Press Statement

July 25, 2012

**NCP’s increasingly clearer Dam Scam Links:**

Were the NCP’s links with Big dam lobby in Maharashtra ever more obvious?

Even as the ongoing episode of conflict between NCP (National Congress Party) and Congress gets more intense, the reasons NCP’s unhappiness seem to lie somewhere closer to home: in Maharashtra. NCP leaders have in recent past identified so closely with the big dam lobby that this link with the dam lobby had never been more obvious. They have promptly taken on whoever has been critical of performance of large dams in the state, be it the Chief Minister, the Governor, the media or the civil society. This note highlights these aspects, but this does not mean that other political parties in Maharashtra are without blame. If Congress and the opposition parties had taken effective action earlier, things would not have come to this pass, but during the past ten years when corruption and inefficiency in water resources sector in Maharashtra was blatant, none of the political parties systematically followed up the issue.

The NCP seems especially miffed with Chief Minister Prithviraj Chavan, who has been asking for a white paper on the Irrigation Projects and Governor K. Shankaranarayanan who, in his speech in March chided the govt. for performing dismally on irrigation and asked for probe into Kondhane Dam. He also directed that no new irrigation projects should be taken up in Western Maharashtra, considering the irrigation backlog of other regions.

The Water Resource Ministry in Maharashtra’s NCP-Congress coalition government has been with the NCP since its inception in 1999 to 2012 (till date). Ajit Pawar, the current Deputy Chief Minister of Maharashtra and Sharad Pawar’s nephew held the portfolio of Irrigation Department and Water Resources Department from October 1999- October 2009 under various Chief Ministers from Sushil Kumar Shinde, Vilasrao Deshmukh and Ashok Chavan. Since 2009, Sunil Tatkare, also from NCP has been the minister, Water Resource Department.

Let us look at the train of the recent events around the major dam scam unfolding in Maharashtra and the defensiveness of NCP and its leaders like Sharad Pawar and Ajit Pawar at each stage.

On the 17th March 2012, Governor of Maharashtra Shri K. Sankaranarayanan, in his speech highlighted the serious problems with irrigation sector in Maharashtra. The Governor more or less quoted the Status of Irrigation Projects in Maharashtra Report 2009-10 which said that the total created irrigation potential in the State is 46 lakh hectares, only 25 lakh hectares are actually being irrigated (by canal & well irrigation), the contribution of Major and Medium projects would be a subset of that figure. The Governor also said, “The WRD has communicated that the unspent balances with the Corporations was Rs 2438 crore at the end of the 2009-10 and Rs 3496 crore at the end of 2010-11. These balances are of the tune of 35% and 45% of the total plan size of the respective years.”

The Governor expressed concern that “the balance cost of ongoing projects being executed by the Irrigation Corporations in the State as on 1.4.2011 is Rs. 75,366 crore. Since budgetary resources are limited, there is a need to set the priorities of projects”. The Governor issued the following directions to address this issue. **The priority to committed expenditure in Irrigation sector should not be diluted by taking up new projects.** This restriction will apply to all districts of the State, except for irrigation projects in Godavari basin of Vidarbha region.

This seems to be a major turn off for NCP who have been closely associated with large dams in Western Maharashtra including, the consistently non-performing, huge white elephant called the Maharashtra Krishna Valley Development Corporation (MKVDC).

7th April In response, NCP chief and Union agriculture Minister Sharad Pawar criticised Governor K Sankaranarayanan and chief minister Prithviraj Chavan for not doing enough for drought-prone

areas in the state. This attack was strange, unprecedented and surprised many. “People are facing water scarcity and the governor is not looking into the matter. I am highly disappointed,” Pawar said in an interview to a Marathi news channel. He said this not in irrigation backlog-hit Vidarbha, but in Western Maharashtra, in Satara and Sangli. ²

20-30 April India Against Corruption (IAC) and partner organisations analysed the Dam Scam in Maharashtra, highlighting dams like Kondhane, Kalu, Shai, Susari and Balganga where government went all out to favour a particular contractor, FA Constructions and FA Enterprises, with close political links. The irregularities in tendering, cost and height escalations, violation of environmental and forest norms is blatant and mindboggling in all these cases. What stands out is the confidence with which nearly every law was flouted by the government and the contractor, secure in its belief that nothing can affect its way of working, without any consideration the predominantly tribal population or for Western Ghats ecology or if the dams were in fact needed. This was followed by extensive media coverage on Dam Scam in Maharashtra, role of Water Resource Department led by NCP, Role of WRM Sunil Tatkare and the government-contractor nexus.

03 May Activists from IAC, Shramik Mukti Sangathan, Kashtakari Sangathan, etc. met with the Chief Minister Prithviraj Chavan about dam scams in Maharashtra, discussed the case of Kondhane Dam with cost escalations and faulty tendering process. Chief Minister promised to look into the issue.

