

An Agent of Sub Optimal Development

New Delhi can easily develop the procedures needed to ensure that projects that have not been approved by either CWC or the Planning Commission do not get statutory clearances. Instead of using such powers, central agencies work more like agents for sub-optimal development and demands more powers. Himanshu Thakkar reports.

In a shocking revelation, an official Government of India document accepts that an astounding 300 major and medium irrigation project costing Rs.122,060 crores, comprising 63 per cent of the major and medium irrigation projects under implementation in the country, have been going on without clearances from the Central Water Commission, the Planning Commission, the Public Investment Board or the Cabinet Committee on Economic Affairs.

The December 2006 Report of the Working Group on Water Resources for the 11th Five Year Plan chaired by Secretary, Union Ministry of Water Resources Gauri Chatterji reveals that of the 477 major and medium irrigation projects that will spill over into the 11th Plan (which was to begin on April 1, 2007, but is pending approval of the National Development Council), "around 63% of the 477 projects are unapproved; it is desirable to emphasize the concerned State Governments to take up needful steps for their early clearance." The 477 projects include 166 major, 222 medium and 89 ERM (Extension, Renovation, Modernisation) projects. Rs. 41,128 crores have already been spent on these unapproved projects until March 2007. These projects are supposed to create irrigation potential of 79.47 lakh hectares.

What should happen when a project, especially one where substantial expenditure is involved, begins without the necessary approvals? The report does not call for penalties; instead it argues that once the necessary clearance is obtained, "Central Assistance/Funding can be provided for their early implementation." Implicit in this statement is the fact that central agencies rarely disapprove a project - another serious comment on the decay in the functioning of the central water agencies. Polavaram dam on Godavari River and a dam on the Palar River, both in Andhra Pradesh and the building of Hansi Butana Bhakhra Mainline Link Canal by Haryana are examples of recent times where the project work has been going on even without necessary approvals from the Central Water Commission.

Significance The Central Water Commission, as per the latest available annual report of that organisation, is "an attached premier technical organisation of the Ministry of Water Resources" and is "responsible for overall planning and development of river basins, national perspective plan for water resources development in accordance with the National Water Policy, techno-economic appraisal of Water Resources Projects and assistance to the States in the formulation and implementation of projects, monitoring, management, design, research". This important role, however, is diluted by the fact that the current approval process at the Centre for such projects is procedural, and not statutory. The 11th Plan document states, "The complex process of investment approval

of Planning Commission preceded by techno-economic clearance after examination by Central Agencies is a procedural requirement for obtaining the plan finance and not a statutory requirement. As a result, an unmanageable number of unapproved projects have been taken up by the States for implementation."

But that does not mean that the central agencies have no power to influence the states not to take up sub-optimal projects. On the contrary, even without the powers of statutory approval, the CWC has tremendous implicit powers over all states, as it also has a crucial role to play in sanctioning and monitoring the central funding for water projects all over the country. Similarly, the environment clearance for such projects is a mandatory requirement under the Environment Protection Act and a representative of the CWC sits on the expert committee appraising river valley projects. Similarly, where forests and wildlife impacts are involved, separate clearances on these issues are also mandatory requirements. The Centre can easily develop the procedures needed to ensure that projects that have not been approved by either CWC or the Planning Commission do not get the statutory clearances.

But instead of using such powers, the central agencies work more like the agents and catalysts for such sub-optimal development. The states are happy to take up projects wherever they want to, without the Centre's approval. They know that once the project is *fait accompli*, they can always get the central approval then, as it is unlikely to be denied once the project has begun. Some other well known problems in the functioning of the CWC include: lack of credible post facto evaluations of the projects, failure of the agency in its flood forecasting and flood management issues, failure of the institute to either assess the impact of global warming on India's water sector or assess the global warming impact of India's large dams, failure of the agency to correctly assess the siltation of India's reservoirs and take some effective action to reduce the siltation. These are important issues considering the unique position of the Central Water Commission.

A central agency like CWC is bound to fail considering the huge task given to it. Particularly in absence of similar institutes at state level and further downstream. But absence of such institutions, and absence of a culture of scientific enquiry and accountability mechanisms can be counted among the failures of CWC.

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What this means is that water resources development is going on in an unplanned way, which also means that this is certainly suboptimal development. Overdevelopment of river basins is one of the direct implications of this phenomena leading to wasteful expenditure of public resources on inappropriate projects. With 83% of the geographical area of India comprising of interstate river basins, such unilateral projects by states would have interstate implications. These thus become seeds of conflicts.

A second, even more disturbing recommendation is this: with the central agencies having already failed in their the CWC be given even wider powers - to give statutory approvals in addition to the procedural ones it is now authorised to give. "It would, therefore, be appropriate to include investment clearance for interstate irrigation projects under Item-20 as Item-20(B) (in concurrent list of subjects in India's constitution) to give constitutional backing for Central clearance. Appraisal should necessarily be made

mandatory to bring all water projects under the process of TAC/investment clearance, possibly through legislative measures in order to put hold on mushroom growth of unapproved projects, being carried through plan to plan, causing thin spreading of resources and inordinate delay in completion of projects."

Does an agency that has failed so miserably in using its existing powers to ensure proper water resources development, deserve to be given more powers? An objective answer would be a clear, big NO.

Reason for hope? However, the report isn't all bad news for the governance and administration of water. The document makes another recommendation in this regard, which is certainly welcome, "Secondly at present, detailed documentation regarding examination of alternative options to optimally meet the overall objectives and aspirations in the light of basin plan is not given in the Feasibility Report/DPR. A detailed chapter analyzing the available options, even not involving large dams, should preferably be included in the DPR of future project proposals." One hopes against hopes that the centre will use all its powers to ensure this happens. And to make it a reality, the central agencies can use the existing powers at their command.

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