuram and Kancheepuram dist were the worst affected regarding drinking water availability in urban areas. Drinking water situation was equally bad in both rural and urban areas in Ramanathapuram, Sivganga, Padukotai, Salem, Dharmapuri, Tirunnavamalai and Nilgiri districts. Urban area fare better than rural areas regarding drinking water and sanitation facilities, 62% families in small towns do not have access to sanitation. (THE TELEGRAPH 170303)

reward surface and groundwater storage projects. The WB, in its response to the Camdessus Report in July 03 has expressed its delight at this. However, the WB has found the prospects of attracting quantum increases in private sector financing as suggested by the Camdessus Report to be “overly optimistic”. The Bank has said, “to date, private financing in WS & S has accounted for less than 10% of investment and has decreased in the past few years”. WB has also disagreed with the Camdessus panel and said that earmarking aid for the water sector “distorts national and local decision making processes”.

The UN-affiliated Water Supply and Sanitation Collaborative Council estimates that if decentralized, small-scale and technologically appropriate solutions were favoured, all the world’s people could be provided with adequate WS & S with the expenditure of \$9 B a year between now 2025. The example of lower cost, high reward options is provided by what is provided by Tarun Bharat Sangh in Rajasthan. (Various)

End of the agreement over Sheonath?

Chhatisgarh CM has decided to cancel the agreement that privatised 23 km stretch of Sheonath River. At a high level meeting on April 1, CM asked the State's Advocate General and water resources dept to examine how best to terminate the agreement with Radius Water Industry. The official reason: adverse media reports on the project. Signed in 1998 between radius Water and MP State Industrial Development Corp the agreement allowed the company to supply water to the Borai industrial area. The govt now points out that the company has not taken the prior approval of the State Water Utilisation Committee and this amounted to violation of norms that could deprive them of the compensation.

CSIDC's MD conceded that they are now looking ways to end the agreement. Radius Water supplies 4 MLD of water to industries. The largest consumer, HEG, courtesy a stay order, is paying half its water bill. The other prime consumers are LNG Bhilwara and Khoday distilleries. The catch is that CSIDC continues to pay for the assured amount of water irrespective of whether it collects this amount from industries. It has already paid Rs 19 M to the company.

The contract is yet to be cancelled even in mid August. According to a paper presented by Shri Lalit Srujan, Editor of *Dish Bandhu* newspaper of Chhatisgarh, the advocate general has given an opinion to the state govt that if the contract is cancelled at this stage then the govt could be legally liable to pay upto Rs 4.4 B. This is strange because even if the govt were to pay the full amount due for the 20-year contract the figure would come to around Rs 400 M, one tenth of the figure reportedly quoted by the Advocate general. If true, this only shows that there are elements within the state govt that are against cancellation of the contract and gives weight to suspicion that the whole cancellation issue could be floated in view of the upcoming state elections and the state govt isn't serious about cancellation. (BUSINESS STANDARD 090403, THE HINDU 120403, THE INDIAN EXPRESS, HINDUSTAN 130403)

Permanent ownership rights over Godavari water sold to L&T

AP govt has sold permanent ownership rights over Godavari waters to L&T. "Unlike earlier models of Build, Operate, Transfer, the company will enjoy permanent ownership rights", Industries Minister said. The project involves the construction of a 57 km pipeline to pump 5 tmc feet of Godavari water from Rajahmundry to Yeleru canal. The canal carries water to Visakhapatnam city. L&T will also become owner of the Yeleru canal, which was constructed earlier with funds from Visakhapatnam Steel Plant. The Visakhapatnam Municipal Corp will contribute Rs 600 M, VSP Rs 2500 M and NTPC Rs 500 M to L&T by Nov. From the Yeleru canal, 2.5 tmc feet would be supplied to VSP, 2 tmc feet to VMC and 0.5 tmc feet to NTPC. "The company at a later stage will invest around Rs 1500 M", the minister said, admitting that it will not invest a single pie right now. The immediate effect will be an increase in water tariff in Visakhapatnam, for the L&T would charge VMC Rs 6.50 per KL of water against the latter's present supply cost of Rs 4. With the agreement clause making it mandatory for all the funding organisations to purchase water from L&T alone, and L&T reserving the right to increase tariff, the threat of high tariff always hangs on consumers. Significantly, L&T would repay the loans to funding organisation but in the form of water supply, which it would be picking up free from Godavari. In other words, the govt will provide necessary investment to L&T, supply the raw material and ensure a captive buyer. L&T and Essar were the two bidders who remained in race to the end. The state officials then stipulated conditions, which would suit L&T as was done in the case of the deep water port in Kakinada.

In the case of Kakinada port, L&T assured investment of Rs 2.8 B to have an edge over other bidders but invested Rs 300 M only. Besides, it promised to lay the railway track on its own but later brokerage with SCR to bear 50% of the cost. AP Industrial Infrastructure Corp is acting as a nodal agency for the project. Visakhapatnam Municipal Corp has released Rs 100 M for the project. The water rates in the city are slated to go up. (DECCAN CHRONICLE 040303, BUSINESS LINE 020403, THE HINDUSTAN TIMES 030403)

PRIVATISATION OF IRRIGATION

Five Companies in race for AP Project Five corporates have come forward to take part in the AP govt's Rs 12 B project to irrigate 0.25 M Ha in 22 districts. The companies are: Jain irrigation systems (50% market share), Finolex, Nagarjuna Palma of Nagarguna Group, EPC Irrigation and Netafim Irrigation, a subsidiary of Netafim of Israel. (THE ECONOMIC TIMES 230403)

ISSUES ABOUT RIVERS

Yamuna Action Plan has failed The Yamuna Action Plan has been an abject failure. Though the Supreme Court had fixed a deadline of March 03 for completing the operation, as Yamuna still has the most unhygienic and contaminated water. Faecal Coliform in Yamuna water has risen to 118 M per 100 ml of water (the permissible level 5000 per 100 ml) in the 22 km long Delhi stretch as observed on Nov 1 2002. The CPCB told Supreme Court that the water quality of Yamuna water, as on April 3 2002 showed the presence of 3.7 M faecal Coliform per 100 ml. The BOD should be a maximum of 3 mg/l, but it shoots up to 46 mg/l when the river leaves Delhi. The CPCB had told the Supreme Court that the city needs at least 16 STPs and 15 CETPs. Only three CETPs have been constructed while work on the STPs is in progress. Recently IIT Roorkee did a review of YAP and said that drains in Muzaffarnagar, Yamunanagar, Agra and Faridabad remain uncovered. The Centre and concerned state govts had evolved Yamuna Action Plan years ago. On March 7 2003, the minister informed Rajya Sabha that under phase 1 of YAP, Rs 6.68 B has been spent till 190203. Out of the approved capacity of 743 MLD for sewage treatment, 728 MLD has been created and 15 MLD is under construction. In addition, 17 STPs are taken up in Delhi. Haryana accounted for Rs 2.18 B. Delhi and UP spent Rs 1.8 B and 2.7 B respectively. Rs 6.68 B have virtually gone down the drain. (THE PIONEER 070303, IANS 310303, Qs 1754 & 1764 in RS)

Fish death in Gomti

An ecological disaster of sorts was witnessed in the Lucknow segment of Gomti River, where thousands of fish died after the dissolved oxygen level in the river fell drastically. An expert committee was formed by housing and urban development minister, to get to the bottom of the ecological disaster. The five-member expert committee comprises one nominee from the district administration, two scientists from the Industrial Toxicology Research Centre, one engineer from the Lucknow Municipal Corp and general manager of Jal Sansthan. The committee is to submit its report within seven days. The Jal Sansthan officials claim the culprits are the sugar mills and distilleries that are located in Sitapur and Lakhimpur districts, upstream of Lucknow, along the Gomti. Mayor has suggested to the UPPCB that it set up an environmental check post upstream from Lucknow, to monitor pollution and Dissolved Oxygen levels in the Gomti. (THE HINDUSTAN TIMES 280603, THE TIMES OF INDIA 010703)

Rs 6.07 B for Musi, Gomti The CCEA has approved two separate proposals of pollution abatement totalling over Rs 6.07 B for river Musi and Gomti. The Centre and respective state govts will share the project costs in

the ratio 70:30. The scheme for river Musi will cost Rs 3.44 B. (DECCAN CHRONICLE 140303)

Cauvery Pollution The pollution in South Karnataka's lifeline, Cauvery may reach alarming levels. Studies at the Dept of Environmental Science, Bangalore University for almost a decade show that the water quality of the river downstream of the KRS Dam is deteriorating. This is because of various factors like the discharge of untreated sewage from K R Nagar, Kollegal and Srirngapatnam and industrial waste and sewage from Nanjangud town being let out into Kabini River, which joins Cauvery at T Narsipur. Apart from sewage, industrial waste and sand mining, another source has been the use of fertilisers in the agricultural fields in the Cauvery basin. Mathematical models predict that the river carries 1051 T of sulphates, 21 T of phosphates and 34.88 T of nitrates per day during the monsoon. In summer, the river carries 79 T of sulphates, 2.14 T of phosphates and 3.28 T of nitrates per day. (DECCAN HERALD 100303)

Brahmaputra erosion The centre has asked the Brahmaputra Board to take up the proposed Rs 4 B composite scheme to control erosion by the Brahmaputra upstream of Dibrugarh in Aug 2002. BB, which so far had been involved only in making project reports, was for the first time asked to take up implementation, as the central grants to Assam are not properly utilised. Work began on channelisation of Debang, which meets the Brahmaputra near Dholla. The initial phase of the work is likely to cost over Rs 80 M and BB is hopeful that work on the first phase will be completed by March 2003. (ASSAM TRIBUNE 130303)

Tungbhadra: Illegal sand mining River Tungbhadra faces illegal sand mining despite prohibitory orders by Mines and Geology dept. Due to failure of rainfall last year, the river had almost dried up by Dec end. Some farmers residing in surrounding areas have stopped farming and have taken to sand mining. Sand mining activities are on in riverside villages of Honalli and Harpanhali taluk. Mines Minister had recently said that the sand mining was on in 400 Ha of land around the river and quarrying activities were taking place in 76 places along the river. (DECCAN HERALD 100303)

Palar sand quarrying claims official's life The rampant illegal sand quarrying in TN took its first toll as a Revenue officer who tried to stop sand smuggling from Palar riverbed was knocked down by a speeding lorry. From the Palar, an average 150-200 lorry loads of sand is being smuggled everyday mostly to Chennai, say officials. Official sources admit that illegal sand quarrying was going on for more than a decade and there was inadequate staff strength to check smuggling simultaneously in all the places. (THE HINDU 210403)

INTER STATE DISPUTES

Punjab wants new Tribunal, Chandigarh a share Punjab has written to the Union Ministry of Water Resources to set up a new Tribunal on Ravi water distribution under the Inter State River Water Disputes Act 1956. Chandigarh has staked claim to its share in the Ravi-Beas-Sutlej waters, which it had never done till now. For some years now, Chandigarh has been fighting for a status of partner state in the Bhakra Beas Management Board. As of now Chandigarh gets raw water from the Bhakra mainline canal at Kajauli from where it is pumped to Sector 39 water works. From here Chandigarh supplies 7.5 MGD treated water to Punjab free of cost. Chandigarh would like to claim the cost of treated water supplied to Punjab if it gets its right over the river waters. In the ongoing Supreme Court case between Punjab and Haryana on Sutlej Yamuna Link canal, Chandigarh wants to implead as a party with a case for its share in Sutlej waters. (TRIBUNE 240403)

Bhavani row: Karnataka backs Kerala With Kerala strongly defending before the Cauvery Water Disputes Tribunal the construction of a dam across Bhavani and Karnataka supporting it, the row has taken a new turn. In its response, Karnataka said diversion of water

outside Cauvery basin was not permissible, however in the given circumstances with Kerala seeking to use only 0.718 tmcft of water, the project could be permitted. Tamil Nadu sought a direction to order a joint inspection of the site by the assessor and engineers of both Tamil Nadu and Kerala. (THE HINDU 130303)

AP to move SC against Karnataka AP Govt has decided to approach the Supreme Court for stopping the Paragodu project taken up by Karnataka on Chitravathi River for which the Karnataka CM laid the foundation recently. The major irrigation minister disclosed that Paragodu was an old issue with Karnataka proposing the anicut project at a place 30 km from the common border and AP opposing it. AP built an anicut on Chitravathi River, about 60 km downstream of the common border. Officials said with commencement of work on Paragodu, the Chatravathi Reservoir (AP) would have no water. Meanwhile a large number of would be affected farmers from Anantapur went to the foundation laying ceremony to plead with the Karnataka CM against the project. All of them were arrested by the Bagepalli police but were let off later on personal bond. (THE HINDU 180403)

IRRIGATION

Cooperative LIP in Rajasthan Foundation stone has been laid for the first ever lift irrigation project near Kota in Rajasthan to be run by a cooperative society of the farmers. The Rs 47.1 M project is to provide irrigation to 760 Ha belonging to 800 farmers. (THE HINDU 210403)

Upper Bari Doab Canal Scandal of Punjab Report of the inquiry committee headed by Bhagat Singh Sandhu, Advisor to the CM, on remodeling work of the Upper Bari Doab Canal (see DRP March-April 2003, p 21-2) that was to be submitted by first week of Jan 03 was finally submitted in July. Upper Bari Doab Canal feeds water to Gurudaspur and Amritsar districts. 36 senior engineers have been found involved in the scam. A number of pucca works that were not part of the original design were created for questionable reasons. About 100 of the 750 works have been examined at random. The CM had referred the report to ADG (Law and Order). The report recommended registration of criminal cases against those engineers who inflated estimates and created works that were not required. An FIR was lodged on the basis of the report in July. Some of the senior officials were on foreign trip even after being indicted by the report. The report said that a loss of Rs 340 M had been caused to the state in the scam.

On March 19 02, soon after the Congress govt assumed office, an Executive Engr close to the new Irrigation Minister was appointed in charge of UBDC. 16

projects worth Rs 12 M were executed by him in 12 days, by March 31, 2002. There was no line of credit for this expenditure and money meant for court cases and land acquisition was used. The report indicted the engr, but the Minister recommended promotion for the engr. The tussle between the Punjab Irrigation Minister and Mr Sandhu resulted in resignation of Mr Sandhu on July 20. (THE TRIBUNE 050403, 210703, 240703)

Rs 42.5 M project costs Rs 250 M Due to sub standard work and time overruns the costs of Sawan Bhado Irrigation project in Rajasthan has escalated from Rs 42.5 M to Rs 250 M during last 23 years. The dam has been constructed on Aaru tributary of Chambal River in Sagond tehsil of Kota district. The state had given a green signal to the project in 1980 but due to substandard construction and substandard soil used in the construction of the dam, there was seepage from the dam at various places and in the name of tackling the leakage and seepage six-fold amount has been spent. A Central Soil Research Centre Report also confirmed that the material used for the dam was of sub-standard quality. (RASHTRIYA SAHARA 110303)

World Bank aid to Irrigation projects The WB has provided \$ 341 M (Rs 2.9 B) loan for five irrigation projects under construction: Periyar-Vaigai (TN), Jayakwari (Maharashtra), Orissa medium projects, Nagarjunasagar & Godavari barrage (AP). (BUSINESS LINE 150303)

CAG on non existent CAT and CAD in Irrigation Projects

CAG's special report for the year 1975-6 had a severe critique of CAT and CAD work in 12 Irrigation projects. In almost all the projects, there was no provision for drainage schemes in the original project report.