04 May Meeting on Dam Scam organised by IAC and South Asia Network on Dams, Rivers & People (SANDRP) in Mumbai, attended over 100 dam affected people near Mumbai, organisations working in water rights, activists and media. It was resolved that corrupt practises behind dam tendering and construction will be brought out in the open.

04 May Chief Minister Prithviraj Chavan announced that government will publish a White Paper on Irrigation Projects, looking at investment and performance of irrigation projects for the past ten years. ³

First Week of May Prithviraj Chavan and other ministers meet Prime Minister for funds for Maharashtra for tackling the drought. During the meeting, NCP Union minister for heavy industries, Praful Patel urged PM to provide funds to the Gosikthur project. Gosikthur is heavily delayed with costs and time overruns. Rehabilitation of 16000 families affected by the dam is still to be done. ⁴ This is the dam for which the CAG report and the Vadvnere Committee had exposed the massive corruption.

10 May Sharad Pawar said that Governor’s decision about removal of backlog and giving priority to projects in Vidarbha over Godavari is a threat to the state’s unity. ⁵ He also said that dams had to be built. So what if canals are not yet built, at least water has been stopped and water taken from rivers for sugarcane.

31 May Water Resources Secretary writes to Governor, only after being reminded by the Governor, that Kondhane dam contract has been cancelled and enquiry will be made “instructions are issued to executive director, Konkan Irrigation Development Corporation, to terminate the contract for the original work of the dam as it was taken up without fulfilling the conditions mentioned in the administrative approval. It is proposed to take action against concerned officers after enquiry into the matter”. ⁶

18 June - 9 July Sharad Pawar went on shielding Deputy CM Ajit Pawar and WR Minister Sunil Tatkare and attacking Governor for not releasing more funds for irrigation projects. ⁷

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¹ http://articles.timesofindia.indiatimes.com/2012-04-08/mumbai/31307917_1Visit-drought-hit-areas-ncp-marathwada-and-rest
² http://articles.timesofindia.indiatimes.com/2012-05-05/mumbai/31585831_1Irrigation-projects-irrigation-schemes-irrigation-plans
⁴ http://www.esakal.com/esakal/20120510/4958678193653924153.htm
27 June-18 July Opposition demands for a judicial probe against Tatkare, his kin and their unaccounted for assets and Irrigation scam. Sunil Tatkare is under fire in the Assembly Council about his huge, unaccounted for property assets. Home Ministry, also under NCP alleged to be shielding Tatkare and not looking into charges.

14 July Deputy Chief Minister Ajit Pawar says that White Paper on Irrigation projects, which was to come out within 15 days after from 4th May, will now be tabled before the winter session.

21-24 July NCP’s Praful Patel states that “a part of the Congress is involved in mud flinging on NCP about corruption charges” and that this should stop immediately.

This sequence of events is a startling revelation of the strength of the Big Dam Lobby: It can virtually do anything it wants... from affecting livelihoods and environment, to corruption, to violations of laws, influencing political decisions at the centre and even jeopardising the Chief Minister of the economically strongest state.

Political parties stand exposed NCP Chief Sharad Pawar now seems to be rushing to save the face of his party, flow of resources and see that scams associated with large dams and canals, diversion of water to industries and sugarcane cultivation in Maharashtra are not discussed. Also important is attempts to silence whoever speaks up critically on these issues.

According to Agriculture Department, in the past ten years, more that Rs 70,000 crores have been spent on Major and Medium Irrigation projects in Maharashtra, only to achieve 0.1% rise in irrigated area. In its past Ten+ years, NCP has worked effectively only as a large dam lobby in Maharashtra, promoting more unjustifiable projects to benefit contractors. Unfortunately, the political parties in Maharashtra have not taken its role seriously; they have not followed up a single dam fraud case to its logical conclusion. Unfolding of scams like Kondhane, Kalu and Balganga dams could happen only through vigilant civil society, at its own risks.

The links between corruption, politics and large dams were always clear. However, the blatant way in which political parties and their leaders are acting like a pro dam lobby in Maharashtra is shocking and says a lot about interests behind building large dams in the first place. A white paper by a credible independent agency, an independent probe into specific irregularities, identification of specific individuals, institutions and companies involved in specific cases and stringent action against them, implementation of measures that will ensure such blunders do not happen in future would be some of the minimum first steps. Reversal of many of the wrong decisions of the past would also be required. Earlier all this happens, better it will be for the people and democracy.

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9 http://articles.timesofindia.indiatimes.com/2012-07-18/mumbai/32730035_1_sunil-tatkare-legislative-council-scheme
10 http://india.nydailynews.com/newsarticle/56bbdf1f34100a59dbc0789b0360f6b70/cops-to-probe-corruption-charges-against-maharashtra-minister
12 Sakal, 24th July, 2012