Extent of area irrigated in MP varied from 43 to 56% of the area planned to be irrigated during 1971-2 to 1975-6. The area irrigated in Rajasthan in Kharif was 32% of the area planned to be irrigated (1975-6); and in Rabi was 66% of the area planned to be irrigated. The area treated under Soil Conservation for Chambal up to March 1976 was about 17% of the area affected. The survey carried out in 1975 indicated that the volume of silt was much higher than the project assumptions, indicating accelerated siltation of the reservoir.

Sedimentation studies of the Gandhi Sagar reservoir in the Chambal project were taken up in 1961. But, till 1974, the study was confined to the indirect method of inflow-outflow measurement of suspended silt load. The progressive silt index computed worked out to be 502.59 units (cubic m per sq km per year) as against the project assumption of 357 units. The first hydrographic survey conducted in 1975-6 indicated that value of silt index was 964 units.

Chambal Command in Rajasthan No sedimentation studies were conducted (Aug 1977) for Rana Pratap Sagar and Jawahar Sagar reservoirs. There was a progressive rise in sub-soil water level resulting in waterlogging; 1% of the CCA was reported to be going out of cultivation with every passing year. Out of the cca of 0.373 M Ha, the waterlogged area increased from 0.012 M Ha in Oct 1963 to 0.047 M Ha in Oct 1971. The area with water table 5 - 10 feet below ground level went up from 0.055 M Ha to 0.115 M Ha in the period.

Command area in MP There was a progressive increase in waterlogged area, from 0.011 M Ha in Oct 1967 to 0.02 M Ha in Oct 1969 and 0.033 M Ha in Oct 1971. Only a few pilot drainage schemes were executed till recently and the drains constructed were not maintained. Losses of water from the canal head to the fields were 69% in 1974. The study group of Irrigation and Power had recommended that a master plan of soil conversation should be prepared for the catchment area of Chambal project in MP and Rajasthan in 10 years (Aug 1967). No such master plan was drawn up (Aug 1977).

According to the UP govt, the average transmission losses during 1970-1 to 1974-5 in the Hardoi branch of Sarda Canal (UP) were 79% more than losses assumed in Kharif season and 41% more in rabi.

Hirakud The sedimentation rate was 75.07 acre-feet against the annual rate of 53 acre feet per 100 sq miles per year assumed in the Detailed Project Report. The

inter-state body on soil conversation in the Hirakud catchment covering Orissa and MP last met in 1970 (it didn't meet thereafter till August 1977). CAD Authorities was set up in 1976 only. The authority was engaged mainly in updating the cost and other data.

Tungabhadra Against the annual siltation rate of 90 acre feet per 100 sq miles per year assumed in the DPR, the siltation rate of 377.29 acre feet was noticed. A survey carried out in 1971-2 indicated an annual sedimentation rate of 126.30 acre-feet. CAD authority was formed in Aug 1974, and the Administrator started functioning from Jan 1974, but he had administrative and financial power only in April 1977. Investigation in 1973 showed that 0.007 M Ha was waterlogged.

Kakrapar In the command, the area with water table 0 - 3 mts was reported to have increased from 0.0068 M Ha in 1971 to 0.222 M Ha in 1976. The area irrigated during 1975-6 was about 33% planned irrigated area. The Programme Evaluation Organisation of the Planning Commission had pointed out in 1966 that the real problem in the project was the cropping pattern. Except for perennial crops like sugarcane, there was considerable shortfall in the area irrigated under other crops in 1976. There was no area under pulses and oilseeds, vegetables, hybrid maize and fodder.

Kosi project The average area irrigated from 1971-2 to 1975-6 was 18% of the area planned to be irrigated. The carrying capacity of the canal sections reduced to 60% due to siltation. An area of 0.124 M Ha out of a CCA of about 0.639 M Ha of the Eastern Kosi canal was found to be waterlogged (Feb 1975). The CCA was reduced on re-assessment to 0.44 M Ha.

Mayurakshi Sedimentation survey was carried out in 1964-5, 1969-0 and 1972-3. The siltation index (in Acre feet per year per 100 square miles) was 274, 332 and 421 compared to 75 in the project report.

T & D losses were higher than what was envisaged in the project report. On re-assessment, area to be irrigated was reduced from 0.241 M Ha (as per 1953 estimates) to 0.227 M Ha (1967). CAD authority was set up in July 1974 but the administrator joined only in June 1976; 3 senior posts remained vacant upto March 1977.

Purna Area irrigated per cusec of water was less than what was visualised in the project report. T & D loss was 40% as against 10% assumed in the project report.

Girna The reservoir was filled to the capacity only in one year during the 7 years since completion of the project in 1969-70; three medium projects, taken up upstream of Girna, would further reduce the water availability in Girna. (Supplementary report of the CAG for 1975-6 for Union govt Civil)

Maharashtra irrigation: Drowning under debt and default

Capital-intensive grandiose projects, indiscriminate market borrowings, time overruns due to imprudent fiscal management, and violation of norms seem to be a succinct representation of Big Irrigation Projects. The case of five irrigation corps in Maharashtra provides illustration that the representation is not a mere scepticism or certain doubts.

In 1996, with a grandiose plan to create a staircase of 935 Dams on Krishna River in W Maharashtra and two district of Marathwada, MKVDC was set up. Other areas also loved gigantism and soon four other irrigation corps were set up. Each corp. borrowed from market indiscriminately. Today, they can't repay even the interest on their loans. A senior govt officer revealed that Rs 23.85 B has to be repaid during the current financial year towards bonds raised from the capital markets. Rs 3 B has to be paid before June 30. What did the cash strapped Maharashtra govt do? It looked upto the Centre for a favour, when that was not forthcoming; it expanded the fund meant for natural disasters and accidents, from Rs 1.5 B to Rs 7 B. Then there came the ordinance permitting the govt to utilise Rs 5 B to meet "unforeseen and urgent" expenditure.

Maharashtra may roll over irrigation bonds Out of the total debt-servicing obligation of Rs 37 B, the state has budgeted for the interest component of Rs 17 B. It is exploring options to raise the remaining Rs 20 B. The five major irrigation corps in the last ten years have raised Rs 80 B from the market. Their total expenditure on various projects was around Rs 160 B. In a status report submitted to the state recently, MKVDC said that almost all of Rs 4.4346 B sanctioned for the year 2002-3 has been spent on paying dues, halting construction activities. The MKVDC owes Rs 22.4319 B to various entities. Contractors are yet to be paid Rs 13.5746 B, while repayment to FIs account for Rs 3.3225 B. Another Rs 3.9048 B is to be paid to the state as payment for govt guarantee.

Irrigation corps to withdraw bonds Maharashtra govt has finally asked its five cash-strapped, debt-laden state irrigation corps to withdraw their bond issues from market. The five irrigation corps were to raise Rs 14.5 B for various incomplete irrigation projects, but could mop up Rs 1.4 B only. The order followed a series of allegations that MKVDC and other corps mopped up most of the available funds through market borrowings, whereas the corps meant for the backward regions hardly received any funding.

No money, take bonds: MKVDC to contractors The cash strapped MKVDC has found a novel way to clear the bills of its contractors. Since it has no money to pay, the corp has allotted bonds worth Rs 4 B to contractor against pending bills. The bonds have an interest rate of 9.5 % and a five-year tenure. MKVDC plunged into a

financial crisis in Jan 2000, due to cost overruns and delays in implementation, which prevented it from making payments to contractors. Leading politicians swung into action to save the crisis-ridden corp. As a result, Housing and Urban Development Corp, LIC, GIC and the MTNL purchased MKVDC bonds. (See DRP May-June 2003). However, despite the 'generous' investments by these PSUs, MKVDC was unable to bridge fund requirements. Outstanding bills stood at Rs 10 B as on April 30, 2003. MKVDC then floated bonds to raise Rs 3 B, but succeeded in raising Rs 0.9 M only. The corp meanwhile also encouraged leading contractors to rope in some FIs. 'Raise funds for us, deduct 70% towards your outstanding dues' MKVDC told to its contractors in Feb 3 2002 order. When this scheme too did not work, MKVDC took a decision to issue bonds to the contractors themselves to clear the pending bills.

Within months of HUDCO investing in MKVDC, both Crisil and ICRA downgraded the HUDCO FDs, Bonds. According to CRISIL, the rating revision reflects concerns over HUDCO's weakened profile due to its increasing exposure to weaker credit quality state govts and entities. The ICRA ratings take into account the relatively high level of overdue from the state govt entities, which are the largest borrowers of Hudco.

MTNL's investment in cash strapped MKVDC One year ago, MTNL invested Rs 2.5 B in the cash strapped MKVDC. It has come to the light how political heavyweights from Maharashtra bent rules to clear the proposal. According to the guidelines issued by the Dept of Public Enterprises, a PSU can invest in financial instruments carrying the highest credit ranking and that too only for a period of one year. Union Telecom Minister wrote to the then Union Industries Minister on May 6 2002, asking if these conditions could be relaxed. Joshi, the minister in charge of DPE, cleared it and MTNL was allowed to invest for a period of 10 years in MKVDC, which had a credit ranking A⁺ (SO), then - below the highest ranking of AAA required for such investments by PSUs. Its rating has since slipped from A⁺ (SO) to BB (SO). The guarantor, state govt, has outstanding loans worth Rs 830 B.

Out of 927 projects of MKVDC, just over 353 are complete. The project, officials admit, is stuck, construction is halted and the corp has huge salary bills for its employees pending. MKVDC has already spent Rs 70 B and will need another 60 B to complete the projects. Rs 10 B is outstanding (on April 26 03) to over 2000 contractors. By and large construction works have come to grinding halt. The deadline for MKVDC projects has been moved from May 2005 to May 2008. Payment to employees is routinely delayed and they have to agitate to get their dues. MKVDC has taken a policy

decision to offer the projects on BOT basis to contractors.

Defaults rise by 14.44% Defaults on state govt guaranteed bonds have increased by 14.44% during 2002-3 to Rs 20.6 B from Rs 18 B. In case of the Bank's investments into state-guaranteed bonds, the default amount was at Rs 11.3 B, of which Rs 5.6 B accounted for principal and Rs 5.7 B for interest payments. IBA data reveal default on banks' advances to state undertakings amounted to Rs 9.3 B, reflecting a 23.18% rise over Rs 7.55 B in the preceding year.

This is not in anyway different from the tactical exercises prevalent in Gujarat, where the debt burden of SSNNL has become a major cause of worry. The only difference is that in the case of Gujarat Kutch earthquake came as an "opportunity in disguise" to siphon a large part of ADB loan for earthquake reconstruction (Rs 3 B as told by V T Mistry of GWSSB) towards financing cash strapped Narmada pipeline project, while in Feb 02 the state cooperative act was amended to make the co-operative banks finance the debt servicing of the SSNNL, even as CAG criticised Nigam for having spent an unjustifiably high 22% of the expenditure incurred as on 31 March 01, on interest payment and debt servicing. This is a case of irrigation corps in just two states. (INDIAN EXPRESS 270403, 060503, 140603, 230603, 240603, THE ECONOMIC TIMES 050303, 150403, 120503, BUSINESS STANDARD 060303, 110403)

Maharashtra Backward regions neglected Legislators belonging to backward regions are angry over the neglect accompanied by bias towards W Maharashtra in resource allocation. Demanding Governor's intervention under article 371 (2) to stop "diversion of funds" meant for the backward regions, they called on Governor on April 3 but returned "dissatisfied". They complain that though three statutory irrigation development boards have been created in 1994, the state govt continue to please W Maharashtra even while backlogs are mounting. As against Rs 0.38 B allocation for projects in Krishna Valley Development Corp, it received almost ten times the amount, Rs 3.25 B, while Godavari Valley Development Corp got Rs 1.17 B (against projected Rs 0.98 B) projects in Vidarbha got Rs 0.39 B (against projected Rs 0.44 B). The Vidarbha IDC had not received any share of the central govt allocation. The Minister for Irrigation stated that it has been the practice since 1996-7 that the allocations meant for the specific projects have never been spent on those projects. The minister disclosed that the state had received allocations of Rs 28.71 B, which were never used for the intended projects. He said that till Jan 31, the govt had spent Rs 700 - 750 M.

The legislative council "recommended" additional Rs 27.51 B in the Appropriation Bill passed by the assembly for removing backlog of irrigation in Vidarbha.

Also, the issue of backlog and inter basin transfer of state waters figured in Union Minister Balasaheb Vikhe Patil's meeting in Delhi in which about 50 Maharashtra MPs and Ministers participated. A sum of Rs 50 B is required for completing the ongoing schemes in Krishna Valley in the Vidarbha Marathwada region. Also, a presentation in this meeting noted that the river linking project doesn't have much for Maharashtra, proposed a scheme for inter basin transfer of state waters without specifying about resources. (THE FREE PRESS JOURNAL 010403, THE HINDU 040403, THE HINDUSTAN TIMES 280403)

Maharashtra takes up another Bheema project It is alleged that the Maharashtra govt, without the permission of the Central Water Commission, has constructed an irrigation project to divert water from the Ujini dam to Seena River. It is believed that Maharashtra has already completed Rs 1.42 B Bheema-Seena Link Canal project under the Krishna Kori Vikas Board, which it approved in 1996. The backwaters of the Ujini dam would be transferred to the Seena River through a 25.25 km long tunnel called Kandahar in Solapur district, which was completed. Water flowed through this canal on experimental basis in Feb - March 03. Maharashtra will use additional 13.02 tmc ft of water through this project. Eighteen barrages have been built across the Seena River at the tail end of the river to store water.

➤ The Supreme Court has on April 25 asked Maharashtra to file its response to an application accusing it of not implementing the interim agreement to release 200 cusecs from Bheema River for Karnataka. Karnataka said that water has not yet reached Takli in Indi Taluk from Bheema as on April 30. (DECCAN HERALD 240403, BUSINESS LINE 260403 THE HINDU 010503)

MAHARASHTRA RURAL WATER SUPPLY

Maharashtra: drought of commitment Despite boasting of the largest number of dams in the country, only 17% of agricultural land has been irrigated in Maharashtra. A single crop covering only 3% of the irrigated area is using 70% of available water. Over 20 000 villages in the state are under the spell of drought. Till date over Rs 250 B has been spent for constructing large dams, while Rs 160 B have been spent on the rural water supply. If one listens to water and sanitation officials rattling out figures, about water schemes in the state - 0.22 M borewells, 15000 mini water supply schemes, 18000 big water supply schemes - one may think that the State is committed to ensure "water for all". However, nearly Rs 120 B is locked up in the Krishna and Godavari basins where more than 50 dams are frozen in varying stages of incompleteness. (THE TIMES OF INDIA 090303)

CAG on CAD Projects in Gujarat Poor performance?

As against the norm of 20%, expenditure on establishment under CADP ranged between 41% and 56% of the total expenditure during 1991-2 to 1995-6.

➤ Though the CAD activities were to be completed within 5 - 10 years, these were delayed in 35 irrigation projects by 2 - 18 years.

➤ Shortfall in utilisation of irrigation potential created ranged between 55 % (1997-8) and 70% (1994-5) in 37 irrigation projects.

➤ Construction of field channels was incomplete to the extent of 23% (1992-3) and 80% (1997-8) while expenditure on these works was in excess by 43 - 46.08% during 1992-98. Rs 157.5 M was spent on construction of field channels in 9 projects during 1979-80 to 1997-8 without sanctions.

➤ Expenditure of Rs 18.1 M was incurred on idle staff from 1991-2 to 1997-8.

➤ Shortfalls in achievement of warabandhi works ranged between 34% (1992-3) and 83% (1997-8) in 37 projects.

➤ Expenditure of Rs 48.7 M was incurred on construction of watercourses and field channels in Ukai - Kakrapar command without approval of plans and estimates.

➤ Increased utilisation of canal Irrigation in the command area of Mahi-Kadana and Ukai-Kakrapar projects caused rise in ground water table, which adversely affected fertility of 0.108 M Ha. Schemes for utilisation of groundwater for irrigation, which also would have arrested rise of groundwater table, were not approved by Govt for over 4 years.

➤ As against Rs 870 M to be collected as revenue from Irrigation, actual demand raised was only Rs 178 M. The rates were not revised since 1981.

➤ Administrative approval and Technical sanctions for projects included in CADP were obtained at initial stage only. Approvals to revised estimates were not obtained though the projects were far behind schedule and heavy expenditure was incurred on them year after year. In Hathmati project Benefit Cost ratio on the basis of 1987-8 cost estimates of Rs 79.1 M worked out to be 1.06. Rs 128.9 M were spent on the project till March 1998, without preparing revised cost estimates and without again working out the Cost Benefit ratio.

➤ Contrary to the govt instructions, large number of casual labourers were engaged unauthorisedly during 1991-8 and Rs 11.2 M was spent for them.

➤ Monitoring cells required to be set up in each project to keep a close watch on progress of expenditure and to accelerate pace of implementation of CAD activities were not created in any of the 37 projects.

Though evaluation reports by consultants were received in April-May 1996, the recommendations were not acted upon. (CAG report for Gujarat (Civil) for 1998-9)

Rs 100 B AP plan for irrigation Andhra Pradesh govt has formulated a plan to develop 1168 irrigation sources at a cost of Rs 100 B to provide irrigation facilities to an additional 80 000 Ha. (THE HINDU 100303)

AP leaders: "Don't talk of river linking: Address local Projects" Telegana Rashtra Samithi and CPM have criticised AP govt for misleading the state by talking about river linking projects in stead of addressing state's projects. They have said that AP govt had totally neglected Irrigation sector. The govt had failed to spend any amount for Kalwakurthy, Nettekpad and Bheema irrigation projects during 2002-3 in spite budgetary allocation of Rs 240 M, Rs 150 M and Rs 49.6 M respectively. (NEWSTIME 120303)

Dry Schemes in AP Drought in Andhra Pradesh has made 83 medium irrigation projects, 10713 minor irrigation schemes and 83 lift irrigation schemes go dry, affecting 1041 mandals out of the 1127 mandals. At least 5000 habitations are likely to need drinking water by transportation. The govt claims it is worst drought in 40 years. The kharif crop area has shrunk by 22% from normal 8.18 M ha to 6.41 M ha. The rabi crop area has shrunk by 6% from normal 3.46 M ha to 3.27 M ha. Thus, the estimated loss in farm sector is Rs 52.26 B and about 13.8 M agricultural labourers are affected by way of losing gainful employment according to govt estimates. (FINANCIAL EXPRESS 100303, 120303)

RAINFALL During Monsoon of 2002, Coastal AP faced 26% deficit, Telengana 23% and Rayalseema 33% deficit. That does quality for worst drought in 40 years? Does 6% drop in Rabi crop area qualify for worst drought in 40 years?

Irrigation Reforms in AP In AP, irrigation expenditure is the single largest expenditure item (about 10%) in the state budget (1999-00) and it normally hovers between 10 to 15%. A significant share of the irrigation expenditure goes towards major projects (about 80%) and this has risen considerably during the past 6 years. Despite the enhanced emphasis on major and medium irrigation, the area under canal irrigation has not shown any improvement. As per Economic Survey of Andhra Pradesh (2001-02) the total area under irrigation never crossed 4.53 M ha. (1998-99) during the last 45 years, though it is shown in the plan documents prepared by Directorate of Economic and Statistics that 6.19 M ha was brought under irrigation by the end of March 2000 (for the year 1998-99 DoES has the figure 6.09 M ha). Emphasis is more on new works rather than on rehabilitation of old ones. As far as minor irrigation is concerned, it has been receiving low priority over the years. It accounts for only about 10% of the total plan expenditure on Irrigation, which has been more or less stagnant during the last five years. As far as the pattern of expenditure is concerned, an interest payment (debt servicing) is the item that takes away large part of funds. Debt servicing accounts for almost 50% of the total expenditure on major and medium irrigation, and in

most years about 80% of the non-plan expenditure is incurred on interest payments. The burden of debt servicing has started going up after 1994-'95. Unfortunately, in recent years most of the borrowed money goes for interest payments, and very little is left for works after interest payments. Debt trap is indicated by the increasing gap between expenditure on interest payments and work expenditure during the years prior to and after 1998-'99. On the other hand, actuals as well as estimates of recoveries have declined during the past five years. The share of recoveries in total expenditure has come down from 4% during 1994-'95 to 1.5% during 1999-'00. As a percentage of Operation and Maintenance charges the recoveries have slid from 135% in 1994-95 to 21% in 1999-'00 (ECONOMIC AND POLITICAL WEEKLY 22-290303, pp. 1179-1189 and p.1326)

Choked minors in Punjab Resentment prevails among farmers of Gurdaspur district, as the govt has not undertaken repair and desilting of minors and distributaries for several years. The minors, including Faridabad, Haveli, Gahlari, Raipur, Gulpur and Gujara had neither been repaired nor desilted for the past six years due to the non-allocation of funds. Weeds have now choked the distributaries, preventing the smooth flow of water for irrigation. The Punjab govt had launched a centre-sponsored scheme to remodel the UBD canal in Gurdaspur during the SAD-BJP rule. Most of the money, however, was spent on projects, which were not needed. The remodeling of the canal system could not be achieved. As a result, most of the distributaries, including Awankha, Nanonangal, Gazikot, Aming, Fateh Nangal, Raina and Bhimpur had not been repaired and desilted for years.

➤ **Haryana** The state govt is to spend Rs 1 B on desilting of canals and minors during April 03. Check dams would be constructed on Ghaggar river. (THE TRIBUNE 140403, 200403)

Abandoned schemes The abandonment of six irrigation schemes by the Haryana govt has led to the lowering of water table in Karnal, Kurukshetra, Yamunanagar, Kaithal and Ambala districts. The schemes envisaged construction of check dams on Markanda, Tangri, Ghaggar, Rakshi, Saraswati and other rivulets originating from Shivalik hills and passing through these districts. Dr Devendar Sharma, former Irrigation and Power minister said in a memorandum to the Governor that the construction of check dams on these rivers would provide irrigation and enrich the ecology. (THE TRIBUNE 150403)

Graft Charge in Kerala: RI for ex-engineers Vigilance Special judge sentenced ex-engineers KK Philip and P Ramakrishnan to rigorous imprisonment for 4 years and 1 year respectively for conspiracy and corruption in the execution of Kallada Irrigation Project during 1990-1. The prosecution case was that the accused conspired to help the contractor to make an illegal profit of Rs 2.12 M by awarding him exorbitant rates through the

execution of supplementary agreements. This is the fourth case relating to the irregularities in the execution of Kallada Project that has reached the stage of sentence. Of the total of about 75 cases, chargesheets have been filed in 40 cases. (THE HINDU 290303)

Hipparagi: Barraged with protests The Hipparagi Barrage project across river Krishna, which is nearing completion after being in cold storage for over three decades, is once gain in the eye of a storm. People in the 25 villages of Athani taluk bordering Maharashtra are bracing themselves for a long drawn agitation against what they call "the unwarranted shift" in the state govt's priorities over its water distribution to the parched lands in its command area. They are angered over the green signal given to Rs 2.45 B Karimsuti-Savalagi-Tungal Lift Irrigation Scheme to irrigate 22 800 Ha in the eastern part of Athani Taluk at the expense of the Kempawad Lift Irrigation scheme. The priority of govt has come under criticism because it leaves out the drought-hit villages of Ramatheertha, Kakamari, Kottalagi, Halalli, Thelasang, Kanal and Bhanur from its scope. The wisdom of irrigating 9000 Ha in Savalagi and Tungal areas of neighbouring Jamakhandi taluk by constructing a 32 km long canal from the lift is also being questioned as they could also be served by a project just 12 km away. Difficulties encountered in serving through a longer and zigzag canal is evident from the experience of providing drinking water to Hubli-Dharwad from the Malaprabha reservoir. The move is considered to the detriment to the agricultural prosperity of Athani taluk, which is losing more than 3000 Ha of fertile land in its 28 villages 30 000 building by way of submergence under the Hipparagi Project. (DECCAN HERALD 250403)

Irrigation projects Delay Several irrigation projects and barrages in Bagalkot district (spread over all the taluks) through which runs three rivers Ghataprabha, Malaprabha and Krishna have come to standstill as either the dues to contractors are not paid or there is paucity of funds. Two years ago a contractor abandoned the work on Rs 8.7 M barrage near Bachingudda village in Badami taluk to irrigate 500 Ha, as payment was not made by the authorities. On Chikkanseebi Lift Irrigation project in the same taluk to irrigate 456 Ha the works are completed, but the canal is not yet ready. Kaladagi barrage of Bagalkot taluk to serve 11 villages also has a same tale. Though the authorities claim, "the work is in progress" on Rs 26 M Lingapur LIP in Bilgi taluk, no construction activities are witnessed on the project site. The projects in co-operative sector face paucity of funds. For instance farmers have come together to build Siddheshwar barrage, but they find that funds raised by them and the funds from MLAs and MP, and even Zilla parishad's grant put together falls short of the resources needed. The Rs 2.18 B Muroi LIP in Hungund taluk to irrigate 30 000 Ha in 43 villages, pending since 1989 has just been

cleared by the cabinet. Five LIPs have been submerged by Krishna dams and two by Ghataprabha dam in Bilgi taluk. (DECCAN HERALD 180403)

NABARD loan for Haryana NABARD has approved Rs 3.67 B loan for 129 Minors, 13 drains and 294 water supply schemes that will benefit 689 villages of Sirsa, Rohtak, Jajjar, Bhivani, Jind, Kurukshetra, Rewari, Mahendragarh, Ambala, Kaithal, Panipat, Fatehabad, Sonapat and Gurgaon districts. (THE HINDU 160303, NAVBHARAT TIMES 170303)

NABARD loan for AP NABARD has sanctioned a loan under RIDF of Rs 634.6 M to AP for 3 protected water supply schemes covering Nalgonda and Karimnagar districts and 12 irrigation schemes covering six districts. The irrigation schemes are to cost Rs 148.2 M to provide assured irrigation to 2367 Ha. These projects are to cost Rs 739.9 M. (BUSINESS LINE 080403)

SOIL CONSERVATION

Protest seeks funds to stop erosion "Over the past 2-3 decades, the entire 116 kms stretch of the Ganga-Padma river system in Malda, Murshidabad and Nadia districts has witnessed unprecedented erosion. Huge lands have been washed away, destroying a number of villages and affecting lakhs of people", a memorandum said. For many years, the people and the W Bengal govt have been requesting the Centre to evolve a proper anti-erosion programme and rehabilitate those displaced. The W Bengal govt alone cannot tackle the problem, which involves an expenditure of nearly Rs 10 B. On March 5 responding to Call Attention proposal, Union Minister for Water Resources said that an expert committee has been constituted to look into the issue of riverbank erosion in Ganga basin states. The committee will also review the recommendations of earlier committees such as Keskar Committee. (RASHTRIYA SAHARA 060303, 120303 THE HINDU 120303)

Ordeal by water in the desert People in Manak Thadi, Badopal, Jakhrawali, Barusri and other villages in Ganga Nagar and Hanuman Garh districts are complaining because there is too much water. According to the villagers, excess water has submerged their land and the several irrigation schemes launched over the past 30 years have destroyed the salinity of the soil. More than 22,008 hectares of land have been submerged. Then there is the problem of waterlogging. It's the same tale of plenty in nearby villages. Farmers who boasted fertile plots of land thirty years ago are now daily wagers. Rajasthan has three canals system, the Gang Canal, the Bhakra Canal, and the IGNP canal. The water allowance is different for these canals. The Gang and Bhakra canals allocate about 2.5-cusec water per 1000 hectares. It is almost double for the IGNP canal — 5.2 cusec. "As a result, we have waterlogging problem only in the IGNP canal," said JS Setia,

chief engineer, Command Area Development, IGNP. (THE STATESMAN 040303)

Anti-erosion works on Yamuna in Sonapat Referring to the anti-erosion work on Yamuna, the Deputy Commissioner of Sonapat dist disclosed that 5 stone bunds have been built at a cost of Rs 2.2 M at Bagga complex, where as 3 bunds have been built at the cost of Rs 1.2 M at the Memarpur complex. He said that Rs 0.15 M had been spent on the construction of a link drain between Bhatgaon and Nakloi village. (THE TRIBUNE 020403)

WATER POLLUTION

Maharashtra tops the list Maharashtra has the maximum polluting industries in the country followed by Uttar Pradesh, Union Environment Minister informed Lok Sabha. In a written reply, Minister said that of the 1551 polluting industries under 17 categories; Maharashtra had 335, UP 207, Gujarat 177, AP 173, TN 119, Karnataka 85, MP 61, WB 58, Rajasthan 49, Punjab 45, Bihar 44 and Haryana 43. Though Delhi reported 5 polluting units, the continuous discharge of treated and untreated effluents into Yamuna river and Western Yamuna Canal from various sources has increased ammonia-nitrogen load to such an extent that it has affected the desired raw water quality at Delhi's water treatment plants and they had to be closed down for a few days. (BUSINESS LINE 080403)

Delhi Water unsafe? An analysis of 18 samples of drinking water collected across Delhi showed very high levels of pesticides. The samples were collected and tested by the Food Research and Analysis Centre. Of the 18 samples 11 were of the Delhi Jal Board and seven were ground water samples. Lindane was present in all the samples, Chlorpyrifos in 17 and Malathion in 10 samples. The highest concentration of pesticides was found in the groundwater of Rajouri Garden. (THE TIMES OF INDIA 220303)

Contaminated alum in water in Mumbai Timely action by Brihan Mumbai Municipal Corporation has led to the detection of 280 tonnes of contaminated alum in drinking water. The polluted alum was found at Bhandup complex's water treatment plant. Alum was contaminated with organic compounds such as chloroform and benzene, both carcinogenic. (DOWN TO EARTH 150303)

Flooded with fluoride A recent publication of the Geological Survey of India names areas that should go on fluoride red alert: Fazika and Jalalabad in border dist of Ferozpur in Punjab; parts of Gugaon, Rewari, Mahendragarh, Hissar, Fatehabad and Faridabad in Haryana; Unnao, Rae Bareilly and Sonbhadra in Uttar Pradesh; Sidhi dist in Madhya Pradesh; Beed dist in Maharashtra; Nalgonda dist in Andhra Pradesh and Dindigul dist in Tamil Nadu. (DOWN TO EARTH 310303)

Nitrates in Karnataka wells The South Western regional office of the CGWB recently released a report of the water quality study conducted in 1300 national hydrograph wells in Karnataka. The concentration of nitrates is found to vary between 0 and 1000 mg/l – well above the stipulated standards. (DOWN TO EARTH 300403)

500 jaundice cases in Chhatisgarh A woman died and nearly 500 people have taken ill with jaundice due to intake of contaminated water and the severe heat wave in Rajnandgaon dist of Chhatisgarh. (THE TRIBUNE 180403)

Polluted Mini gives man blisters Pollution in river Mini had an unlikely victim. A driver, Chhela Rathod, who had gone to the river bank to defecate, burnt his feet due to the polluted waters in the river and had to be taken to the SSG Hospital for treatment. Many might have walked the banks of river Mini like Rathod. But since the Gujarat Pollution Control Board does not consider it a "rivulet", it is not being sampled for toxic wastes every month, like other rivers in the state. Mini is fast turning into an acid stream. "The river is highly acidic and measures 1 on the pH scale," says Paryavaran Suraksha Samiti. "Toxic chemicals have seeped into the soil on its banks rendering it useless and unsafe even to walk on. One major factor which cannot be overlooked is that the rivulet lets its discharge into Mahi near Sindhrot. The river further meanders 56 km before it meets the sea," adds PSS. (THE TIMES OF INDIA 100403, 120403)

BOTTLED WATER

Standards A high level committee set up to look into all aspects of packaged drinking water submitted its report to the central govt on March 25. The panel called for a review of permissible limits for pesticides and other contaminants in other food products such as milk, vegetables, fruits and foodgrain. The report has recommended that any revision in standards should be accompanied by "corresponding specific test methods". It gave indications that it would like the Bureau of Indian Standards to go in for stringent standards and that BIS should set up technical committee to decide testing method.

The govt has set up a three-member core group comprising officials from the health and consumer affairs ministries to resolve the contentious issues involved in revising the quality norms for bottled and packaged drinking water. The consumer affairs ministry has already forwarded the proposed revised standards to the law ministry for requisite charges in the prevention of food adulteration rules and Law ministry has asked one-month time to respond. Union Minister for Food and Supply, informed Lok Sabha that the core group has asked for one month's period to study the issue and submit its recommendations. He told the

members that govt has initiated actions against 28 manufacturers of packaged drinking water and natural mineral water for deviating from prescribed norms. BIS has said that there are 780 companies in India trading in bottled water and it is not possible to monitor the water traded by them regularly. However, ISI certification has been made compulsory for bottled water and only those companies are given license that is following the ISI norms. (THE INDIAN EXPRESS 260303, THE HINDU 280303, BUSINESS STANDARD 040403, RASHTRIYA SAHARA 260403)

Prices to go up? The Indian Bottled water Manufacturers' Association is willing to undertake additional investments to upgrade standards in the packaged water industry. Mr Rajiv Sehgal president of IBWMA said; "The price of bottled water could increase by 30-40% on account of the additional investments required for upgradation". (BUSINESS LINE 010403)

Railneer claims Railneer, the bottled water brand from Indian railways claims that its water is the cleanest. (RASHTRIYA SAHARA 280303)

GROUND WATER

Punjab The emerging water crisis poses a grave threat to Punjab. The changing cropping patterns have precipitated the water crisis since ushering in the "green revolution" in the mid-60s. The water table in the "sweet region" has depleted at an alarming annual rate of 0.2 m between 1979 and 1991. The data collected by Dr Joginder Singh, Head, Dept of Economics and Sociology, Punjab Agriculture University shows that the situation is pretty grim in the central or sweet water regions of the state and also in the sub-mountainous or the Kandi zone, where as, in the south-western zone the rising water table has posed a different set of problems like salinity and waterlogging. The trend analysis of data reveals that the water table is going down by 1 cm per year in Gurdaspur, 8 cm per year in Ropar, 17 cm in Amritsar, Kapurthala and Sangrur (Lehra Gaga), 22 cm in Jalandhar, 33 cm in Patiala, 12 cm in Ludhiana, 13 cm in Faridkot and 42 cm Sangrur (Barnala) and is up by 2 - 6 cm per year in Hoshiarpur. The central or sweet zone, which is highly productive, presents a serious challenge because of extensive rice cultivation. In this zone, water table is falling at an average rate of 0.23 m per year, during the past 15 years. A survey of 193 farms revealed that during 1986 to 1995, at least 15.7% of tubewells were deepened. During 1995-2000 21.5% were deepened and in 2001 alone 13.31% were deepened. At each stage, cost of deepening and horsepower use for irrigation has also gone up. In the Southwestern zone, which comprises almost one-fourth of the state's cultivated area, the ground water is brackish and unfit for crops and humans. The water table in the zone is rising at the rate of 9 cm per year in Mansa, 21 cm in Bhathinda and 17 cm in Ferozpur. (THE TRIBUNE 100303)

Water table hit by mining The haphazard mining in the fragile Aravali hill region of Haryana and Rajasthan comprising Gurgaon, Faridabad and Alwar districts has badly affected the natural drainage system and the ground water table. This has been stated in a study report on the impact of mining in the Aravali range on ground water, placed before the Supreme Court by the Chandigarh based W Regional Central Ground Water Board, which conducted a repeated survey of the entire area on Court's directive. In a PIL, it was pointed out that the Court had put a ban on mining activities and pumping of ground water in and from an area up to 5 kms from the Haryana - Delhi border in the Haryana side of the ridge and also Aravali hill region following the report of Environment Pollution Authority headed by Bhure Lal. The bench was not satisfied with the affidavit of the MoEF, which said "mining activities may be permitted subject to impositions of additional conditions by the CGWB wherein clearances have been issued by the Union Ministry of Mines and the state govt". (THE TRIBUNE 190403)

Hyderabad The increasing extraction of groundwater in the city and its environs this year has left experts worrying. This is the reserve groundwater from deep aquifers, which actually helps in recharging lakes. With 2003 being predicted to be a drought year, for the summer of 2004, almost all these wells would be dried up and then Hyderabad will have a permanent water problem," Central Groundwater Board regional director (southern region) M Veeranna said. (THE TIMES OF INDIA 210403)

Groundwater Trade Villagers along the coastal and mid-range zone of Goa are trading water from their private wells. Though Goa had enacted its Groundwater Regulation Act in 2002; delay in framing rules have allowed people like Kudnekar brothers to sell water from their private well in village Saligao. Ignoring the lowering of water table in most other wells in the village, tankers have continued to extract about 435 cubic metres of water from Kudnekar's well everyday. Kudnekar brothers have been selling water for just 10 paise a litre to the resource hungry tourism industry. Saligao has today become home to a brimming controversy in water trade that has brought the entire village up in arms against the duo. Even after notification of the Act in 2003, there is little change in the situation.

➤ The same phenomenon is also seen in Tirupur in Tamil Nadu as also in Delhi, Chennai (here this meets 5% of total water use) and Bangalore and in Dhaka in neighbouring Bangladesh. The total trade in India is worth billions.

➤ According to Central Ground Water Board, there are over 150 'dark' blocks where the level of ground water exploitation has exceeds 85%.

➤ Absolving itself of the prime duty of servicing the poor, the Delhi Jal Board is selling water through water

booths. DJB's water supply doesn't cover 1600 unauthorised colonies and 1100 slums. Wherefrom the DJB will procure additional water to reach out to the unreached? (NEWSTIME 220303, Down to Earth, 150803)

GROUNDWATER POLLUTION

Contaminants in groundwater 200 districts in the country have a high fluoride concentration in ground water. About 25 M people, spread over 17 states, are affected while another 66 M have been described as a "population at risk", according to WHO-UNICEF sponsored study on water supply and sanitation. The report notes that nearly 13.8 M people in 75 blocks in W Bengal are reported to be at risk owing to presence of arsenic in ground water. There are varying levels of iron too, particularly in the north eastern part of the country and heavy metals like lead, nickel, chromium, Zinc, copper and manganese, apart from nitrates and bacteriological contamination. (THE TIMES OF INDIA 190403)

URBAN WATER SUPPLY

New drinking water project for Mahe The work for the new Anjarakkandy drinking water supply project envisaged by Pondicherry administration to provide drinking water to its Mahe region will start shortly, said Mr E Valsaraj, Minister for Health and Labour. The Pondicherry govt was forced to go for a new project at an estimated cost of Rs 118 M since most of the cement pipes under the existing 35-year-old project had been damaged, leading to 40% wastage of water in transition. (BUSINESS LINE 140303)

Hyderabad to get more water The city will get its full quota of water supply from the Singur reservoir from March 10 or 11. As of now, supply from the source is 66 million gallons per day (MGD) against the 74 MGD that the city is entitled to draw. The normal demand for water in Hyderabad is 162 MGD. At present, the city is getting 125 MGD with an additional 25 MGD being drawn from groundwater sources. (THE TIMES OF INDIA 040303)

Canal from Karnal to Delhi For water supply to Delhi, the Haryana Irrigation Dept has undertaken the construction of a canal between Munak (Karnal) and Delhi at a cost of Rs 3.8 B. The Delhi govt has released Rs 100 M for the 2-year project whose work is to start in May 03. Meanwhile in Feb-March, the water treatment plants in Delhi had to be closed down at least four times due to supply of contaminated raw water from Haryana, including industrial pollutants and too high level of Ammonia. (THE TRIBUNE 020403, THE HINDU 060303, 250403)

Delhi to set up regulatory panel The Delhi CM has announced that a Regulatory Commission on the lines

of Electricity Regulatory Commission would be set up. She ruled out privatisation of the Delhi Jal Board and said restructuring had been carried out to ensure efficiency and professionalism. The plan allocation for 2003-4 has been proposed at Rs 6.5 B. Last year the revised budget estimate for 2002-3 was Rs 4.87 B. The Board expects to generate revenue of Rs 4.54 B during 2003-4. She raised concern over the continued rise in per capita consumption of water in New Delhi and Delhi Cantonment area, where the consumption was 400 lpcd against 62 lpcd in other parts. The work on the construction of the parallel channel from Munakpur to Haiderpur had started and around Rs 0.7-0.8 B is likely to be spent during the current year. (THE HINDU, THE HINDUSTAN TIMES 010403)

Only 44% pay by meter in Delhi Of the 1.4 M water connections in Delhi, only 77% are metered and 43% of meters don't work at all. DJB earns Rs 2.25 B a year, just enough to pay Rs 2 B power bill. It employs 29 000 employees. 40% of water is lost in transmission. The minimum charges for domestic, commercial and industrial connections are Rs 30, Rs 150 and Rs 450 per month. (THE TIMES OF INDIA 190403)

Mumbai Mumbai needs 4000 MLD of water. It was getting in April 03 about 2980 MLD. 36% of it lost in transmission. The five lakes: Tansa, Bhatsa, Vaitarna, Tulsi and Vihar supply its water. By Aug 12 03, four of the lakes were overflowing, and Vaitarna, the fifth, was only 2 m short. Full water supply was restored then. (INDIAN EXPRESS 170403, others)

RAIN WATER HARVESTING

Delhi After a year's experiment on rainwater harvesting projects, the CGWB officials announced surprising results of increase of water levels in many parts of the city. The results say that rainwater harvesting has improved the water quality also. (THE TRIBUNE 110403, WASHINGTON POST 270403)

Manipur plan dries up A rainwater-harvesting project funded by the Centre is yet to take off. The Rs 30 M project cover the two hill districts, Ukhrul and Senapati. 288 villages of the state do not have a safe drinking water source. (THE INDIAN EXPRESS 130403)

LAKES, GLACIERS, WATERFALLS, WETLANDS

Kolleru dries up Asia's biggest fresh water lake Kolleru in Krishna and W Godavari districts in coastal Andhra has completely dried up. In a reflection of severity of drought, the lake, which was facing ruthless plunder at the hands of encroachers along with fish and aqua farmers for several decades has dried to such an extent that it hardly looks like a water body. The island villages in and around the Kolleru Lake are reeling under an unprecedented drinking water crisis. Originally, the lake was spread over an area of about 1000 sq kms but the

plunder and neglect of the last 25 years has reduced it to 300 sq kms. (THE PIONEER 120303)

J&K lakes The lakes in Jammu and Kashmir may become extinct if the present trend of depletion continues. J&K Forest and Environment Minister disclosed that, Wular Lake has been reduced to around 20% of its original size, shrinking to 65 sq km from 279 sq km. The mushrooming of hotels and buildings around the lakes has been the main factor for shrinkage. A picture of the lake could be a poster for environmental disaster. An estimated Rs 1.78 B would be needed to protect the lake. Meanwhile, on March 7, Union Minister informed Rajya Sabha that Rs 9.33 M has been allotted for Wular lake from April 1999 to Dec 2002 for soil conservation, weed control, catchment area treatment, environmental awareness, desilting etc. It also includes an amount of Rs 5 M released during 2002-3.

➤ **HC chides J&K on Dal Lake** J&K High Court has chided the state govt for its failure to submit records on financial transactions regarding maintenance of Dal Lake and directed it to submit to the Court all the relevant information by April 8. On April 8, the HC ordered a probe into the financial irregularities in the cleaning of the Dal Lake. The Court has asked state Vigilance Commissioner to investigate how the money allocated for cleaning the lake was spent by the lakes and Waterways Development Authority. Dal Lake has shrunk to half the size it was a century ago. Today vast quantities of sewage from Sringar is drained untreated into the Dal-Nagin basin. (THE HINDU 020303, 050403, THE TRIBUNE 020303, 110403 Q No 1749 in RS)

No waterfalls at Jog Two consecutive droughts have done what was deemed impossible – dried up the beautiful Jog falls almost. (DECCAN HERALD 110303)

Lonar endangered An increasing water table, decreasing salinity and unchecked sewage flow is endangering Lonar, one of the world's oldest craters at the bottom of which lies a 50 000 years old 1.8 km dia lake in Buldhana district in Maharashtra. Experts are worried over the rising water level that is diluting the salinity of the natural saltwater lake. Unmindful felling of trees is also threatening the lake. Scientists attribute the rising water levels to water coming from an irrigation dept reservoir and also to sewage. Protests and sporadic rescue plans have changed little. (INDIAN EXPRESS 090303)

Pong dam lake gets Ramsar site status The Pong dam lake in Kangra dist has been declared "Ramsar site Wetland of International importance" on account of its rich waterfowl diversity. It supported more than 54 species of waterfowl. The sanctuary constituted an important habitat for migratory waterfowls and more than 115 thousand birds had been recorded during this winter. The fish diversity was also rich and the Pong

wetland supported 25 species belonging to five families. (THE TRIBUNE 250403)

HC: Maintain Delhi water bodies The Delhi High Court has directed the central and the state govt to properly maintain all water bodies in the capital and rid them of all encroachments and file an action taken report in four weeks. The court was dealing with a PIL filed by an East Delhi Residents' Welfare Association seeking to preserve the Seelampur Lake. Considering the increase in population and urbanisation, it was the need of the hour to protect and maintain water bodies such as lakes and ponds, the judges said. Water bodies should be kept clean to ensure proper recharge of groundwater and no other land use such as residential/ commercial should be allowed at their place, the Court said. (BUSINESS LINE, THE TIMES OF INDIA 010403)

Kullu valley may face melt threat The Kullu valley could well be heading for a natural calamity of serious proportions, if the global warming, which is giving sleepless nights to conservationists in Himachal because of the receding glaciers in the higher reaches of this tiny hill state, is any indicator. According to reports, the mean average maximum temperature recorded in the valley in 1984 for the previous 15 years was a pleasant 17.2 degrees Celsius. However, the maximum temperature recorded in 2001 has almost doubled to 32.3 degrees C. Conservationists claim that there had been an increase of about 0.4 degrees C in the minimum temperature in the valley from 1960 to 1990. However, if this very temperature between 1990 and this year were compared, the difference would be much more, they felt. Incidentally, data and pictures collected by remote sensing have shown that the Beas and Sutlej river glaciers had not only started receding, but also the water from them had created many lakes in the region. Should the glaciers continue to melt, the lakes could overflow causing serious problems in the valley below. Conservationists said that the circumference of a lake in the Beas glacier was 0.31 km in 1972, which had increased more than four-fold to 1.22 km. Data collected by remote sensing shows that over 330 glaciers in the higher reaches of the state are receding steadily over the years, because of which quite a few lakes have been formed. The pertinent question is how long will these lakes be able to contain the water from melting glaciers. (THE TIMES OF INDIA 280403)

FLOODS

When Dam BRINGS floods On Sept 5-7, 1994, when Wardha river was flooded and all the 13 gates of the Lower Wardha Project were suddenly opened, it led to flooding of many villages including Pipri, Mubarkapur and Bhadod villages of Arvi Tehsil in Wardha district. Not having been compensated for the losses thus incurred so far, the people have now formed Purgrast Andolan Kruti Samiti and filed a write petition in Nagpur

High Court, which has been admitted and notices issued to authorities. (Hitvada 130803)

Chamba, HP Heavy rain and snowfall in the Chamba region in the first week of March left one person and four cattle dead. The houses in Gharoh village developed cracks due to landslide. The roof of the govt high school at Manglin Salooni tehsil was blown off by a storm. Six houses were reportedly washed away due to an avalanche at Shoon hamlet in the interior of snow-bound tribal Pangli village on March 17. Recent rain and snowfall had resulted in an estimated loss of about Rs 100 M – roads, bridges, buildings and cultivable land – in the Pangli valley. (THE TRIBUNE 100303, 190303)

Border villagers want anti-flood steps Residents of border village Rossa in Gurdaspur district and surrounding areas are worried as the Punjab govt has not undertaken anti-flood steps on Ravi river on a scale undertaken by Pakistan govt. River Ravi's bed near Rossa is reduced only to a few meters. The Pakistan side is higher and in event of heavy rains water will flow towards Indian side. Dhussi Bundh on Ravi on Indian side is very close to the river and may be breached in the case of floods, in which case life and property in the border belt 30 kms from Kalanaur to Ramdas in Amritsar district will be endangered because overflow of Ravi will join Kiran nullah near Kalanour. Official sources in the Drainage Dept Punjab said that no funds had been sanctioned in this district for anti-flood measures. (THE TRIBUNE 310303)

DROUGHT RELIEF

Left High and Dry Finance Minister's Budget is largely silent about the ongoing drought in some states. This is bad news for the drought-hit people of Rajasthan, who have watched the war of words between the Centre and the state govts on how much is required to feed them. According to official estimates, 7.6 M landless households in addition to small and marginal farmers and farmers with a single crop holding are faced with chronic hunger. What is more their survival strategy – migration for casual labour – has suffered a setback, thanks to drought in neighbouring states. With nowhere else to go, they looked to the state to provide them food for work. The response has been far from enough.

The state govt planned to generate 560 M mandays of work between August 2002 and July 2003. It demanded 5.6 MT of wheat from the Centre in its Memorandum of Scarcity. This remains unanswered despite several visits by the Central teams. The central Task Force sent in a largely ad hoc manner, installments amounting to 0.2 MT or less. The state govt has been forced to accept whatever is allotted.

The Centre takes credit that it has sanctioned 1 MT and both govts are happy that they have corresponded on this issue while the poor sleep only partially fed. Even

though there is enough foodgrains in the stocks, the state is restricting its flow to the drought-hit and in the process is turning drought into a man-made famine. If this is not the time to use the buffer stock – 20 MT, how bad does the situation have to get?

In Jan the govt was providing employment to about 5.6 M households on a rotational basis. Over 1.6 M people were engaged for 9 days a month. Though, the state govt could not reach a third of the 7.6 M households it proposed to, it could make provisions for 90 kg of grain and Rs 126 as wages per month for about 5.5 M households. However, on Jan 9 2003, the Central govt informed the state that the task force had decided to restrict the benefits to 75% of the BPL rural households till June 2003.

Wheat is being exported at a net loss to exchequer – at rates below the procurement price and almost equal to the price at which it is sold to the poor. Reason: exports fetch revenue while giving it to the poor citizens would mean increase in fiscal deficit. The National Calamity Contingency Fund guidelines require the Central govt to impose a surcharge on all taxes in times of calamity. The state govt can also impose taxes in such situation.

There is general agreement between the two govts on the issue, though they happily play rhetorical blame game to score over each other politically. Both are averse to raising fiscal deficit, both are unwilling to impose surcharge on taxes and both are committed to increasing exports; even if it means subsidising the foreign consumers at the deprivation of poor citizens. In the long run neither govt will win or lose; the ultimate losers will be the drought-hit who have sadly got few options. (*Pradeep Bhargava* in THE TIMES OF INDIA 210303)

More foodgrains as relief The centre has announced 1.93 MT foodgrains as fresh relief to 9 states. As per existing norms Andhra Pradesh would get 0.31 MT, Karnataka 0.16 MT, Maharashtra 0.11 M T, Chhatisgarh 0.09 MT and Madhya Pradesh 0.01 MT for the next three months. Similarly, Tamil Nadu would be given 0.35 MT, while for the first time Gujarat was given 0.14 MT, Orissa 0.44 MT and Kerala 0.04 MT. (THE INDIAN EXPRESS 150303, THE HINDU 160303)

Rs 16.48 B aid The Centre has announced a financial assistance of Rs 16.48 B to 10 drought-affected states from the National Calamity Contingency Fund. Out of Rs 16.48 B sanctioned, Rs 5.03 B would be spent on cattle care, Rs 4.02 B on Employment generation, Rs 3.49 B on drinking water supply and Rs 3.93 B on other drought-relief work. The Agriculture Minister said Rajasthan would get Rs 6.82 B, Tamil Nadu Rs 2.58 B, Andhra Pradesh Rs 2.24 B, Gujarat Rs 1.50 B, Madhya Pradesh Rs 0.75 B, Chhatisgarh, Karnataka and Orissa Rs 0.61 B each, Maharashtra Rs 0.46 B and Himachal

Pradesh Rs 0.25 B. An additional allocation of 1.16 MT of foodgrains has been made for AP (0.68 MT, incidentally, AP CM was in Delhi two days before this announcement), MP (0.13 MT), Karnataka (0.12 MT) and Chhatisgarh (0.01 MT). (THE HINDU 240303)

Punjab Punjab received Rs 1.01 B from the central govt in 2002-3 as part of its share in Central Calamity Relief Fund. While the amount released to Haryana was Rs 0.67 B, Himachal Pradesh was given Rs 0.35 B. HP was also given additional Rs 0.13 B assistance from National Calamity Contingency Fund. Jammu and Kashmir got Rs 0.28 B. (THE TRIBUNE 110303)

AGRICULTURE

Threat to Green Revolution Yields According to Vice Chancellor of Haryana Agricultural University, although green revolution had a good impact on the productivity of Rice –wheat crops, the problem of declining soil fertility, water scarcity, environmental pollution and weeds now posed a threat to sustainable production. South Asia had 13.5 M Ha and China had 10 M Ha under these crops. (THE TRIBUNE 160303)

Lip service to Agriculture Even as there are reports of increasing suicide among farmers, unflinching lip service glorifying farmers and eulogising agriculture continues unabated. "Agriculture is the foundation of natural prosperity and no strategy of economic development can succeed in our country if it does not ensure rapid growth of production and employment in agriculture. Nor can we hope to provide sufficient jobs for our growing rural labour force unless we transform the economy of our rural areas" Manmohan Singh spoke in Budget Speech 1992-3. Yashwant Sinha had added his brush to paint a rosy picture for agriculture saying that his Budget was aimed at ensuring "*kisan ki azadi* (farmer's freedom)" and now Jaswant Singh talks about need for a "second green revolution" since "Agriculture is lifeblood of the economy". However, Mr Jaswant Singh's misplaced emphasis is on "precision farming". In a country where 85-90% of land holdings are of size less than 2 Ha. (BUSINESS LINE 120303)

Israeli Dry land farming in AP Following success of the Kuppam Agricultural Project in Chittoor District using Israeli Dry land farming technologies over the last five years, the AP govt has decided to replicate the model in three other districts of Ranga Reddy, Mehbubnagar and Vizianagaram. The work has been extended to BHC Agro (India), the Indian arm of the Israeli BHC. BHC Agro would take up the pilot projects on 400 Ha in each of the three districts. The Kuppam work over 2800 Ha included drip irrigation as a major component in addition to low cost fertigation, green houses and biotech tools. A National level task force has been set up under the chairmanship of AP CM Naidu for nation wide replication of the model.

(BUSINESS LINE 160403, BUSINESS STANDARD 250403)

Outlay Rs 38.66 B Describing Agriculture as “the lifeblood of the economy”, Finance Minister has mooted a slew of measures to promote agricultural diversification, resonance with market forces, adoption of sunrise technologies, prevention of land degradation and waterlogging. After raising high expectations by talking about “agriculture and related aspects including irrigation” as one of the five priorities, he seems to have lost his way as he came to agriculture related proposals. The share of Agriculture and Rural development in the 2003-4 plan outlay has declined to around Rs 120 B from Rs 160 B in 2002-3. Though the outlay for Agriculture and allied activities has been hiked to Rs 38.66 B compared to revised estimate of Rs 32.19 B in the current fiscal, the rise is only Rs 1 B higher than the budget estimates of 2002-3, which was Rs 37.33 B. Here expenditure in 2002-3 represents a shortfall of 14% compared to outlay. Of the outlay, Rs 4.43 B was for Irrigation and Flood control. Even here only Rs 3.81 B was spent and this too represents 14% shortfall. As compared to the target of 3.4 M ha per annum, the irrigation potential harnessed during the Ninth Plan was only 1.85 M ha per annum. Prof Jagadeeswara Rao of Andhra University said the Finance Minister’s remark on “the 2nd Green Revolution” was vague and doesn’t point to any well thought out policy. He said the concept would be laudable, if he were to refer to revolutionising dry land farming (67%), which was largely left untouched by the first one. However, the budget did not enunciate any measures in that direction. (BUSINESS STANDARD 010303, BUSINESS LINE 040303, THE INDIAN EXPRESS 160303, EPW 050403)

Rabi Area declines Area under Rabi crop in 2002-3 has dropped by 4.5 M ha. Except maize, the acreage under all major Rabi crops has dropped. The area under wheat has declined by 1.44 M ha from that of last year’s, while summer rice area has come down by 0.91 M ha, rabi pulses by 1.135 M ha, oilseeds by 0.82 M ha, maize increased by 0.17 M ha. The area under Rabi rice in AP has shrunk by about 0.60 M ha and part of the unsown paddy area has been diverted to pulses and coarse cereals. As a result, the acreage under Rabi pulses has increased by about 0.35 M ha in AP. The area under wheat has fallen by 0.80 M ha in Rajasthan and by 0.20 M ha in MP. (THE TRIBUNE, 030403, THE ECONOMIC TIMES 040403)

Bt crop flop A study by Gene Campaign has described the first Bt cotton crop as a failure and has demanded that the govt and Monsanto compensate farmers for the loss. 98% of the farmers said no to whether they would plant Bt seeds next year. The report calculated that the investment per acre was Rs 983 higher than that on non-Bt. “60% of Bt farmers were unable to recover costs and were in the red to the tune of Rs 80 per acre”,

said Gene Campaign. While in AP the opposition demanded and secured compensation for farmers who incurred losses, the govt in Karnataka is “echoing” the lines of GEAC – producing “fictitious data” to show Bt cotton in positive light.

➤ **No to Bt cotton in North** The govt has rejected a proposal for the release of genetically modified Bt cotton seeds in North India. The GEAC also found trials of GM transgenic mustard, conducted by the ICAR, “inconclusive”. (THE INDIAN EXPRESS 160403, 260403, THE ECONOMIC TIMES 170403)

Decline in outlay on rural activities While the 2003-4 Union Budget made the right noises about alleviating poverty, the focus on rural and agricultural issues appears to be cursory at best. It would have been more useful is to address the issue of growth in rural sector. The rural non-farm sector is a reservoir of possibilities, and it has been well documented that this sector responds well in terms of GDP growth to public investment. But, Central Plan figures only underscore the gradual but definite de-emphasis of public investment in rural activities in the nineties and the new millennium. As the table below shows, while the overall plan outlay has grown substantially over the past 7 years, the growth in the allocation to agriculture and rural development is nowhere in the same league, despite a very small base. Between 96-97 and 02-03, overall plan outlay increased by 85%, while from this, the allocation to agriculture and rural development together grew by only 13.5%, amounting to nothing actually if one considers small base expenditure in 96-97. In real terms, if we take into account the rise in wholesale Price Index between Apr '96 and Sept 02, there was an absolute decline in expenditure on these two heads, especially on rural development. Public expenditure on Rural devt has fallen to 6% of the GDP compared to 13% in the late '80s. NSS data show clearly the resulting collapse of employment growth in rural India to just 0.6% annually during 93-4 to 99-00 compared to 2% during 87-8 to 93-4.

Central Plan Outlay on Agriculture and Rural development

(Rs in Billions)

	96-7	97-8	98-9	99-00	00-1	01-2	02-3
Agriculture	26.20	27.56	27.77	30.17	29.82	33.51	37.33
Rural Devt	76.91	69.49	77.36	75.45	64.03	81.97	79.73
Agri + RD	103.1	97.05	105.1	105.6	93.85	115.4	117.0
Total Central outlay	775.1	810.3	884.8	963.1	1085	1278	1440
% Share in total outlay	13.3	12.0	11.9	11.0	8.6	9.0	8.1

(THE ECONOMIC TIMES 080303, FRONTLINE 140303)

FOODGRAINS MANAGEMENT

FOOD INSECURITY It would be erroneous to presume that the country has turned food secure based merely

on the current size of govt held stocks of wheat and rice, or based on foodgrains output reaching a record 210 MT in 2001-2. If anything, the per capita availability of foodgrains has declined in the past ten years; there is little empirical evidence to support the theory that dietary habits among a large mass of resource poor people have changed to such an extent that the share of cereals in the food basket has declined. The threat of food insecurity will continue to haunt the country until access to food is considerably improved; and this can be achieved only by raising rural incomes, a process that is closely linked to robust agricultural growth. (BUSINESS LINE EDIT 040303)

SC Notice on BPL families The Supreme Court has given notice to centre on an application from PUCL that the centre had taken a decision to drastically prune the list of below poverty line families in the country. On June 2, the SC directed the centre to double the allocation of cash and grain to states during summer under the PM's Sampoorna Grameen Rozgar Yojana. (THE HINDU 040303 THE BUSINESS STANDARD 030503)

5 000 000 000 kg wheat disappears The govt has ordered an inquiry into the alleged disappearance of nearly 5 MT of wheat, worth Rs 32 B from the FCI godowns in Punjab. Union Food Minister had ordered an inquiry into this on Jan 10 2003, and had ordered that report be submitted in 15 days. The report is yet to be submitted. (THE HINDUSTAN TIMES 100303, HINDUSTAN 130303)

Transit and Storage loss of foodgrains On March 6, Food Minister informed Rajya Sabha details of transit and storage loss of foodgrains.

Year	Quantity lost	Value of loss	Quantity moved / stored	loss as % of quantity moved/ issued
99-00	0.295 MT	2.34 B	25.18 MT	1.17
2000-1	0.184 MT	1.72 B	21.32 MT	0.86 (prov)
2001-2	0.182 MT	1.62 B	23.36 MT	0.78 (esti)
99-00	0.172 MT	1.57 B	49.86 MT	0.34
2000-1	0.224 MT	2.27 B	39.63 MT	0.57 (prov)
2001-2	0.198 MT	2.21 B	55.27 MT	0.36 (esti)

(Q No 1588 in RS)

Foodgrains availability declines India's agricultural output declined during the year 02-3 to 183 MT, a drop of 13.9%, according to Centre for Monitoring Indian Economy. This is the fourth year when foodgrains production is on the decline. Foodgrains output per head has been falling. Compared to 205 kg in the early 90s, it was 15 kg lower in 2000-1, and in this drought year it is 172 kg, the level in Colonial India. Despite this, massive grain stocks have built up because of a large reduction in incomes and hence in effective demand on the part of poorer majority, which is constituted by

labourers and farmers. There is little empirical evidence to support the theory that dietary habits among a large mass of resource-poor people have changed to such an extent that the share of cereals in the food basket has declined. (BUSINESS LINE 040303, THE ECONOMIC TIMES 120303, FRONTLINE 140303)

Foodgrains output estimates fall The third advance estimates on foodgrain production for 2002-3 has projected at 184.06 MT, a 29 MT shortfall (13.2%) compared to 2001-2 level, i.e. 212.02 MT. The decline in Kharif production is estimated at 19.8% (22.1 MT) and that of Rabi at 5.83% (5.86 MT). Rice production during the year is expected to be 76.81 MT, a 17.4% decline from last year's 93.08 MT. Wheat production is expected to be 70.26 MT, about 1.5 MT less than last year's 71.81 MT. The production of coarse cereals is expected to be 25.08 MT, about 26% lower and pulse production is expected to be 11.8 MT, about 10% lower than last year. (THE ECONOMIC TIMES, THE HINDU 050403)

SC issues notices on food contamination The Supreme Court has issued notices to five ministries because their failure to regulate the use of pesticides had contaminated food items, including wheat, milk, fish, tea and edible oils following a petition by Srishti. The petition sought a ban on the use of pesticides on vegetables, fruits and other food items. The petitioner also sought a direction to prescribe the maximum residue levels of the registered pesticides according to the international standards set by the Codex Alimentarius Commission established in 1962 and the setting up of an expert body for prevention, control and monitoring in the area of toxics and their effect on environment and human health. (THE TIMES OF INDIA, THE HINDU 220403)

CAG pulls up FCI Comptroller and Auditor general of India has pulled up Food Corp of India for inept vigilance system, discrepancies leading to procurement of substandard paddy, not making full payments to farmers and losses of over Rs 8.054 B in handling and transportation of foodgrains between 1997-8 and 2000-1. Between 1982-3 and 1999-00, shortages worth Rs 22.33 B were found in FCI stocks. They were later regularised. The CAG expressed concern over the total storage shortage of 0.232 MT (worth Rs 2.054 B), 0.294 MT (Rs 2.867 B) and 0.251 MT (Rs 2.437 B) in 1997-8, 1998-9 and 1999-0 respectively. The report said around 0.291 MT of paddy worth Rs 1.6 B remained unmilled during 1997-2001, which indicated that sub-standard paddy was not detected during procurement. During 1997-8 and 2000-1, sub standard rice worth Rs 3.315 B was accepted by the FCI. CAG was critical of the lack of compliance by vigilance dept of FCI in a number of areas of fraud control. As a result, progress in finalisation of vigilance cases was woefully slow with pending cases increasing by 191% to 1663 by the end

of 2001 from 572 in 1996. (THE INDIAN EXPRESS 250403, 050503, 100503)

Wheat bags lying in open for 3 years Thousands of bags of wheat, procured by Food and Supplies dept and other state agencies 3 years ago are still lying in the open on the premises of the new grain market at Gohana town in Sonapat dist of Haryana. According to a report, bulk of this has reportedly been damaged and it has become unfit for human as well as animal consumption. The foul smell emanating from the stock has caused resentment among passers by. The same is the case with the stocks lying in the open at the godowns of Food and Supplies dept and the new grain market in Sonapat. (THE TRIBUNE 270303)

Animal feed for export turns up at flourmills In selling off wheat that lost lustre, the govt has lost some sheen. Saddled with 10 MT of lustre-lost wheat – damaged by rain and with a low shelf life – the govt first indicated that this could be exported as animal feed. But in Dec it did an about-turn and decided to sell it to flour mills. The govt's logic was that the flourmill operators would pay a higher price than the exporters – they offered a rate of Rs 6100 per T. Insiders fear that this grain could be ploughed back into the system by mixing with good wheat or selling it back to the govt when it begins procuring for this year's crop in April. (THE INDIAN EXPRESS 020403)

Why get food aid when stocks rot The rejection of corn-soya blend from US for distribution amongst the poor on account of it being suspected of being genetically modified has come as a sigh of relief to those opposing the genetically modified food. Only two months ago, the GEAC had rejected the request made by CARE-India and the Catholic Relief Services, two of the leading US-based relief organisations, to allow them to import genetically modified corn-soya blend for distribution amongst the poor. The CARE-India proposed to import 15 000 T of GM corn-soya blend and the CRS about 8 000 T. According to reports, this shipment is a part of \$ 100 M US govt's annual food aid. (DECCAN HERALD 120303)

Women's struggle for a new food policy "Earlier, the govt officers sent to villages to conduct a survey of people living below the poverty line, all they used to do was to stay put in the house of sarpanch and write the report on the basis of what he feeds them. But, this time when they came for the survey, a group of women went to the sarpanch's house and made them visit every house for an accurate survey. They did go to houses but the kind of questions they asked were totally irrelevant" thus spake Raj Dulari who was one of the participants at the convention organised by All India Democratic Women's Association to mark the 10 years of the 73rd and 74th Constitutional amendments. The convention resolved to intensify women's struggle for a new food policy based on the universalisation of the

Public Distribution System, low-priced and edible foodgrain and employment guarantee schemes. (THE HINDU 250403)

900 infants die Nearly 900 infants died in Maharashtra's Gadchiroli district in the first 2 months of the year, all allegedly triggered by malnutrition. An independent study conducted by a group of 13 NGOs in 2001 exposed the govt's under-reporting on child deaths and the report was accepted by the then CM Deshmukh. However, not much has changed since then. (THE INDIAN EXPRESS 300303)

NHRC demands report on starvation The National Human Rights Commission has asked the collectors of eight districts of Maharashtra to file the reports on the implementation of Centre's Annapurna scheme for destitute senior citizens. The NHRC took suo motto cognisance of a newspaper report. All eight districts figure in the list of country's 100 poorest districts drawn up by Sarma committee a few years ago. (THE HINDUSTAN TIMES 240403, DRP May-June 03)

CONTRACT FARMING

Agri Growth Rate As per Union Agriculture Secretary, Agri growth rate was 4.69% in Eighth Plan, 2.06% in Ninth Plan and is projected to be 4% in Tenth Plan. The foodgrains production went up from 105 MT in 1973-4 to 212 MT in 2001-2, i.e. doubled in 28 years. He claimed that there was consensus among states for promoting direct marketing and contract farming arrangements. (BUSINESS STANDARD 040403)

Punjab Punjab Agro Industries is to take up contract farming of Basmati in 12000 Ha in collaboration with Rallis India, ICICI Bank and LT Overseas Ltd under crop diversification plan. PAICL is working with others like Mahindra & Mahindra, Pepsi & Cargil.

➤ Punjab Agro Foodgrains Corp & United Breweries have taken up contract farming of barley in 360 Ha in current Rabi and plans to expand to 2800 Ha next year.

➤ Punjab CM has sought help from FICCI to make the state's ongoing programme of contract farming under crop diversification a success. He said 16% of Punjab farmers had less than 3 acres, 68% 3-5 acres and only 16% had over 5 acres of land. Punjab has submitted a Rs 12.8 B per annum plan to Centre for undertaking diversification of paddy and wheat in 1 M Ha, which would annually save Rs 38 M for the centre. He said the state has launched the "path breaking multi crop multi year contract farming" in 1 M Ha. Companies like Rallis India, Mahindra Subh-Labh Ltd and Escorts Ltd has been tied up for contract farming in Punjab. (BUSINESS LINE 030403, TRIBUNE 160403, THE HINDU 220403)

SUGAR

Sugar biggest threat to Indian Agriculture
Sugarcane is the biggest threat to India's food security.

The unprecedented addition of sugar mills by successive govts has created major crisis. Requiring fertile and irrigated land for cultivation, its growth is at the cost of crops such as wheat and rice. What makes the switch to sugarcane a pernicious trend is its enormous water requirement. Since there is no shortage of sugar in the country an immediate ban needs to be imposed on setting up sugar mills. All budgetary support to the sugar industry needs to be withdrawn as it has led to a serious crisis. (Devinder Sharma in BUSINESS LINE 120303)

ABC of Sugar Exports The Indian Sugar Exim Corp is a joint trading body of the private and cooperative sugar mills. Global Alliance for Sugar is an international alliance of sugar exporting countries like India, Brazil, Thailand and Central American countries. Cairns Group comprises of countries such as Australia, New Zealand and Canada that are primarily dependent on agriculture and dairy exports. ISEC has a quota to export 10 000 T sugar to EU. GAS is taking the support of Cairns Group to increase the quota. (BUSINESS LINE 070403)

Union Minister to file PIL against sugar mills Agriculture minister said that he will file a Public Interest Litigation against sugar mills in Uttar Pradesh as they were not paying the Statutory Minimum Price for cane to farmers. The minister also came down heavily on the present system of fixing the cane SMP on sugar recovery basis, saying that it has led to nothing but chaos. He said that this system implies that the income of the farmers depends not on their produce but on the cane crushing efficiency of the mills. The minister said that the PIL option is exercised as several initiatives of the govt have so far failed to resolve the farmers-millers deadlock. (THE ECONOMIC TIMES 170403)

Maharashtra No to new sugar factories Maharashtra govt would think twice before giving permission to start sugar factories in the view of its financial situation. 52 existing sugar factories are sick. The govt would make a study of those factories, which are already in pipeline.

➤ **Sugar factories face closure** Co-operative sugar factories, which fail to repay pre-season loans taken with govt guarantees by the stipulated deadline of March 31 03 may have to down shutters as per an experts committee. The govt has already given guarantees for short margins to the tune of Rs 7.14 B. The sugar factories are now demanding guarantee for the remaining Rs 8.92 B as well. Of the 129 sugar factories in the state, 121 have outstandings. The committee has also recommended that govt should provide guarantees to only those factories, which have reduced the per-kg sugar production cost by at least Rs 1 as compared to 2001-2. (BUSINESS STANDARD 030303, THE TIMES OF INDIA 120303)

Sugar Release Mechanism The plan to decontrol the sugar industry has been effectively shelved, with the

govt deciding not to dismantle the existing 'release mechanism' till the end of 2003-4 crushing season following hectic lobbying by the powerful sugar industry. As for the release mechanism, not only 10% levy would continue, as also the monthly free sale quota; but also the cabinet has even approved an amendment to the Essential Commodities Act, 1955 (which is under Ninth schedule of constitution) to bring the release mechanism under ECA to ensure its effective implementation. After the proposed amendment to the Act the mills will no more be able to obtain court orders for sale of surplus stock. Earlier, in a landmark interim order issued on March 19, the Allahabad High Court permitted the Saharanpur Factory to sell free sale sugar "in any quantity to anyone at any price". Sugar mills in Maharashtra are carrying an inventory of 10 MT. (BUSINESS LINE 050303, 110303)

Haryana guarantee for sugar mill loan Haryana cabinet decided to stand guarantee for Rs 70 M loan to be given by the HSIDC to Naraingarh Sugar Mills, a sick unit that owes about Rs 130 M to cane growers. Just few days ago during assembly debates, when former finance minister suggested that it should make up the difference between State Advisory Price and the statutory MSP being paid by Saraswati Sugar Mills, CM rejected the proposal. (THE TRIBUNE 130303)

Rs 4.10 B for Punjab sugar mills Punjab Finance Minister said that the govt has released Rs 4.10 B during the current fiscal to bail out the 16 cooperative sugar mills from the crisis. (THE TRIBUNE 270403)

FISHERIES

Fish from Kerala, Goa to be let into Karnataka rivers To end the fish famine, Karnataka decided to release fish from Kerala and Goa into state rivers. The project would be undertaken in June, July and Aug, said the minister for Fisheries. Rs 134 M project to develop inland fishing in Shimoga, Davangere, Haveri, Dharwad, Raichur and Bellary districts has been approved. (DECCAN HERALD 070503)

Fish farmers to pay bulk water rates To promote fish farming in Haryana, the govt has taken a decision to charge bulk supply rates of water from fish farmers instead of commercial rates. Minister of State for Fisheries said an outlay of Rs 434 M had been approved for implementation of various schemes of the dept during the 10th plan, Rs 50 M had been approved during the current year's plan. (THE TRIBUNE 110603)

PUBLICATIONS AVAILABLE WITH SANDRP

1. *Say no to profit over water: A Dossier on Water Privatisation*, SANDRP, 2003, pp 84, Rs 50/-
 2. *Vishwa Bandh Ayog per Nagarik Margadarshika (HINDI)*, SANDRP, 2002, pp 63, Rs 30/-
 3. *Power Finance, Financial Institutions in India's Hydropower Sector*, By Peter Bosshard, Published in India by SANDRP, March 2002, pp 132, Rs. 100/-
 4. *Bade Bandh, Bharat ka Anubhav* Hindi Translation of WCD India Country study, By R Rangachari, Nirmal Sengupta, Ramaswamy Iyer, Pranab Banerji & Shekhar Singh, SANDRP, 2001, pp 268, Rs. 100/-
 5. *The Drought, the State and the People: An Experience in Gujarat* SANDRP Dossier on Gujarat Drought 2000, Edited by Sanjay Sangvai, pp 90, Rs. 75/-
 6. *Report of the Daud Committee on Sardar Sarovar Displaced*, Govt. of Maharashtra, SANDRP a co-publisher, pp 54, Rs. 30/-
 7. *Dam Vs Drinking Water: Exploring the Supreme Court Narmada Judgement*, L C Jain, Parisar Publication 2001, p 131, Rs 75/
 8. *Proceedings of the Consultation on the Report of the World Commission on Dams, Ranchi 7-8 August, 2001*, Edited by DK Mishra, Barh Mukti Abhiyan, Oct. 2001, Rs. 40/-
 9. *The River and Life: People's struggle in the Narmada Valley* By Sanjay Sangvai, Earthcare books, June 2002, pp 240, Rs 180/-
 10. *Tehri Environment and Rehabilitation: Towards Failure and Devastation*, Published by MATU, pp44, Rs 25/-; Hindi: Rs 20/-
 11. *Bharat mein Bade Bandh ka Lekha jokha (Hindi)* summary of WCD India Country Study, Manthan, pp18, Rs 5/-
 12. *Water: Private, Limited* by Shripad Dharmadhikary, Manthan, pp 54, Rs 20/-
 13. *ECOLOGIST ASIA SPECIAL ISSUE ON DAMS IN NORTH EAST INDIA*, Jan-Mar 2003, pp. 96, Rs 50/-
 14. *Seminar Special issue on Floods*, June 1999, pp. 90 Rs 15/-
 15. *Large Dams in India* by Shekhar Singh and Pranab Bannerji, IIPA, 2002, pp 338, Rs 500
 16. *Conserving Raindrops a Much Better Option Than Linking Rivers* By Bharat Dogra, pp 8, Rs 4
 17. *Nadi Nahin Jodna, Bund Bund Sanjona*, Bharat Dogra, pp 16, Rs 8
- Please send your orders with DD in favour of YUVA, payable at Mumbai and send them to SANDRP, c/o 53B, AD block, Shalimar Bagh, Delhi 110 088. Please add Rs. 25/- for postage and packing charges for all publications.

FORESTS

Forest cover up? The country's forest cover has increased by 6 % – from 637 293 sq km in 1999 to 675 538 sq km in 2001. *The state of the Forest* report 2001, released by the Union Environment Minister has assessed the forest and tree cover to be 757 010 sq km constituting 23.03 % of the geographical area. The forest cover has been assessed as 20.55% of the country's geographical area. However, one qualification that should be added here is that the new figure includes forest upto one Ha area, whereas earlier assessments did not include forests of area less than 25 Ha. This has been made possible by the digital technology being used. This means that agricultural tree, tea, coffee and also horticultural plantations are also included in the new figure. In the new report, any area larger than one acre and having tree cover greater than 10% is considered under forest. (THE HINDU, INDIAN EXPRESS, HINDUSTAN 230403)

Japanese loan for Punjab The Japan Bank for International Cooperation has given a loan of Rs 2.02 B for a Punjab Afforestation Project. (THE TRIBUNE 020403)

POWER OPTIONS

Harvesting the river's energy without a dam One looks like a Venetian blind. Another resembles an upside-down wind turbine, and a third resembles a double helix of DNA. These are three of a growing group of engineering concepts that some energy

experts believe could revitalize the stagnant HEP industry, providing an environmentally less-damaging alternative to damming streams. Instead of blocking rivers - and the movement of fish that live in them – these "free-flow hydro" use the power of moving water to generate electricity in somewhat the same way that wind turbines capture the power of moving air. In just the past few months, local govts have begun investing in the new hydro. The San Francisco Board of Examiners voted to spend \$2 M to study using the tidal flow. New York has spent \$ 0.5 M testing one prototype, and is considering another \$ 0.5 M grant. Last month, the Massachusetts Renewable Energy Trust Fund announced a new \$2 M program to support such emerging technologies. (The Boston Globe 270503)

Use of solar energy more in rural Bengal There are 49112 households in W Bengal that rely on solar energy as their source of light. The 2001 Census data showed that there was greater use of this form of renewable energy in the rural areas and 0.31% of the total households in the State used solar lighting. The remote parts of South Parganas are among the best in harnessing the sun's energy with 0.53 % households use solar energy. (BUSINESS LINE 190403)

Jharkhand: No to Distribution privatisation Jharkhand Energy Minister has dismissed the idea of privatising power distribution, while not being averse to privatisation of generation. (BUSINESS STANDARD 140403)

POWER GENERATION

10th plan target already off? From the table below it is clear that the Tenth Plan Target for power capacity addition is already off target.

(MW)

	Under Approval	Approved projects	Under execution	Total
02-03	--	--	4 342	4 342
03-04	24	47	4 905	4 976
04-05	883	358	4 182	5 424
05-06	1 795	3 183	3 330	8 308
06-07	10 323	5 357	2 380	18 060
10 th Plan				41 110

(BUSINESS STANDARD 020403)

CEA clears 11566 MW The CEA had and cleared generating capacity of 11566 MW with an investment of Rs 477 B in 2002-3. (BUSINESS STANDARD 220403)

No hydel generation from April 10 in AP There will be no hydropower generation in AP from April 10 as almost all reservoirs in the Krishna basin and those in Sileru complex have gone below the Minimum Draw Down Level. As the state recorded a 37% combined rainfall deficit (of SW and NW monsoons) the hydro generation during the current year is only 3300 MU against the projected aggregate requirement of 6999 MU. Water levels in the three major HEPs are at the lowest in 41 years: Srisaillam 800 ft, Nargujansagar 496.80 ft and Sileru 1008 ft. In the meanwhile, the 150 MW fifth unit of the 900 MW Srisaillam left bank power project on March 28, making the state hydropower capacity 3432 MW. None of the units are able to generate power for lack of water in the reservoir. The state has also taken up 220 MW Jurala HEP and 352 MW Dummungdem HEP. (THE HINDU 240303, THE BUSINESS LINE 290303)

Hydel power crisis in Kerala The storage position in the reservoirs of the Kerala State Electricity Board has reportedly touched the bottom level, making the crisis in the State's hydel sector the worst in the past 15 years. According to KSEB Load Despatch Station sources the effective storage in all reservoirs of KSEB as on April 15 will be sufficient to generate only 653.89 MU, while the storage in all reservoir was 1012.79 MU during the same period last year. The effective storage was 294.9 MU (546.7 MU last year) at Idukky, 219.98 MU at Sabarigiri (222.28 MU last year, the storage here was following the shutdown of the Moozhayar powerhouse after a fire mishap on March 7 and only one generator of 50 MW is currently running at Sabarigiri, putting the restraints on the 50 MW HEP at Kakkad and the 12 MW mini-HEP at Maniyar in the downstream). The 125 MW Kuttiyadi HEP, the only one on Malabar belt, is most likely to go out of the Kerala system at any time as the effective storage there has come down to a mere 1.99 MU. (THE HINDU 210403)

Generation up in Uttarakhand Power generation in Uttarakhand has gone up by 40 MU during the last financial year resulting in a profit of Rs 1 B to Uttarakhand Power Corporation. Disclosing this UPC Chairperson said that out of 3465 MU produced, 3425 MU were generated in the bigger projects while the rest came from small generating units. "Plans are on to modernise the Tiloth, Pathri, Mohammedpur and Galogi power stations and the corporation hopes to touch the 3800 MU mark in two years", he added. (BUSINESS LINE 070403)

ENRON SAGA

Bid to restart Enron Tata Power and BP Global Investment of the UK have decided to put in a combined financial bid for purchasing the Dabhol power plant and have signed a memorandum of understanding to jointly evaluate the power project. The move comes at a time when the main rupee lender to the Dabhol Power Company – the Industrial Development Bank of India – is planning to call for bids again, after having called off the bidding round earlier. Both companies had submitted separate expressions of interest to IDBI for DPC's sale last year, which was subsequently suspended by the lead lender. The foreign stakeholders – Enron, GE and Bechtel – may also put in bids. However, the foreign lenders led by ABN Amro Bank NV have decided to exit from the project on the grounds of slow progress in re-starting the plant. The consortium of lenders has sought repayment of their combined exposure of \$ 339 M. The other banks are ANZ Investment bank, Bank of America, Citibank NA and Credit Suisse First Boston.

➤ The Bombay High Court ordered on April 8 the court receiver of the DPC to undertake the feasibility study of 2184 MW power plant. Meanwhile DPC has on April 13 filed an appeal in Supreme Court against March 2002 Bombay High Court order stopping arbitration proceedings between the power company and the MSEB.

➤ **Arbitration notice** The offshore lenders to DPC have sent a notice of international arbitration to the domestic lenders for breach of the inter-creditor agreement. The local lenders will now be required to appoint an arbitrator within 30 days and fight the case in London under the provisions of the UN Commission on International Trade Law. The offshore lenders had voted on April 3 to instruct DPC to proceed with the termination of PPA with the MSEB. This would have forced the board to take over the project and repay the offshore lenders' loans. Meanwhile the local lenders have termed the arbitration move as a 'misguided one'.

➤ An interim revival package for restarting the first phase of the DPC would be worked out by the concerned agencies, the Rajya Sabha was told on April 23. (Powerline March 03, THE ECONOMIC TIMES 090403, 140403, BUSINESS STANDARD 090403, 180403, 240403)

POWER FINANCE

Rs 400 B for SEBs To improve the financial viability of SEBs, the govt has approved Rs 400 B during the 10th plan. (BUSINESS STANDARD 140403)

PPN defaults, plant shut down PPN Power Generating Co Ltd that runs a 330 MW combined cycle power plant at Pillaiperumalnallur in Tamil Nadu, has defaulted on repaying an installment of debt, which is due for the quarter ending on March 31. Following non-payment of bills, PPN has shut down its power plant on April 10. (BUSINESS LINE 030403, 160403)

DISPLACEMENT AND REHABILITATION

Bhakra Oustees HP Industries Minister has declared that the Congress govt would fulfil its commitments with Bhakra dam oustees of Bilaspur. He promised that it would not only create two new sectors in Bilaspur township for the resettlement of remaining oustees, but also solve their other problems. (THE TRIBUNE 270403)

Central directive on tribal rehabilitation Centre has directed the states not to displace tribals without alternative rehabilitation complete in all respects including drinking water, power & access to nearby town. The Union Minister for Tribal affairs said that, the tribals living in hill areas are being forcibly evicted for reservoirs as per reports. (THE HINDU 140403)

World Bank guilty of violations in displacement It has been over a decade since WB approved the Coal India Environmental and Social Mitigation Project for funding the opencast coalmines at Hazaribagh in Jharkhand and two years since the fund was stopped on completion of the loan, the displaced people of Parez village are yet to get compensation. Despite the fact that Inspection Panel of the WB found the

management guilty of 31 violations in this project. The report by the Panel has accused the WB management of violating its own policies on resettlement, indigenous people's rights, lack of environmental assessment and project supervision. It was submitted in Nov 02 for response within six weeks, but there has been no word so far. The Chhotanagpur Adivasi Sewa samiti has submitted a plan to the WB seeking R&R Plan for the displaced. (THE HINDU 240403)

RELEVANT ECONOMY ISSUES

CAG blames KPTC, BWSSB for revenue deficit The Comptroller and Auditor General of Karnataka has pegged Karnataka's revenue deficits at Rs 3,2.84 B for 2001-02, up from Rs 1,8.62 B in 2000-01, holding KPTC mainly responsible for the sharp increase. The CAG-K has criticised the Bangalore Water Supply and Sewerage Board for wasteful expenditure to the tune of Rs 725.9 B in implementing Cauvery Stage IV, Phase I project. The report said the project taken up for execution with assistance from the Japan Bank for International Cooperation and scheduled for completion by March 2002, "witnessed serious slippages in execution of water supply and sewerage works on account of delays in acquisition of lands and finalisation of survey & investigation." (THE TIMES OF INDIA 290303)

Mounting External Debt The total outstanding Govt debt as on March 31 03 was Rs 10948.13 B consisting of Rs 10371.63 B of internal debt and Rs 576.5 B of external debt. Ext Debt comprised of (all Rs B): IDA - 212.17, Japan - 84.20, IBRD - 40.01, Germany - 23.17, ADB - 16.00, US - 10.26, Netherlands - 4.39, Russian Fed - 4.04, Canada - 2.93, IFAD - 2.46, Sweden - 1.09, EEC (SAC) - 0.39, OPEC - 0.16, Others - 9.14. (Rajya Sabha Q 3273, BUSINESS LINE 240403)

QUOTE OF THE MONTH

Union Cabinet has grossly neglected the interests of farmers and farmers need to unite to fight for their share of cake. Successive govts since independence have favoured industrialists and employees at the cost of farmers. The Union cabinet discussed for over three hours my proposal to waive a year's interest on crop loans in drought year. Even after that, the Cabinet passed the buck to the PM, who later announced a 20% waiver. In another instance, my proposal to increase wheat MSP by Rs 0.15 per kg was discussed by the Cabinet for two and a half hours. Finally, it was decided to increase it by Rs 0.1 per kg with a financial burden of Rs 2 B. Cabinet approved a DA hike which cost the Exchequer Rs 18 B. In the drought year, the Centre released Rs 30 B for drought relief. Funny arguments were put forward to reduce the relief to farmers, but Rs 135 B was sanctioned to bail out the UTI schemes without hesitation. The govt was willing to protect the interests of speculators rather than farmers. It was mandatory for the Banks to give 18% advances to agriculture, but so far not a single bank has met the target. In 1990, the centre wanted to waive bank loans to farmers to the extent of Rs 10 000. This aggregated to Rs 135 B. The centre wanted to stagger it over 5 yrs so that annual burden would be Rs 25 B. There was a hue and cry from economists, bankers and academicians who said that the economy would go to the dogs. In the recent Parliament session, Finance Minister had announced that industrialists had eaten up Rs 1000 B. Then the banking system hadn't collapsed. The urban middle classes and rich could get car loans at 8.25% for the asking, but the poor farmers would have to pay 14% for a tractor loan besides mortgaging the land and producing no objection certificates.

Union Agriculture Minister Ajit Singh (THE HINDU 160403)

SOUTH ASIA

Its More Profitable to maintain flows than Dam the river The case of the Indus River shows that, from an economic perspective, the benefits of environmental flows far outweigh the costs. The yearly benefits of natural resources from the river are valued at \$ 120 M, which excludes the unquantifiable value of environmental aspects such as biodiversity, habitat provision and coastal protection. In comparison, releasing 25% of the Tarbela Dam water for floods, thus making it unavailable for irrigation or power generation, would cost \$ 38 M. ("Flow – The Essentials of Environmental Flows" Released on 130803 by IUCN at the Stockholm Water Week <http://www.waterandnature.org>)

Baglihar: Pakistan to go for a neutral expert Pakistan is likely to ask India that the two countries appoint a neutral expert under the aegis of the World Bank to resolve the dispute over the construction of the Baglihar HEP by India on the Chenab river in Kashmir in violation of the Indus Waters Treaty, 1960. India continues to construct the gate-structure on the Chenab about which Pakistan fears that it will be deprived of more than 7 000 cusec water. (DAWN 290303)

Indus talks on May 31 Pakistani and Indian Commissioners for Indus Waters will meet in New Delhi during in the last week of May to review water related issues. The official described the event as a "routine" exercise, "Flood water data and annual reports would be exchanged in the meeting". (HI PAKISTAN 020403)

Kalabagh Dam awaits govt nod WAPDA Chairman has said the Kalabagh Dam project is still alive and ready to be launched but the decision has to be made by the top leadership. He was talking to a group of editors and senior journalists during a visit to the site of US \$ 2.5 B Ghazi Barotha HEP. He said that the 1,450-MW GBHEP would partially come into operation on May 15 with the testing of its first 290-MW unit while its commercial operation would start from July 16. He said the project would not provide any immediate tariff relief to the consumers because it would offset high energy costs the WAPDA was already incurring on purchase of thermal power from independent power producers. He said that a pre-feasibility study was under way to build the proposed Akhori Dam as a carry over dam by taking a canal from Tarbela and developing reservoir near Attock. He said that the feasibility study of the Bhasha Dam was in progress. He said the WAPDA would soon be in a position to send a firm proposal to the govt on the project that could be completed by the year 2012-3. (DAILY TIMES Islamabad 150403)

Kotmale Power or Environment? The controversial 150 MW Upper Kotmale HEP to generate 550 GWh remains the country's most contentious issue of development vs. environment, with a balance between

ecological concerns and the increasing demand for power, yet to reach an amicable settlement. While Power and Energy Minister is determined to push the project through, an equally determined Environment and Natural Resources Minister urges that environmental safeguards be met if the final green light is to be given by the Ministry. Despite Minister's whimpers of protest about withdrawing support unless a fresh watershed management plan is proposed, the govt is ready to move ahead, irrespective of the trail of destruction to the ecology, aesthetics and displacement of over 480 families. Leader, Green Party and an environmental activist, Piyal Parakrama questions as to why Environmental Impact Assessments are conducted if an inter-ministerial committee and a cabinet could decide on matters of such magnitude. (THE SUNDAY LEADER 130402)

14 Killed in Afghanistan Floods Heavy floods have killed at least 14 persons, left 200 persons homeless and washed away hundreds of houses. Kunduz province in the North East has taken the brunt of the floods caused by heavy rains. (THE TRIBUNE 280303)

India-Nepal study on floods India and Nepal have decided to set up a project office in Kathmandu to take up field investigation studies and prepare a detailed project report on flood control, power generation and irrigation. Concluding a visit to Bihar, which included trips of flood affected regions, Nepal's Water Resource Minister said the trouble with the past Indo Nepal treaties have been that they have been signed first and studied thereafter. He gave the example of Mahakali treaty. He said that Nepal is not the cause of floods in India. Nepal has no mechanism to store and release water, as portrayed in Indian media. (HINDUSTAN 170403, THE HINDU, RASHTRIYA SAHARA 180403)

Indo-Nepal Rivers Replying to a question on the rivers originating from Nepal causing floods in Bihar, Water Resources Minister said the govt will take up with Nepal the issue of building dams over Bagmati, Kosi and Gandak to control floods. She said the Bihar govt had not sent any proposal about strengthening of embankments for the 10th Plan. Mr L M Singhvi said the river problem with Nepal was a "diplomatic challenge" and should be taken up at the earliest to save the country from facing floods. (THE TRIBUNE 130303)

Indo-Nepal Power With Nepal expected to produce around 100-150 MW surplus power, Power Trading Corp had approached North India states to buy 35-40 MW power from Nepal. A unit of Snowy Mountains Engineers Corp of Australia has signed a MoU with PTC for the sale of power from 750 MW West Seti HEP to be developed by SMEC in Nepal. West Seti is to be the largest single foreign investment in Nepal. (BUSINESS STANDARD 130303, HRW 0303)

AROUND THE WORLD

Protest against Camdessus Report

Activists disrupted a presentation by Michael Camdessus, former head of IMF at World Water Forum. Shouting "Water for life, not for profit" protestors climbed on the stage with the banners. The report calls for more funds for the water sector and supports Private – Public Partnership. Report outlines financing of water supply in developing countries through private sector multinational companies. The key recommendations of the draft summary are for international financial institutions to "resume lending for dams and other large water storage and transfer schemes", and to increase guarantees and other public subsidies for private investors in water infrastructure and supply. Patrick McCully, Campaigns Director of IRN said: "The Camdessus Panel's recommendations have nothing to do with solving the global crisis of water mismanagement - and everything to do with justifying more business for the bankers and corporate chiefs on the panel. This panel stinks of pork-barrel self-interest." (BUSINESS STANDARD 220303, IRN PR 040303)

4500 Sumatrans join lawsuit over dam

Some 8,400 Indonesians are now involved in the first-ever lawsuit challenging the legitimacy of Japanese foreign aid after additional 4,500 residents of Sumatra Island added their names to the damages suit at the Tokyo District Court. The plaintiffs seek 42 billion yen in compensation from Japan, or 5 million yen each, arguing that some 20,000 residents of the island were forcibly resettled to areas without proper living amenities or job opportunities when a HEP funded with Japan's official development assistance (ODA) was completed in 1996. They said the Kotopanjang Dam, located in the middle of the island, on the border between Riau and West Sumatra provinces, damaged their lives, culture and the natural environment, leaving elephants, tigers and other rare animals facing starvation. Taufik Hidayah, a 32-year-old plaintiff, said after joining the suit, "We have lost our means of livelihood, making it impossible for many families to send their children to school." "It seems to me that Japan has invaded Indonesia again by spending its taxpayers' money as ODA," he said. The lawyers and supporters of the plaintiffs said they expect the suit will be an opportunity for Japan to review the use of ODA. Yoshinori Murai, professor at Sophia University, said, "ODA should go to those who are in need. As it stands, it now ruins recipients' lives and is used to encourage developing countries opposed to the U.S.-led attack on Iraq to support it." The Kotopanjang Dam was built at a cost of some 31 billion yen and paid for with a yen-denominated government loan. (RWESA PR 290303)

Thailand Govt urged to heed WCD guidelines Water management specialists and people affected by dam projects yesterday called on the government to base its national water management policy on the World Commission on Dams' guidelines for decision-making. Apichart Anukularmphai, chairman of the Global Water Partnership's Southeast Asia Technical Committee urged the Department of Water Resource and the Irrigation Department, to take up WCD's guidelines for consideration and use them as the basis of their work. Chainarong Srethachua, director of the Southeast Asia River Network, however, said the Thai version of the WCD report contained several serious errors. He urged that the official translation of the report be revised before being used as the basis of the national water policy and the Water Act, which was being drafted by the Water Resource Department. Surajit Chirawet, a villager from Mae Klong river basin, said large and small dams constructed by the Irrigation Department on the Mae Klong River had severely damaged the ecosystem and fishermen's livelihood. (THE BANGKOK POST 150303)

China's dam-safety system 'in chaos'

The monitoring of dam safety in China is hampered by a severe shortage of funds and personnel, the China Economic Times (Zhongguo jingji shibao) reports, warning that the system is "in chaos." With an annual budget of 800,000 yuan RMB (less than US\$100,000), the Dam Safety Monitoring Centre in Beijing can barely run its day-to-day operations and pay its 37 staff members, let alone function as an effective inspector of China's dams, the newspaper said. Most of China's 84,000 dams were built hastily in the 1950s and 1960s, and many are considered at risk of collapse. Dam failures have brought about "unforgettable nightmares," China Economic Times said, involving "huge loss of life and tremendous devastation to areas below the dams, where topsoil has been washed away and nothing can be grown for many years afterward." It cited the 1975 disaster, when 230,000 people are thought to have died after the Banqiao and Shimantan dams in Henan province broke during a typhoon; and the 1993 Gouhou dam failure in Qinghai province, which claimed about 300 lives and caused economic losses of 153 million yuan RMB (US\$18.5 million), a huge sum in a poor area. "The financial situation has deteriorated with the dismantling of the State Power Corp.," Wang Dianxue writes. "To pay staff salaries, the centre has had to draw on contingency funds. At this turning point in China's power-sector reform process, and before new institutions are in place, the monitoring of dams and hydropower stations is in chaos." (CHINA ECONOMIC TIMES 170403, THREE GORGES PROBE PR 250403)

NEWS ABOUT BOOKS, REPORTS AND MEETINGS

River basins face illegal mining A report *Undermining India: Impact of Mining in Ecologically Sensitive Area* by Kalpvriksha says the vast river basins in the Western Ghats, Eastern Ghats, Aravalli, Coastal areas, Central forest belt, North East hills and Western Himalaya ecosystem are under sever stress due to widespread illegal mining. Water of the river Sankhini has turned red due to excessive mining at Bailadila in Chhatisgarh. Catchments of rivers Machkund, Sileru, Gosthani and Sharda in Eastern Ghats are threatened by Bauxite mining. Iron ore mining in the Western Ghats has dirtied Bhadra in Karnataka, Zuari in Goa and Koina in Jharkhand. The report calls for appropriate land use planning and designation of off-limit areas to protect

ecosystem and water resources. (THE PIONEER 210303, KALPVRIKSHA PR 200303)

Corporate hijack of water A report *corporate hijack of water* brought out by Navdhanya details facts that will lead to water situation in the country in a much worse state than the present one, "Privatisation of water has been preceded by state control over water through World Bank loans and other aid agencies. First, state monopolies and centralised control of State over people's common resources was established. State monopolies are now being transformed into corporate monopolies through so called Private – Public Partnerships". (THE ASIAN AGE 160303)

ANNOUNCEMENT

The 2nd International Meeting of Dam-Affected People & their Allies

The meeting will be held in Thailand from Nov 28 to Dec 3 2003. The meeting will take place along the banks of the Mun River, at a village established by communities fighting the Rasi Salai Dam.

The overall objective of the Meeting is to strengthen the movement of peoples against large dams. Other objectives:

1. Build solidarity amongst dam-affected people and dam critics;
 2. Evaluate the international dams movement since the First International Meeting held in Curitiba, Brazil in 1997, with an emphasis on the WCD process, and on identifying strengths and weaknesses;
 3. Share experiences and develop strategies, with the recognition that different strategies are needed in different places and at different levels. Priority strategies include options assessment for water and energy planning, dam decommissioning, reparations, river restoration and legal options;
 4. Discuss a structure for networking and follow-up mechanisms for the international dam critics' movement.
- The meeting is being organized by Southeast Asia Rivers Network and International Rivers Network in association with an international agenda committee.

The international agenda committee consists of representatives from the following organizations: Brazilian Movement of Dam-Affected People (MAB); Narmada Bachao Andolan, India; Cordillera People's Alliance, Philippines; Focus on the Global South, Thailand; Environmental Monitoring Group, South Africa; Center for Political and Economic Research for Community Action (CIEPAC), Mexico; Livaningo, Mozambique; Swedish Society for Nature Conservation; Water and Energy Users' Federation, Nepal; National Association of Professional Environmentalists, Uganda.

The meeting will take place over four days plus a one day field trip for participants to visit Pak Mun, Rasi Salai and other communities fighting dams in the Mun River basin.

WORKSHOP THEMES

The majority of the meeting will consist of workshops. Any participant is welcome to lead a workshop during the meeting: contact riversforlife@irn.org for a workshop registration form. Workshop topics will include:

- 1) Options Assessment / Alternatives, 2) The World Commission on Dams, 3) Free, Prior and Informed Consent for indigenous peoples, 4) World Water Mafia / Privatization / corporate campaigning, 5) Project Financing, 6) Process of Building a dam, 7) Skills in lobbying and negotiation, 8) Climate change, 9) Reparations, 10) Decommissioning, 11) Social issues, displacements, livelihood, human rights violations, conflicts between communities etc, 12) Relation between electricity-intensive industries and hydropower, 13) Legal Strategies, 14) Exchanging local knowledge on resource management and recovery.

For more information: <http://www.irn.org/riversforlife>

Contacts in India: Medha Patkar: medha@narmada.org, Shripad Dharmadhikary: shripad@narmada.org Shalmali Guttal: s.guttal@focusweb.org, Joe Athialy: ajoe@gmx.net

WE AWAIT YOUR RESPONSES

We are BanglaPraxis, a collective of development activists here in Dhaka, Bangladesh. We are part of a process to launch Peoples River Commission. It will be very helpful for us if you please subscribe us to *Dams, Rivers & People*.
Zakir Kibria, BanglaPraxis, Dhaka, Bangladesh

Thank you so much for sending us the *Dams, Rivers & People* and I am interested to get it regularly.
Nandi Kishore Neopaney, Chairman, SEWARB, Bhutan

This is to thank you kindly for regularly sending *Dams, Rivers & People*. The May-June 2003 issue brilliantly highlights the govt's criminal folly of river-linking projects.

Bulu Imam, INTACH, Hazaribagh (Jharkhand)

Thanks for sending me a new issue of *Dams, River & People*. It is quite informative and I am benefited to get all the news together.

Prof CP Kala, Uttaranchal

I acknowledge with thanks receipt of *Dams, Rivers & People*, Vol 1, issues 2-3 and 4-5. I am a worker in the field of fluvial geomorphology from Assam. I have been engaging myself on the study of rivers of Assam since 1977. I have prepared a book on the rivers of Assam, which was published by Asam Sahitya Sabha in Assamese. Two major projects and four Ph. D. are so far completed under my guidance. In the light of your articles recently I have prepared one article on "Indictment of large dams" in Assamese language for understanding of common Assamese people. I wish success of noble endeavour in bringing out DRP and your courageous thought-provoking writings.

Prof J. N. Sarma, Department of Applied Geology, Dibrugarh University, Assam

Thank you very much for sending a copy of *Dams, Rivers & People*. In fact, some of the IIFM students had wanted some information on the riverlinking project. I have forwarded the DRP to them. Hope the young professionals would learn a lot from it. I found it really informative. I had wanted to suggest though that in addition to the information given in small capsules, there should also be bigger theme articles. This has been fulfilled with the current issue giving a lot of information on river linking debate.

Prakash Kashwan, Ford Foundation, Delhi

From Chalakudy Puzha Samarakshana Samiti, Kerala: