

**Watershed Development Fund
Guidelines**

(Revised as on 31 January 2006)

National Bank for Agriculture and
Rural Development
Head Office
Mumbai

I. WATERSHED DEVELOPMENT AT THE MICRO LEVEL CONCEPT AND ELEMENTS

1. What is a watershed ?

1.1 A watershed is synonymous to catchment area and it is an independent Hydrological unit. It can be defined as the drainage basin or catchment area of a particular stream or river. Simply stated it refers to the area from where the water to a particular drainage system, like a river or stream, comes from. A watershed may be small, consisting of a few hectares or huge, covering several thousands of hectares.

2. What is watershed development all about ?

2.1 Watershed development refers to the conservation, regeneration, and the judicious use of human and natural (like land, water, plants, animals) resources within a particular watershed. Watershed development attempts to bring about the best possible balance in the environment between natural resources on one side and man and grazing animals on the other. It requires people's participation because conservation is possible only through the whole hearted involvement of the entire community.

3. What are the components/sectors of Watershed Development ?

3.1 Watershed development involves the following components / sectors:

- i) Human resource development (community development);
- ii) Soil and land management (conservation and use);
- iii) Water management (conservation and use);
- iv) Afforestation;
- v) Pasture(Fodder) development;
- vi) Agricultural development;
- vii) Livestock management; and
- viii) Rural energy management

3.2 Watershed development involves continuous interaction and exchange between various sectors e.g. the livestock that can be maintained is dependent on the availability of fodder, which in turn is related to soil and water management. The availability of firewood and other fuel is related to the extent of forest cover, the livestock in the area and the productivity of the land. The development of all the above sectors is crucially dependent on the **development of the human population** inhabiting that watershed.

3.3 When the environment gets degraded, the quality of life of the human community within that region also deteriorates. Watershed development thus aims at the rejuvenation of the environment in an integrated and comprehensive manner.

4. Why Watershed Development ?

4.1 The consequences of environmental degradation are all too well known. Activities of man like deforestation, wrong farming techniques, livestock over-grazing and faulty land use lead to the destruction of plant and tree cover exposing the earth to the natural forces like heavy rains, direct sunshine and high velocity winds. These in turn lead to environmental problems such as soil erosion, floods or water scarcity. Agricultural yield is lowered and this results in decline in the income levels of the community resulting in poverty and eventually leading to migration of labor from rural to urban areas in search of livelihood.

4.2 Watershed development, therefore, involves not only regeneration of the environment, but also the management of needs of the human community in such a way that their demands match the resources viz land, water and vegetation available within that particular watershed. This equilibrium between need and availability of resources will lead to a better and increased resistance to drought and increased agricultural production augmenting food supply, fodder, fuel and, timber. Thus standard of living improves leading to reduction in poverty-induced migration.

5. Why People's Involvement ?

5.1 There is a pervading influence of the environment on the human community living within that region, as they depend on it for food, water etc. When the economic condition of a community deteriorates, it leads to over-exploitation resulting in degradation of natural resources. People, for whom agriculture is a low return and risky activity, expand their cattle herds for financial security. This leads to overgrazing and in turn to soil deterioration and erosion, especially in ecologically sensitive upper reaches of the watershed.

5.2 It is necessary for people to understand the relationship between their poverty and the degraded environment in which they live in. They must also be provided with an equally good, if not better, economic alternative. Only then they will willingly let go their claims on the environment in favour of possible benefits that will accumulate in the long run from environmental regeneration through appropriate management. Environmental regeneration is therefore possible only when the local community feels the need for it and they are fully in control of all aspects of resource mobilisation, management and conservation.

5.3 Human beings and their activities are the root cause of environmental destruction, and hence restoring of the health of the environment is their responsibility and only they can do it. There can be no sustainable natural resources management unless it involves the participation of all inhabitants of the concerned environment/area in an active manner.

II. PROGRAM PERSPECTIVES AND APPROACH

1. Genesis

1.1 The Union Finance Minister, in his budget speech for 1999-2000 had announced the creation of a Watershed Development Fund (WDF) with the National Bank for Agriculture and Rural Development (NABARD) with broad objectives of unification of multiplicity of watershed development programmes into a single national initiative through involvement of village level institutions and PFAs.

1.2 In pursuance thereof WDF has been created in NABARD with a contribution of Rs.100 crore each by MoA, Government of India (GoI) and NABARD.

2. Objectives of WDF

2.1 The objective of the Fund is to spread the message of participatory watershed development. The Fund will be utilised to create the necessary framework conditions to replicate and consolidate the isolated successful initiatives under different programmes in the government, semi-government and NGO sectors. Thereby, all the partners involved viz., watershed community, central and state government departments, banks, agricultural research institutions, NGOs and NABARD can act in concert to make a breakthrough in participatory watershed development. WDF is proposed to be operationalised in close coordination with the Central and State Ministries as a continuum of their efforts but with a distinct identity.

3. Importance of Participatory Approach

3.1 The Watershed Development Program to be successful must involve the participation of the concerned people and must be related to the environment in which they live, and on which they depend for their needs. This involves the following :

a. It has to be focused on the regeneration and equitable use of the resources in the particular environment on which the village depends for its needs. A watershed provides a naturally occurring hydrological unit and is also the area on which the inhabitants depend for survival. It thus becomes a common issue drawing the people together, giving rise to a common interest and fostering a common purpose.

b. The people voluntarily must come together and accept full responsibility for regenerating their environment from concept to planning, implementation, supervision, maintenance of project measures and associated practices. This would imply consensus in arriving at a common understanding regarding rules and regulations and the setting up of mechanisms for organisation of works, sharing of benefits and resolution of conflicts.

c. To make the project sustainable, it is necessary for all the key actors, like the Watershed Community, NGOs, Banks, Government Institutions and Technical Service Organisations, to participate actively and in close coordination with each other.

3.2 Participatory watershed development must be implemented on a “large enough scale” at different places to create many success stories, each of which can act as nuclei, becoming a source of inspiration and demonstration for neighbouring villages. This would provide a major impetus for the unfolding of a “people’s movement” for regeneration of environment.

4. Utilisation of WDF

4.1 The Fund will be utilised mainly for the following purposes :

a. Promotional efforts with Communities, NGOs, SHGs, Panchayats, Bankers and Government Departments on grant basis.

b. Taking up "capacity building" projects, on grant basis, with Communities, NGOs, SHGs and Panchayati Raj Institutions (PRIs) in different states.

c. Selectively, full scale financing of collaborative watershed projects on a pilot basis, with grant and/or loan finance, with any of the partners mainly for trying out new institutional or other arrangements.

d. Supplementary flexible financing (grant and/or loan) for watershed projects, on selective basis, in government programmes, to fill in the critical gaps perceived in the field but which are not met under the existing budgetary arrangements.

e. Financing implementation of watershed projects through the state governments on loan basis.

f. Supporting (on grant and/or loan basis) promotional activities for micro-credit; promotion of SHGs of women, land-less, members of the SC/ST communities and other weaker sections of the community and other related activities in the watershed development program.

g. The WDF is to be operated flexibly and apart from the activities stated above, other related and essential activities will also be supported (on grant and/or loan basis).

4.2 The Fund has two components viz., loan and grant. Two-third of the Fund will be for loans to the state governments for watershed development and one-third will be for grant based activities covering promotional efforts, capacity building (implementing micro watershed projects), replication of Indo-German watershed development model (implemented in Maharashtra) in other states etc. In addition, NABARD will actively make efforts to intensify the credit flow in the developed watersheds through its general resources by providing refinance to the banks for all eligible activities, so that the watershed community could take full advantage of soil and water conservation measures undertaken.

5. Criteria for selection of watersheds

5.1 Watersheds covering villages with the following physical and socio-economic characteristics are preferred for inclusion in the programme :

5.2 Physical characteristics

- a. Dry and drought prone villages. In any case the proportion of irrigated area may not exceed the average for the state or 30% whichever is lower.
- b. Villages with noticeable soil erosion, land degradation, resource depletion or water scarcity problems.
- c. Villages in the upper part of drainage systems.
- d. The size of a watershed project should be around 1000 ha. (but not less than 500 ha.).
- e. Well defined watersheds with the village boundaries coinciding to the greatest extent possible with the watershed boundary. As far as possible, **Watershed encompassing one village is ideal.**
- f. Villages where the general cropping sequence does not include high water demanding and long duration crops like sugarcane, banana etc. and if such crops are grown in small pockets in the watershed, the villagers should agree that the area under such crops will not be extended during implementation or after completion of the watershed development project.

5.3 Socio-economic characteristics

- a. Predominantly poor villages.
- b. High proportion of SC/ST in the total population.
- c. There should not be much difference in the size of the land holdings.
- d. Villages with a known history of coming together for common causes.
- e. Villages that have shown concern for resource conservation.
- f. Villages with alternative sources of employment must not be selected as the past experience indicates that the programme in such areas would not pick up.
- g. Villages that are willing to commit themselves to the following conditionalities :
 - (i) to ban clear felling of trees,
 - (ii) to ban free grazing and in treated areas for protecting vegetation,
 - (iii) to reduce the livestock population if in excess, and maintain the same at the carrying capacity of the watershed (number which can be supported by the watershed),
 - (iv) to ban cultivation of water intensive crops like sugarcane and banana or atleast not to increase the area under such crops from the present position,
 - (v) to contribute initially four days of "shramdan" on watershed treatment works by the entire village community and later, once selected for the programme to contribute by way of "shramdan" or otherwise 16% of the unskilled labour costs of the project and also to collect such contribution **EQUITABLY** (impartially and in a just manner) from the village

community. The landless and poor single parent households are excluded from such a contribution,

(vi) promote equity for women and poor through preferential allocation of usufruct rights in common lands.

(vii) to start and contribute to a Watershed Maintenance Fund, from the second or third year onwards to maintain and upgrade the treatments and assets created under the project, at a rate of Rs.100/- per land owning families.

(viii) to take all such steps as are necessary for achieving and maintaining a sustainable production system,

(ix) to constitute, at the village level, a body called the Village Watershed Committee (VWC) which would have to be registered during the implementation phase within 6 months of the commencement of the work, so that it can undertake responsibility for maintenance of all the valuable assets created and generated by the project.

6. Who will Participate in the Programme ?

6.1 State Governments willing to execute a Memorandum of Understanding (MoU) to avail loan out of the Fund and agree to furnish a mandate in favour of Reserve Bank of India (RBI)/ letter of undertaking for repayment of principal and payment of interest, with NABARD shall be eligible to participate in the programme.

6.2 Based on the criteria prescribed in para 5, following States have been identified eligible to participate - Andhra Pradesh, Bihar, Chattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamilnadu, Uttar Pradesh, Uttaranchal, and West Bengal.

7. Criteria for Selection of Districts

7.1 The Budget announcement envisages coverage of 100 districts in three years. The districts will be selected in consultation with the concerned State Government. For selecting districts, preference is given where the percentage of irrigation is less than 30%, where there is a concentration of SC/ST population and where the extent of rainfed farming & potential for watershed development is large.

7.2 Priority will be given to the districts having the lowest proportion of irrigated area in the state, subject to the availability of basic ingredients needed for successful implementation of watershed development projects.

8. Commitment of Village Community

8.1 To enable the village community to have first hand experience of watershed development and to demonstrate their commitment for implementing a watershed project, they should be willing to :

- a. Visit other developed watersheds (exposure visits)
- b. Appoint selected village youth and key persons and sending them for specific training programmes
- c. Prepare and implement a demonstration or pilot project for a small area of the watershed of about 50-100 ha.

9. **Criteria for selection of NGOs**

9.1 The nodal agencies of the State Government may implement watershed development projects through NGOs which are funded out of WDF loan. Even if the Project Facilitating Agency (PFA) is other than NGO the same criteria could be utilised with necessary modifications. The following shall be the criteria for selection of NGOs.

- a. Reputation and financial management capacity- *Three years Annual reports of the PFA shall be submitted* [IV Project Sanctioning Committee meeting held on 26 March 2004].
- b. Method of operation and rapport with people and local government agencies.
- c. Perspective on watershed development.
- d. Nature of projects handled in the past.
- e. Technical and managerial capability.
- f. Sensitivity towards group action /conflict resolution and equity for poor and women.
- g. Ability to motivate the community for providing 'Shramdan' in the village where they propose to work.

9.2 The PFA should have been active in the area for a significant period before proposing a watershed project for the area. PFAs and watershed communities willing to implement a watershed project, if selected, have to go through a Proofing Stage (please see chapter IV for details) and meet the qualifying criteria before they undertake a large scale project.

III. **PREPARING FOR WATERSHED DEVELOPMENT :** **SOME THOUGHTS TO BE BORNE IN MIND**

1. Success in planning and implementation of a watershed project depends crucially on the interest shown by the watershed community and the staff of Project Facilitating Agency (PFA). They should build on that strength which would be the foundation for their participation in the project.

2. Before the villagers and PFA personnel choose to participate in the project, it is essential that all issues involved in watershed development are thoroughly discussed. Whenever initial meetings regarding the project are held in new villages, the villagers always give suggestions regarding sites for construction of “bandharas” or check dams that will provide benefit of irrigation to the farmers. **This is not a project for construction of check dams for irrigating farmers’ fields. This is a project on soil and water conservation, natural resources regeneration and management.** The people own the project from the stage of planning and are responsible for implementation and maintenance. It is important to adopt the appropriate technology for soil, water and natural resource management in the project.

3. **Owning the project by villagers**

3.1 Since no watershed development project can be successfully implemented unless it is “owned” by the villagers, it is absolutely necessary that each farmer/villager agrees to the project activity. Once a farmer has agreed to the project, he will be more interested and his participation in the project will be wholesome.

4. **Shramadan**

4.1 Shramadan, a voluntary labour contribution by the villagers excluding the landless and poor single parent households, is necessary so that the villagers consider the project as their own. This is expected to ensure long term maintenance and sustenance of assets created by the project.

4.2 A plan to get 16% contribution of the labour costs from the non-labouring families should be thought out well in advance and the consent of such families obtained in the beginning. Otherwise, only labouring households will provide shramadan and the bigger and land owning families will enjoy the benefits of the project financed through grant and Shramadan.

5. **Poor families in the watershed**

5.1 The relatively poorer families depend more on village commons, forest lands and on flocks of sheep and goat. Some of the measures of the project such as ban on free grazing and felling of trees affect poorer

families more than others. Such families should be provided with alternative or compensatory means of livelihood right from the beginning. Attempts may be made for introduction of rotational grazing as a regular practice by the villagers.

6. Active Participation of people

6.1 The issues raised above and others can be effectively resolved only if the watershed community actively participates in the decision making for the project. It depends very much on the choice of the members of VWC and the support it gets from the villagers. The VWC should be appointed based on a consensus in the Gram Sabha meeting. It should consist of representatives of all social groups in the village including representation of women (not less than 30%) and also of the different hamlets of the village.

7. Importance of Nursery & Plantation

7.1 The project involves a lot of plantation work on forest lands, private lands as well as on bunds in cultivated fields. Most projects face a shortage of good planting material. It is better and economical to start a nursery for the project well in advance (as raising of good seedlings in a nursery takes from six months to a year) and stock it with enough seedlings to use during the project.

8. Trained manpower

8.1 There should also be enough trained manpower before the project starts. A core team of village youth would have to first undergo an orientation program to develop a clear idea of the project and the responsibilities of all persons involved with it. They would also need to acquire certain specific skills like surveying, staking, nursery raising, horticulture and pasture development, etc. for project preparation, implementation and maintenance.

9. Active involvement of women

9.1 Women should be actively involved in all aspects of project implementation as they not only do the bulk of farm related work but are also the transmitters of culture and values to children.

10. Ridge to Valley

10.1 The work on the project is executed with a "Ridge to Valley" perspective, that is starting from the top and coming downwards. This would mean that the treatment of the hilltops and hill slopes would be completed first. Treatment of land should start from a higher elevation and gradually lands of lower elevations would be taken up. Thus lands at the bottom of the valley would be treated at the end.

10.2 Ridge to valley treatment ensures that the soil erosion is reduced and the treatments at the lower catchment are protected. This also helps water conservation and ground water recharge. The treatment must be on area basis, both public and private lands are to be treated.

11. Check dams should be the last

11.1 If the physical measures in upper reaches and in the cultivated fields are carried out well, the whole watershed basin will act as a large reservoir with recharged ground water. The need for constructing expensive check dams in the lower portion of watershed will then get reduced considerably. Therefore, check dams are constructed at the end of the watershed to impound the excess water after allowing water to seep into the aquifer through the entire course of the drainage line of the watershed. However, one check dam could be built initially to create a water source for starting a nursery and/or for drinking water purposes, if it is felt absolutely necessary.

12. Seasonality

12.1 In most areas very little work except planting of trees and grass seeding can be taken up during the monsoons. Therefore the activities should be planned accordingly. To start a project during or just before the monsoon is not advantageous.

13. Improving farming practices

13.1 In addition to laying emphasis on physical measures equal or greater attention should be paid to agricultural programmes to help the farmers to take up improved farming practices and get maximum benefits from the infrastructure created under the project.

14. Treatment of forest land

14.1 Some of the watersheds may cover forest land and as mentioned earlier, all lands including forest lands need to be treated. As per existing law, the work on the forest land has to be planned and executed under the guidance of the Forest Department. Therefore, it is advisable to approach the local Forest Department for finalising the treatments of forest area in the watershed which could either be implemented by the VWC / PFA under the guidance of Forest Department or to be implemented by the Forest Department themselves. The Forest Department should be included in planning of treatment measures from Capacity Building Phase itself. Any difficulties arising in treatment of forest areas may be discussed in

the meetings of the State Steering Committee. Funds are available from WDF for treatment of forest lands also.

IV. ORGANISATIONAL AND INSTITUTIONAL DETAILS

1. Project Facilitating Agency (PFA)

1.1 Watershed Development will be undertaken by the concerned Village community with the assistance/ facilitation by an organisation identified by the State Government and NABARD. The state governments may identify an NGO, PRI, a government or semi-government agency or corporation for assisting the village community. Such identified organisation will be referred to as Project Facilitating Agency (PFA).

1.2 The State Government may submit the NGO Data Sheet (Annexure-I) for selection/ratification by the State Steering Committee. If the PFA is other than NGO, relevant modification may be made to this proforma while submitting the same to State Steering Committee. The PFA after identification of the watershed for development may submit the Watershed Data Sheet (Annexure-II) for selection/ratification by the State Steering Committee.

1.3 The process of watershed development comprises of 2 phases. The first phase is called the "Capacity Building Phase" (CBP) or "Proofing Stage" and the second phase is called "Full Implementation Phase" (FIP).

2. The Capacity Building Phase (CBP) OR Proofing Stage (Phase 1)

2.1 The aim of the Capacity Building Phase is to establish that village community can work together and cooperate with each other and also work with PFA to develop a small portion of the watershed, say, 50 - 100 ha. The duration of the CBP is generally 12 months. After successful completion of CBP, PFA would assist the village community in preparing the Project Feasibility Report for launching the Full Implementation Phase. During the CBP phase the following steps are undertaken:

- a. After the selected watershed fulfills the criteria and the villagers are eager and willing to implement the project accepting the discipline, the PFA and the villagers will be permitted to take up CBP.
- b. The PFA motivates the villagers through a series of meetings and discussions. During these discussions the reasons for environmental degradation and various problems affecting the people like shortage of water, fuel and fodder, decreasing agricultural production and migration can be discussed. It should emerge during these discussions that watershed development project can help the villagers in restoring the balance of their environment.
- c. The villagers should demonstrate their commitment to take up watershed development by undertaking 4 days of shramdan. Landless and poor single parent households could be exempted. Voluntary contribution of bullocks, tractors, can also be valued and treated as shramdan. Shramdan should be for soil and water conservation activities.

- d. After one or two days of shramdan, PFA may arrange for exposure visit of atleast one member from each family to a nearby developed watershed. After completion of 4 days of shramdan, a meeting to be called for formation of Village Watershed Committee (VWC). At this meeting before formation of VWC, an Agreement Letter which contains the conditions and procedures for the implementation of watershed development project has to be read out to the people. The villagers have to orally agree to implement the Watershed Development Project and accept the conditions of community discipline. The community discipline consists of ban on 'free grazing', 'clear felling of trees' and 'eschewing growing of water intensive crops'. After this the VWC is formed and the VWC has to get the Agreement Letter signed by both husband and wife of every family in the watershed (Annexure-III).
- e. The VWC also has to sign another Agreement Letter (Annexure-IV) which details their responsibilities. The members of VWC are selected by people of the watershed and it will have representatives from different social and class groups of the village. It should be ensured that there is adequate representation of the different geographical areas within the watershed.
- f. After the formation of VWC and signing of Agreement Letters by the members of VWC and all the families, the villagers have to demonstrate the commitment to work with each other and also with the PFA in the development of the watershed by developing a micro watershed in the ridge portion. This micro watershed can be of the size of 50 to 100 ha and should include part of the ridge as well as the related valley. The criteria for selection of a micro watershed are:
 - (i) Proximity to the village so that it is easily noticed by the people.
 - (ii) Possibility of having different types of treatment like trenches, bunding, gully plugging, etc.
- g. For developing this micro watershed the villagers will have to prepare a development plan, which is known as survey numberwise planning. Under this the Planning Team has to go to each and every field where work has to be undertaken, discuss with the owner of the field the treatments to be carried out and then finalize the plan with the consent of the farmer and his wife.
- h. After the preparation of this plan, it should be sent to NABARD for approval and sanction. NABARD's staff may visit the watershed and discuss with the members of VWC and the farmers having land in the micro watershed and verify the plan prepared. Thereafter, NABARD will sanction the plan for the development of the micro watershed and release funds for implementing the plan.

3. *Interim Programme*

In case of CBP projects nearing completion (where more than 75% work done) NABARD may sanction additional programme covering about 100 ha. within an amount of Rs. 6 lakh to ensure continuity of work during the period of feasibility study. The NGOs / PFAs would be required to submit only the net plan for additional area to be taken up along with the cost involved. This additional programme would get adjusted against the programme sanctioned under FIP.

[V Central Steering Committee meeting held on 04 June 2002].

4. The Full Implementation Phase (FIP)(Phase 2)

4.1 Only those PFAs and Watershed Communities who have satisfactorily proved their capability to carry out watershed development under CBP are selected to take up FIP. *The PFAs will be advised to take up Project Feasibility Study immediately after completing 60 to 75 per cent of the work in CBP* [V Central Steering Committee meeting held on 04 June 2002]. The preparation of the Project Feasibility Report is taken up concurrently with and implementation of the CBP. FIP of watershed development will be based on this Project Feasibility Report prepared by the PFA in consultation with the villagers. The terms and conditions for preparation of Project Feasibility Report are given in Annexure-V. The Project Feasibility Report is then forwarded to NABARD Regional Office for consideration.

4.2 On receipt of draft Feasibility Report NABARD staff will visit the watershed, discuss with the farmers and the members of VWC and verify the project report with the ground realities. If considered necessary they may suggest modifications to incorporate based on the knowledge and experience gained from the CBP. Thereafter, the FIP project would be considered for approval by the Project Sanctioning Committee. The duration of FIP is normally 4 years.

4.3 *The FIP project is approved by Project Sanctioning Committee (PSC) headed by the Executive Director of NABARD with members from the Ministry of Agriculture, GoI and NGO sector, upto a maximum outlay of Rs.100 lakh. The PSC may invite a representative from the concerned state government while considering project proposals from the respective state. Projects beyond this outlay will be approved by the Central Steering Committee.* [I Central Steering Committee meeting held on 06 March 2000 and V CSC meeting held on 04 June 2002].

4.4 The terms and conditions of watershed development project implementation are given in Annexure-VI. The sanctioned projects will be monitored and supervised by NABARD.

5. Organisations Involved:

5.1 The following institutions/organisations would be involved in the execution of watershed projects under WDF.

a. **At the Project level:**

i) **The Village Watershed Committee (VWC) :**

The VWC consists of persons nominated by a consensus, by the Gram Sabha attended by all adult members of the village, representing all the sections in the village and also the different geographical areas. It should have due representation of women (minimum, 30%). VWC is a registered body. **This body actually “owns” the project and is responsible for the planning, implementation, monitoring and maintenance of the project.**

ii) **Project Facilitating Agency (PFA)**

The PFA is responsible for motivating and assisting the village community in preparing and successfully implementing the watershed project. The PFA and the VWC are jointly responsible for preparation of project feasibility report and its implementation, to receive funds and be accountable for the same.

The PFA is also expected to link with the local Government Departments / support institutions in order to avail of existing facilities and resources.

b. **At the State level :**

i) **Linkage Building/Networking :**

The concerned Regional Office of NABARD will maintain a communication channel with different agencies and attend to problems faced by the participating PFAs and VWCs. On specific request from the PFA-VWCs, NABARD Regional Office would be rendering help for project specific problems as well. NABARD will help PFAs and village communities in improving their skills for project implementation.

ii) **Administrative Support :**

Regional Offices of NABARD are responsible for overseeing and administering the individual projects at the ground level.

iii) **Nodal Department:**

The State Government will identify one of its Department, which is normally responsible for implementing watershed development activities in the State, to act as the Nodal Department under WDF. The Nodal Department will coordinate the WDF activities in the State along with NABARD. It will provide necessary technical support to the NGOs / PFAs / watershed communities for implementing the projects and will also undertake joint monitoring of ongoing projects along with NABARD.

iv) Technical Support :

The State Government's Watershed Development Teams (WDTs), other similar organisations or NGOs are expected to provide the necessary technical support to the watershed communities implementing the projects. In cases where the WDTs of the State Government provide the technical support suitably trained/qualified person(s) reporting to the Village Watershed Committee may have to be provided for and financed out of the project funds.

v) State Steering Committee :

The programme at the State level is directed by a State Steering Committee (SSC). The Constitution and Terms of Reference of SSC are given below :

1) Constitution of SSC

- | | | |
|-----|---|-----------------|
| (a) | Principal Secretary of the Nodal Department responsible for WDF activities in the State | Chairman |
| (b) | Finance Secretary or his representative | One Member |
| (c) | Secretaries of the State Departments of
(i) Agriculture
(ii) Forestry
(iii) Rural Development
(iv) Water Conservation | Two Members |
| (d) | Representative of NGOs | Two Members |
| (e) | Experts on Watershed
(from ICAR Research Institute/
State Agricultural University/
State level Research Institute) | One Member |
| (f) | Convenor of the State level Banker's Committee | One Member |
| (g) | Officer-in-Charge, NABARD, RO | Member-Convenor |

2) Terms of Reference of SSC

- (a) SSC would select the Project Facilitating Agencies for facilitating implementation of projects.
- (b) SSC would select/ratify the districts and watersheds jointly identified by the State Government and NABARD.
- (c) SSC would monitor the progress of implementation of projects under WDF.
- (d) SSC would discuss field level operational problems and try to evolve strategies to overcome these problems

3) Periodicity of Meeting

SSC would meet once in a quarter.

c. At the National Level

1. NABARD Head Office administers Watershed Development Fund. The Central Steering Committee (CSC) directs the WDF and is the policy making body at the apex level. The Constitution and Terms of Reference of CSC are given below :

i) Constitution of CSC

(a)	Secretary (A&C) Department of Agriculture & Cooperation Ministry of Agriculture Government of India	-	Chairman
(b)	Additional Secretary Department of Agriculture & Cooperation Ministry of Agriculture Government of India (In charge of Watershed Development)	-	Member
(c)	Managing Director NABARD, Mumbai	-	Member
(d)	Executive Director NABARD, Mumbai	-	Member
(e)	Director General CAPART, New Delhi	-	Member
(f)	Director General ICAR, New Delhi or his representative	-	Member
(g)	Joint Secretary (Banking Division) Ministry of Finance Government of India	-	Member
(h)	Joint Secretary (Wasteland Development) Department of Land Resources Ministry of Rural Development Government of India	-	Member
(i)	Joint Secretary (NAEB) Ministry of Environment & Forest	-	Member

Government of India

(j)	Joint Secretary (RFS) Department of Agri. & Coopn. Ministry of Agriculture Government of India	-	Member
(k)	Secretary (Agriculture) of participating States to be rotated in every two years	-	9 Members
(l)	NGOs Representatives	-	3 Members
(m)	Chief General Manager DPD-FS, NABARD Mumbai	-	Convenor-cum-Member Secretary
			<hr/> <u>23 Members</u>

ii) Terms of Reference of CSC

The Central Steering Committee will function with head quarter at NABARD, Mumbai and meet twice in a year for discharging its functions as per the terms of reference indicated below :

- (1) To provide policy framework for operationalisation of WDF.
- (2) To periodically review the progress of WDF.
- (3) To consider and decide any other issue / proposal related to administration of WDF.

2. Project Sanctioning Committee

There will be a Project Sanctioning Committee to scrutinise and sanction FIP projects upto Rs.100 lakh. The composition of the PSC will be as under:

<i>Executive Director in charge of DPD-FS, NABARD</i>	-	<i>Chairman</i>
<i>A representative from MOA, Govt. of India</i>	-	<i>Member</i>
<i>An NGO representative</i>	-	<i>Member</i>
<i>Chief General Manager, DPD-FS, NABARD</i>	-	<i>Member Secretary</i>

Terms of Reference

Sanction of projects upto Rs.100 lakh

[I CSC meeting held on 6 March 2000 and V CSC meeting held on 4 June 2002]

3. Sub-Committee to the CSC

A sub-committee of CSC to examine some core issues was constituted as per the decision taken in the VII meeting of the CSC. The Sub - Committee would be chaired by Shri Anil Agrawal, Joint Secretary (RFS), MoA, GOI and would comprise Shri Anil Shah, Chairman, DSC, Ahmedabad, Shri T.M. Vijay Bhaskar, Commissioner, Watershed Development, Govt. of Karnataka and Shri S.M.Mehta, Chief General Manager, NABARD as Member Secretary.

The terms of reference of the Sub - Committee were as under:

- i. Giving loans to NGOs from WDF*
- ii. Dovetailing with NWDPR*
- iii. Grant and loan component in 50:50 ratio*
- iv. Reducing the rate of interest further to 4% per annum or even giving interest free loans*
- v. Increasing Repayment period to 15 years*
- vi. Implementation entirely through SHGs /NGOs /CBOs*
- vii. Utilizing WDF for diversifying other activities like wasteland development by way of loans to state governments*
- viii. Ways to expedite the pace of implementation of projects under WDF*
- ix. Need to increase the corpus of WDF*
- x. How to improve the participation of states*
- xi. How to address qualitative issues for watershed development programme, such as diversification, marketing, sustainability*

The recommendations of the sub committee as approved by the CSC in its VIII meeting held on 28 October 2004 are given as Appendix I

4. Review of Projects by Ministry of Agriculture

The Department of Agriculture & Cooperation, Ministry of Agriculture while reviewing the projects under NWDPR with State Governments, would also review the projects under WDF.

[VIII CSC meeting held on 28 October 2004]

V. FUNDS

1. **Funds for the Projects**

1.1 The projects are funded from the Watershed Development Fund (WDF). The Watershed Development Fund with an initial corpus of Rs.200 crore, comprises two components, viz., loan and grant in the ratio of 2:1.

2. **PURPOSES FOR WHICH SUPPORT FROM FUND IS AVAILABLE**

Grant component in WDF : The following items of the watershed projects under WDF programme are supported on purely grant basis.

- ✓ The pre-CBP expenses of the project
- ✓ The Capacity Building Phase of the project
- ✓ The training & other promotional activities for the project (which include awareness campaign in villages, specific training of watershed community leaders, study visits to other projects and research stations).
- ✓ *The cost for preparation of the Feasibility Study Report for Full Implementation Phase not exceeding Rs. 1.5 lakh [*

V Central Steering Committee meeting held on 4 June 2002]

In addition to the items of the projects indicated above, in order to showcase the unique features in watershed development / as an incentive to the participating states **fully grant based** projects as given hereunder would be sanctioned.

a) Five grant projects of approximately 1000 ha. each would be implemented on full grant basis for demonstration purpose. *Subsequently, in lieu of the 5 grant projects, it was decided that projects on grant basis in 2 clusters (of 3 to 5 projects) with an aggregate treatable area of 3000 ha in each cluster may be covered in each state.[* VIII Central Steering Committee meeting held on 28 October 2004],

b) *In participating states, for every 5 projects (of an aggregate area about 3000 ha) in a cluster under loan component whose CBP sanctioned on or after 1 January 2005, one additional watershed would be covered under grant as an incentive to state governments. The additional watershed to be covered under grant would be sanctioned on satisfactory progress of loan projects i.e., 60% of the physical treatments in FIP are completed [VIII Central Steering Committee meeting held on 28 October 2004],*

c) *In the fifty Pilot Project for Integrated Development (PPID) blocks in Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Chhattaigarh, Jharkhand, Orissa, Uttaranchal and West Bengal one project per block will be covered under grant [VII Central Steering Committee meeting held on 22 August 2003]*

Loan Component in WDF

Loan component in WDF consists of FIP components excluding shramadan during FIP . The FIP project components are:

- ✓ The physical treatment cost during FIP (viz., afforestation, pasture development, dry land horticulture, agricultural development and soil and water conservation measures including drainage line treatments).
- ✓ Supervision Cost
- ✓ Project Facilitating Agency Management cost
- ✓ Training, Capacity Building, Demonstration of watershed community
- ✓ Support for Land less & women
- ✓ Maintenance fund

3. Funds Flow

3.1 The cost of CBP consists of (i) cost for project measures (area treatment) and (ii) management costs of PFA. The cost for project measures would be released by NABARD to the bank account of VWC jointly operated by VWC and PFA. The management cost of the PFA would be directly released to PFA.

3.2 Once the CBP phase project is satisfactorily implemented for five to six months, NABARD Regional Office would assess the project to evaluate whether the project is being implemented as per the stipulated norms and in a participatory manner. NABARD then would ask the PFA to submit a proposal for preparation of a Project Feasibility Report. After examining the proposal, NABARD would sanction preparation of Project Feasibility Report and also provide an advance for its preparation. The preparation of Project Feasibility Report is taken up concurrently with the implementation of CBP project. It is expected that the PFA prepares the report within 4 months which is then scrutinised by NABARD for sanction of Full Implementation Phase.

3.3 The cost of FIP consists of (i) cost for project measures (area and drainage line treatments) and (ii) management costs of PFA. The cost of project measures sanctioned would be credited by NABARD directly to the bank account of VWC jointly operated by PFA and VWC, if the State Government agrees. The cost of management of PFA would be released to the concerned PFA directly. Otherwise, funds would

be provided to the State Government which in turn will credit the same to the bank account of VWC jointly operated by PFA and VWC. The loan amount for FIP will be released to the State Government by NABARD in phases.

4. Project Costing and Scale of Finance

4.1 The project funding will be as indicated in the “**Guidelines for Watershed Development**” being issued jointly by Ministry of Agriculture (MoA) and Ministry of Rural Development (MoRD) of Government of India.

4.2 Broadly, the individual project costs may cover cost of physical treatment measures (70%), administration overheads (10% of the overall project cost), a specific component targeted at landless (7.5%) within the watershed and a provision for community organisation and training programme (12.5%).

4.3 The project cost will be worked out to treat the entire watershed from ridge to valley. The project cost would include costs for area treatment and drainage line treatment. The present (during the tenth plan period) cost norm is Rs. 6,000 per ha. After preparation of the project, in the above manner, VWC and PFA will discuss to bridge the funds gap, if any. If the village community is prepared to bridge the fund gap, the entire project as prepared will be taken up for implementation. If not, VWC and PFA will prioritise the items of work that can be taken up with the funds available. **However, the principle that no drainage line structures should be constructed without treating its catchment area should be strictly followed.**

4.4 Uninterrupted flow of funds is of paramount importance in the WDF assisted projects. The MoU to be entered into with the State Government would provide for uninterrupted flow of finance directly from NABARD to the VWC for full scale implementation of project measures. Alternatively, the state government could receive the funds from NABARD and ensure uninterrupted liquidity at the project level.

5. Terms and Conditions of Loan to State Government

5.1 The loan to the State Government will be broadly on the following terms:

- State Government will execute an MoU with NABARD to avail loan out of WDF
- The state government will furnish an irrevocable letter of authority (a mandate) in favour of NABARD (authorising RBI to debit the state government's account with the RBI in the event of default in repayment of interest and principal due). In cases where it is not in a position to register the mandates, the state governments will furnish a letter of undertaking in the prescribed form (enclosed as Appendix -III)
- the State Government will convey acceptance of terms & conditions of sanction duly signed by the authorized official
- the State Government will execute a Time Promissory Notes (TPN) at the time of each drawal of loans.

- The State Government is also required to furnish a certificate to the effect that the advances drawn are within the limits prescribed by the State Legislative Assembly under Article 293(1) as also certificate indicating consent of the Government of India under Article 293(3) of the Constitution of India.

ÿ Initially, the rate of interest for the loan provided to the State Governments was fixed at 1% above the lowermost refinance interest of 8.5% p.a. charged to the commercial banks. *Subsequently, w.e.f 01 November 2003, the rate of interest has been reduced to 4.5% p.a.* [VIII Central Steering Committee in its meeting held on 28 October 2004].

ÿ Repayment period for the principal will be nine years with a grace period of three years. Repayment of loans will have to be made from budgetary allocation for which adequate provision will have to be made by the State Government.

6. **Key Principles to be adopted for Projects**

6.1 Following key principles are emphasised again and have to be adhered to in all watershed development projects funded out of WDF

□ Community shall own and implement.

- No project without a proofing stage - rigorous qualifying criteria for participating communities and organisations

- Ridge to valley - treat every hectare that is required to be treated. Particular care to be taken for involvement of the forest department in treatment of forest areas on the ridge lines and implementation of joint forest management scheme with the community.

- Survey number wise planning involving every farmer.

- Uninterrupted flow of funds for implementation - arrangements for providing half-yearly requirements in advance and claiming subsequent requirements after exhausting 60% of the amounts released previously.

- Financial releases based on on field monitoring and satisfactory progress.

- Maintenance arrangements to be built in.

7. **Monitoring and Reporting Mechanism**

7.1 NABARD staff in the respective states, with the help of the concerned state government officials, will be responsible for monitoring of the projects. Apart from desk monitoring based on the prescribed reporting formats, half yearly field level monitoring will be mandatory.

8. **Related Developments**

A. Engaging Resource Support Organisations (RSOs)

NABARD in addition to its expert staff, engages qualified competent RSOs for monitoring CBP projects and providing requisite technical assistance to the PFAs in preparation of quality projects.

The areas of work to be handled by the RSOs are as under:

- i. Project preparation :** Wherever required, the RSO shall provide technical guidance to the implementing PFAs in preparation of Capacity Building Phase (CBP) projects and during FR preparation.
- ii. Monitoring :** The RSO shall monitor each of the **assigned** on-going CBP project every month and submit a report on social, financial and physical aspects of project implementation and make suggestions for improvement. The aspects to be covered would be broadly as under:
 - a. Social :** The RSO shall interact with the NGO/PFA, VWC members and the watershed community to assess the level of people's participation in Gramsabha (villagers meeting to discuss watershed project related issues) and VWC meetings, process of decision making, involvement of women and other weaker sections in project implementation, etc. The RSO may specifically comment on the issues discussed in VWC meetings/Gramsabha, and whether the decisions were taken in democratic and open manner. RSO would be expected to identify problems/issues hindering the implementation process and provide guidance to the VWC/community/PFA in overcoming the same..
 - b. Financial :** Examine the records on a sample basis and comment on record keeping pertaining to work done, community contribution / shramdan, muster roll, accounting, efficiency of utilisation of funds (whether funds lie in bank account for long periods), misutilisation of funds/utilisation of funds for purposes other than specified, etc. RSO shall also indicate the need for disbursement/release of funds for subsequent treatments based on the present stage of work and balance of funds available. RSO shall also guide the PFA/NGO/VWC in the proper maintenance of records.
 - c.** The RSO shall take up any other work relating to watershed development that may be assigned by the RO-in-Charge.
 - d.** The RSO shall submit its report within a period not exceeding 7 days on completion of the field visit.
 - e.** Monitoring of projects in a cluster or in one district shall be taken up together.

B. Revolving Fund Assistance to PFAs for post-watershed development / watershed plus activities:

*NGOs could be provided revolving fund assistance at suitable service charges for on-lending to post watershed development activities to the beneficiaries and such revolving fund assistance can be provided **on a pilot basis** in the*

watershed area already treated under other programmes as well. The detailed operational guidelines are given in Annexure VII. [VIII Central Steering Committee meeting held on 28 October 2004].

C. Revolving Fund Assistance to VWCs for Credit activities in the Watershed (During the implementation of programme):

In order to inculcate the habit of proper utilisation of credit and recycling of credit and capacity building thereof revolving fund assistance could be encouraged from the beginning of the implementation of the watershed development programme itself [IX Central Steering Committee meeting held on 23 August 2005].

D. Creation, Utilisation of Maintenance Fund / Village Development Fund for Credit activities:

a) *During FIP, the norm of 16% shramdan (community contribution) would continue to be followed while sanctioning of WDF projects. Of this, 50% shramdan amount (i.e. 8%) would be credited to the Maintenance Fund.*

b) *The maintenance fund may be augmented by crediting the contribution in excess of 16% received from farmers taking up agro horticulture, etc.*

c) *The fund will be further augmented by crediting of 1% of cost of project measures towards the end of the project on successful completion.*

d) *All monies received in lieu of shramdan, fines from cattle encroachments, sale of fishing rights, fodder and all other income may be deposited in this Fund*

A part of the maintenance fund should be utilised for providing credit to farmers / landless labourers, after providing for maintenance of common assets created under the project. There may be a provision to support setting up of mini agri clinics out of the grant component of WDF. [V Central Steering Committee meeting held on 4 June 2002].

E. Involvement of Financial Institutions:

The financial institutions covering the watershed area should be involved right from the beginning of the implementation of the project to meet the credit needs of the farmers.

F. Component for livelihood support to Landless / Women

There is a need to provide assistance for organisation of SHGs of women and landless farmers. It is envisaged to give preference to women members of the landless households as they are considered to be more adept at savings and credit activity. The fund earmarked for livelihood support system for landless will be used for assisting the SHGs for income generating activities and overall development broadly for

(i) *Payment of honorarium to the Lady Social Worker / Community organiser to be hired for organising the women and other landless people in the watershed area into Self Help Groups. The SHGs would be organised giving due consideration to common occupation, social affinity compatibility etc.*

(ii) *Contribution to revolving fund for supporting women and men groups for setting up of micro enterprises as per a separate plan to be prepared by the NGO / PFA.*

(iii) *Need based skill training to the members of SHGs and landless.*

[V Central Steering Committee meeting held on 4 June 2002]

NGO DATA SHEET

Non-Governmental Organisations (NGOs) desirous of participating in the Watershed Development Fund Programme are requested to furnish the following information about their organisations :

1. Name of NGO:
2. Legal Status :
 - i. Whether Trust or Society :
 - ii. Trust Registration Number :
 - iii. Society Registration Number :
 - iv. Date of Registration of Trust _____, Place

Note : Please enclose copy of Registration Certificates and copy of Memorandum of Association / Trust Deed and Rules and Regulations.

3. F.C.R.A.Registration Number : _____
Note : Please enclose xerox copy of certificate.

4. i. Registered Address of Head Office :

Area of Operation :

- ii. Address of Sub-Branches/Centres:

Area of Operation :

5. Other Details :

- 1) Name and designation of the Chief Functionary or contact person :
- 2) Address for regular correspondence:
- 3) Telephone number (Office and Residence):
- 4) Grams :
- 5) Fax number :

6. Office bearers of Organisation/Trust/Society :
Please enclose list of office bearers in the following format.

Sr.No.	Name	Designation	Age	Occupation	Since when associated with Organisation
1	2	3	4	5	6

7. Organisation Structure :

Please indicate the departments, their responsibilities and the authority structure/hierarchy (line of command).

8. Man Power :

Please enclose information in the following format

(a) Honorary workers

Sr. No.	Name	Designation	Age	Occupation	Qualification		Since when associated with Organisation
					Educational	Experience (yrs.)	
1	2	3	4	5	6		7

(b) Paid workers

Sr. No.	Name	Designation	Age	Qualification		Since when associated with Organisation
				Educational	Experience (yrs.)	
1	2	3	4	5		6

9. Equipment and infrastructure :

Please enclose information in the following format

(1) Fixed assets (capital)

Sr.No.	Type	Number	When purchased
1	2	3	4

(2) Equipment

Sr.No.	Name of Equipment	When purchased
1	2	3

10. Funding sources :

Please state names and address of funding agencies.

11. Projects handled in past/on-going :

Please enclose information in the following format.

Sr. No.	Name of Project	No. of beneficiaries	Amount involved	Year of start of implementation	Year of Completion if applicable	Funding sources
---------	-----------------	----------------------	-----------------	---------------------------------	----------------------------------	-----------------

1	2	3	4	5	6	7
---	---	---	---	---	---	---

12. Largest project handled :

Comment briefly on the largest project (financially or man powerwise) handled so far, indicating specifically difficulties experienced in the project and any other salient experiences.

13. Relationship with Government Departments :

i. Please indicate if you have implemented any Government programs in the past. If yes, please indicate description of the project and amount involved.

ii. Please describe what Government programs/schemes are being implemented presently by you. Please state amount (Rs.) involved.

14. Water and Land Management :

Please tick and fill in the relevant information wherever applicable.

Our NGO has been working in the past in the following fields

- a. Afforestation -
 - b. Pasture development -
 - c. Horticulture -
 - d. (i) Soil conservation
- We have done the following :

- 1. Farm bunding -
- 2. Contour bunding -
- 3. Gully plugging -
- 4. Contour trenching -
- 5. Terracing -
- 6. Any other (indicate name) -

(ii) Water Conservation
We have done the following :

- 1. Nala bunds - Nos. -
- 2. Check dams - Nos. -
- 3. K.T.Weirs - Nos. -
- 4. Percolation Tank - Nos. -

e. Agriculture Extension/Development

15. Developmental Approach

- 1. Which area/disciplines you prefer to work in ?
- 2. How do you choose a village to work in ?
- 3. How do you approach the village?
- 4. What programs do you introduce initially ?

16. Please enclose copies of the following :

1. Audited financial statement for the past 3 years.
2. Annual reports, if available.
3. Evaluation reports, if available.
4. Any other literature, if available.

Place :

Signature

Date :

Name and Designation:

Name of the Organisation:

ANNEXURE - II

WATERSHED DATA SHEET

1. Location of the proposed project site :
Name(s) of village (s), Taluka and District
2. Month and year since PFA has been active in the proposed project area.
3. Did the PFA participate in implementing any Government programmes or privately funded schemes in the proposed area?

If yes, give brief description in the following format -

Sr. No.	Name/Type of Scheme	Number of Beneficiaries	Date of Commencement	Date of Completion	Departments involved	Financial Outlay	Funding Source
1	2	3	4	5	6	7	8

4. Prevailing wage rate in Rs./day for casual labour in agriculture. Indicate range and season if necessary after mentioning the type of work.

5.
 - a) What alternative employment opportunities, other than agriculture are available in or near the proposed project site?
 - b) How far are such opportunities from the proposed project area?
 - c) If a Watershed Development Project is implemented in your village, how many labourers will be available on a monthly basis between the months of October and June.
6. Have village leaders/active persons visited any completed or on going watershed project? If yes, give names of the projects visited, number of persons who visited and brief experience from the visit.
7. Give a brief description of the community organisations existing in the village.
8. Please indicate any community activities completed by the villagers. Mention specific instances of "Shramadaan" (Note : Please treat this question as important).
9. Please indicate instances of previous work on Soil and Water Conservation and Afforestation done by the villagers.
10. Is the village included or proposed to be included in any other Soil and Water Conservation Programme (like 'DPAP, NWDPRA or any other such programme) If yes, what work has been carried out so far under the specific scheme/project?
11. Is there any prevalent pattern of out/in migration from/to the area? Give details. How many people of the village have migrated out of the village in search of work?
12. What is the literacy rate in the village? How many villagers are teachers or have been teachers?
13. What is the Service Area Bank and how far is the nearest bank from the village? (Please give name and address of Bank).
14. Give details of the proposed watershed project to the extent possible:-
 - a. Normal average annual rainfall (in m.m.)
 - b. Height difference between the highest and lowest point in the watershed (in meters)
 - c. Area of the watershed (in ha.)
 - d. Please provide the following information about the village
 1. Road Side Village (please tick)
 2. Tyre Road (please tick)
 3. Kachha Road Village (please tick)
 4. Bazar Village (please tick)
 5. Command Area Village (please tick)
 6. Distance from nearest Tyre Road _____ in km.

e. Area under irrigation:

1. Perennially irrigated _____ ha.

Type of crops	Area (ha)	Output (/ha)
---------------	-----------	--------------

2. Seasonally irrigated _____ ha.

Type of crops	Area (ha)	Output (/ha)

f. Land use pattern in watershed :

1	Forest Land (Belonging to Govt.)	ha.
2	Revenue Land	ha.
3	Private Land	
	a) Cultivated Land	ha.
	b) Uncultivated Land	had.
	Total	ha.
	Grand Total (1 +2+3+)	ha.

Note : This total should tally with 14 (c) above

g. Population details :

Sr.No.	Category	Number of Persons	Number of Families
1	Landless laborers		
2	Land owners		
	a) upto 3.5 acres		
	b) from 3.5 acres to 5 acres		
	c) more than 5 acres		
	Total		
3	SC/ST		
4	Those having BPL. cards		
5	Those who do not require daily wage employment		

h. Animal Population details:

1. Cows (Crossbred) Nos: _____
2. Scrub Cattle Nos: _____
3. Bullocks Nos: _____
4. Sheep Nos: _____
5. Goats Nos: _____
6. Others (name type) Nos: _____

Place _____

Signature

(Name and designation)

(Name of the organisation)

Date _____

Letter of Agreement of the Family

Agreement taken by : Village Watershed Committee

Village _____ Taluka _____

District _____

Agreement given by : Mr. and Mrs. _____

Village _____ Taluka _____

District _____

We the residents of the above mentioned village and we state that there is a need to implement the Watershed Development Programme in our village. To successfully implement the Programme in our village, we agree to observe the rules and conditions as mentioned below :

1. We will willingly participate in all types of meetings held in the village and contribute to the discussions.
2. We will contribute our energies and time to making the watershed development Programme a success.
3. We will contribute atleast one day's labour per week as shramdan (voluntary labour) to the Programme.
4. We will enforce on ourselves the ban on free grazing on treated lands and cutting of any tree.
5. We shall not sink a bore well during or after the implementation of the project for purpose of irrigation.
6. We will keep away from all types of disputes, at personal or community level, based on caste, religion, class, politics or difference of opinion, which may affect the Programme. If any such dispute occurs in the village, we will provide help in settling it at the village level itself through democratic processes.
7. As we understand that water is a social resource, we are agreeable to its equitable distribution on principles decided by VWC/Village Meeting. We will not directly lift water from any storage structure like check dams, percolation tanks constructed during the Programme or earlier.
8. We shall be in agreement with all decisions taken for the successful implementation of the project, taken by the VWC or at the village meeting.

We are in full agreement with the above rules and conditions. We understand that these are binding on us and our family members. If any of these rules are violated by us or our family members, we would be fully responsible and any decision taken on this violation by the VWC or at the village meeting would be acceptable to us.

We are signing this agreement letter, based on full understanding and on our own choice, on (day) _____, date _____ / _____ / 20____, in the presence of witnesses.

(Signature of wife & husband)

Name of Witnesses

Signature

1.

1.

2.

2.

Letter of Agreement of the Village Watershed Committee

We, the members of the Village Watershed Committee (VWC) of Village _____ Taluka _____ District _____, having derived our powers from the people of the village to plan and implement the Watershed Development Programme, do hereby agree the following to be the responsibilities of the VWC.

1. The VWC shall be fully responsible for planning, implementing, supervising, monitoring and maintaining the Watershed project. In this, it shall take the help of Non-Government and Government agencies.
2. The VWC shall motivate the people of the watershed to contribute voluntarily their labour (shramdan) once a week, undertake ban on free grazing on treated lands and effect a ban on cutting of trees for commercial purposes.
3. The VWC shall get agreement letters signed from each head of household of the village to start the Programme and work agreement from each landowner before treatment of his/her land.
4. The VWC shall convene its meeting at least once a month, where it shall review works done, payments made and plan for future works. Problems in project implementation, if any, will also be discussed and solutions found during this meeting. The quorum for all meetings shall be 50% of total members of the VWC (excluding NGO members).
5. The VWC shall take responsibility for the Supervisor(s) and shall guide and supervise him/her.
6. The VWC shall keep its records up-to-date and open them for inspection by anybody from the village or any authorized external authority.
7. The VWC shall establish a "Maintenance Fund" Account (A/c) for maintenance of works in the post Programme years and deposit in this A/c all moneys received in lieu of shramdan, fines from cattle encroachments, sale of fishing rights, fodder and all other income. The VWC shall undertake to maintain all structures created on common lands/public properties and remind farmers/landowners to maintain those on their own land so that benefits arising from the project continue in the future.
8. The VWC shall try to undertake the integrated socio-economic development of the village.
9. The VWC shall implement the Programme with integrity and take action against any member found guilty of malpractices.
10. The VWC shall convene a meeting of the entire village atleast once in three months. At this meeting, reports of all works done and future plans shall be presented to the village and its approval taken.

We agree to abide by these conditions and successfully implement the Programme to the best of our abilities.

Signed on (day) _____, the (date) _____ of (month)_____,(year) _____

Name	Position	Signature
1.		
2.		

Annexure - V

Watershed Development Fund – Terms and conditions for preparation of project feasibility report - through PFAs

1. Watershed Selection

1.1 The criteria for watershed selection are presented at Chapter II Point No.7.

2. Involvement of the Watershed Community

2.1 Alongwith the project preparation work, the PFA shall initiate efforts with the watershed community so that the watershed community constitutes a formal registered body in the nature of a Village Watershed Committee (VWC) (as set out in sub-heading on VWC), which along with the PFA will

eventually be responsible for watershed project implementation if the project is sanctioned for implementation.

2.2 PFA shall ensure that the entire watershed community shall agree to impose ban on clear felling of trees and free grazing in treated areas for protecting vegetation within the watershed area and such other measures as are necessary for maintaining and protecting the treatments undertaken for watershed development.

2.3 The project feasibility study report and planning for the watershed development will be done with the full involvement and participation of the VWC and the Watershed Community.

3. Village Watershed Committee

3.1 The Village Watershed Committee (VWC), a body representing the entire watershed community, jointly with the PFA will be responsible for project preparation and also for subsequent execution, if and when the project is sanctioned.

3.2 The VWC will be nominated by the Gram Sabha and will have at least 9 members which would include a Chairman, a Vice Chairman, a Treasurer, a Secretary as Office bearers and other members. The members shall be nominated from the watershed area. The members of VWC are expected to work voluntarily and hence no sitting fees should be paid to them for attending meetings of VWC.

3.3 There should be adequate representation of the different geographical areas within the watershed.

3.4 There will be at least 30% members selected from among the women and 2 members selected from among landless persons in the watershed area.

3.5 A representative of the PFA may also function as the Secretary of the VWC, if necessary, for one or two years initially. However, attempt should be made to train and develop members of the VWC for serving as the Secretary of the Committee.

3.6 NABARD will have the right to depute one of its representatives as a member of the VWC and the bye laws of the VWC shall make adequate provision for the same.

3.7 The Village Watershed Committee shall meet at least once a month preferably from the start of the project preparation work and mandatorily once the project execution begins.

3.8 If the watershed development project submitted by the state government is sanctioned for implementation, the VWC and PFA will be jointly responsible for receiving the funds for project execution, the use of funds and proper project implementation in accordance with the terms and conditions of sanction agreed to between the state government and NABARD.

4. Project Preparation and Related Financing

4.1 The project will be prepared in accordance with the terms of reference laid down by NABARD for the purpose.

4.2 The cost of preparation of Project Feasibility Report will be provided as grant by NABARD

4.3 NABARD will provide loan to the state government for Full Implementation Phase of watershed development.

4.4 The Project Feasibility Report should be prepared with an emphasis on low cost and vegetative conservation measures in conjunction with structural measures wherever necessary.

5. Monitoring

5.1 NABARD will monitor the progress in project preparation work by deputing its officers to the project site.

6. Liability

6.1 In the event of any misutilisation of funds or utilisation of funds for the purposes not specified under any letter of sanction issued by NABARD or any agreements entered into by NABARD with the State Government, NABARD reserves the right to suspend disbursements of loans for project implementation and demand refund of amount so misutilised / utilised for purposes not specified from the PFA/State Government.

7. No Obligation for Project Financing

7.1 The sanctioning of loan for project preparation does not automatically confer on PFA or the VWC a right to subsequent financing by NABARD for the investments proposed under the project. A decision for financing the investments proposed under the project will be taken on merits of the case. The project feasibility study report submitted by the PFA and VWC will be scrutinized and sanctioned. The sanction will be subject to the general conditions laid down under the terms of reference on the lines of the draft enclosed and any other conditions laid down at the time of sanctioning the project.

Watershed Development Fund – Terms & Condition for the release of loans to state governments for the Watershed Project implementation

1. Involvement of the Watershed Community

1.1 PFA shall ensure that the watershed community is willing in principle to participate effectively in the project and also providing labour free of charge at least to the extent of 16% of unskilled labour cost.

1.2 PFA shall ensure that the entire watershed community shall agree to undertake social fencing and a ban on clear felling of trees within the watershed area and such other measures as are necessary for maintaining and protecting the treatments undertaken for watershed development.

1.3 PFA shall ensure that the watershed community is willing to reduce the live stock population, over a period of time, to the carrying capacity of the watershed.

2. Village Watershed Committee

2.1 Please refer to point no.3 of Annexure - V.

3. Work Execution

3.1 The Village Watershed Committee (VWC) and PFA shall pass appropriate resolutions for undertaking watershed project execution, for the opening of necessary accounts with the designated bank, for receiving funds under the programme, for executing the project in cooperation with each other, the concerned departments or agencies of the central and state government and NABARD for proper utilisation of the funds. A copy each of the said resolution when passed, will be submitted to NABARD.

3.2 The work shall be executed in accordance with the terms of reference stipulated by NABARD.

3.3 The VWC and the PFA shall be jointly responsible for satisfactory work execution.

3.4 The PFA shall maintain competent technical staff and the said staff will be resident near the project location (within 10 to 15 kms). The PFA should appoint a minimum of one full time agronomist, one part time Civil/Agricultural Engineer, and should have atleast one motor cycle and survey equipment.

3.5 The VWC will obtain in writing the concurrence and agreement of all parties on whose lands the treatments or any conservation measures are to be undertaken according to the work plan.

3.6 The VWC shall review the progress of work at least once every month in a formal meeting convened for that purpose. Preferably once every month or at least once every quarter, the VWC shall present to the entire Gram Sabha convened for the purpose a report on the progress of work as well as utilisation of funds.

3.7 The implementation of the project should follow the principle of "From Ridge to Valley" i.e., treatments in the upper reaches should, in general, be undertaken before treatments for lands situated at lower elevations.

3.8 **VWC and the PFA should ensure that there is a strong emphasis on simple low cost and vegetative conservation measures in conjunction with structural measures wherever necessary so that the watershed community can understand and replicate such measures by themselves.**

3.9 Any land to be treated with structural measures shall normally have atleast 1% slope or more.

3.10 No funds shall be provided for the financing of irrigation development, buildings or other physical infrastructure (for e.g., roads) and for the purchase of machinery such as bulldozers, tractors, farm machinery, agricultural implements as well as for compensations for land or right of way.

3.11 While priority shall be given to soil conservation measures pure ground water recharge structures (for e.g. dams and weirs) shall be considered favourably only if run-off reduction and ground water availability subsequent to the planned soil conservation treatments of the upper catchment appear inadequate.

4. Financing Arrangements

4.1 The State Government could choose, either to request NABARD to release funds directly to VWC and PFA based on the requirement and progress or to channelise money (by itself) to VWC and PFA from WDF loan released by NABARD. The money for preparation of Project Feasibility Report and for actual project implementation shall be directly released to the PFA and VWC respectively. A bank account may be opened **in the name of the VWC** which will be operated jointly by an authorised signatory of the PFA and a representative of the VWC. The VWC shall authorise the person concerned to operate the account. The said account may be opened in the bank branch in whose Service Area the project area falls. This will facilitate familiarity of the bank staff with the Project and subsequent credit financing in the project area.

4.2 The amounts sanctioned for administrative overheads, livelihood for landless, community organisation and training programme shall be released directly to the PFA concerned.

4.3 The amounts sanctioned for PFA and project execution will be disbursed to the PFA and the Village Watershed Committee respectively in instalments. The instalments shall be determined on the basis of detailed work plan and corresponding financial requirements submitted along with the project document and agreed upon by NABARD. The work plan shall indicate the physical and financial coverage of the programme.

4.4 The instalment shall normally cover the requirement of funds for a period of six months.

4.5 While the first instalment will be released in advance based on the work plan submitted by the PFA, the release of subsequent instalments will be contingent upon satisfactory completion of the work indicated for the half year for which instalment was drawn. In order to maintain continuity of work execution the VWC and the PFA can apply in advance for release of the next instalment after 60% of the financial coverage of the previous half year has been achieved.

4.6 Application for release of advance instalment (except the first one) shall be accompanied by the following certificates :

- (a) A certificate from the PFA that engineering works, if any, have been carried out according to the sanctioned work plan as well as according to the technical specifications required for the purpose.
- (b) A certificate each from the VWC and PFA concerned that the work for the preceding half year has been executed to the extent of 60% of the physical and financial programme indicated in the sanctioned project document for which the previous instalment was drawn, the work has been executed according to the technical specification prescribed for each item. Proper records and books of accounts have been maintained for the work that has been executed.

4.7 NABARD shall have the right to inspect at the site the progress of the work and the release of subsequent instalments will be contingent upon NABARD satisfying itself regarding the progress.

4.8 The project shall be implemented and completed normally over a period of 4 years from the date of release of 1st instalment.

4.9 The amount released as advance for programme implementation, if not utilised for the purpose during the period for which it was released, will be repaid to State Government by the PFA and the VWC.

5. Security / Documentation

The following documents will be required to be submitted by State Governments before availing loans out of WDF :

- i. A letter conveying acceptance of terms & conditions of sanction duly signed by the authorized official of the State Government
- ii) The state government will furnish an irrevocable letter of authority (a mandate) in favour of NABARD (authorising RBI to debit the state government's account with the RBI in the event of default in repayment of interest and principal due). Subsequently, instead of 'mandate ', it was decided to obtain a irrevocable letter of undertaking in the prescribed form (enclosed as Appendix-III)
- iii. Time Promissory Notes (TPN) to be executed by the State Government at the time of each drawl of loans.

iv. The State Governments are also required to furnish a certificate to the effect that the advances drawn are within the limits prescribed by the State Legislative Assembly under Article 293(1) as also certificate indicating consent of the Government of India under Article 293(3) of the Constitution of India.

6. Rate of Interest :-

The rate of interest for the loan provided to the State Governments which was initially at 9.5% p.a. has been gradually reduced. The applicable rate of interest with effect from 01 November 2003 is 4.5% p.a

Interest shall be payable by State Govt. on the first day of July every year. Interest is payable during grace period also. If State Govt. fails to pay the interest on the due date(s), it shall be liable to pay additional interest on the overdue interest amount at the same rate of interest as is applicable to the principal amount

7. Repayment period for the principal will be nine years with a grace period of three years. Repayment of loans will have to be made from budgetary allocation for which adequate provision will have to be made by the State Government.

Each drawal of funds will be deemed as a separate loan for the purpose of repayment schedule. The installment falling due on any date during 1st July to 30 June will be payable on 30th June every year and shall be repaid by State Govt. on the first day of July every year. The State Govt. will continue to pay interest at normal rate beyond the expiry of one year from the date of drawal of the installment upto 30 June.

8. Work Inspection and Certification

8.1 Technical supervisors from the PFA should certify every month or at the completion of a particular unit of work that the work has been carried out according to the technical norms prescribed in the terms of reference and the project sanctioning documents. If there are any deviations from the norms this should be clearly indicated and reasons cited therefor. The certificate for land treatments and production system on arable lands shall be given by the Agronomist. The certificate for all construction activities will be given by the Site Engineer. The Agronomist and the Site Engineer will be the technical personnel of PFA for supervising project implementation.

8.2 The VWC shall maintain on its record a monthly work completion report.

8.3 The watershed site, the completed work and the records maintained by the VWC and PFA will be open to inspection and audit by NABARD's staff or representatives appointed by NABARD for this purpose or by calling for the documents in the original or as copies. NABARD may also appoint an independent

agency to take overall view of the watershed development work including physical as well as socio-economic development, once every year or as frequently as may be considered desirable.

8.4 Inspection and audit reports by NABARD or its representatives shall be made available to the PFA and VWC within a month of the completion of such inspection/audits.

9. Maintenance of Records

9.1 The VWC and the PFA shall be jointly responsible for maintenance of all records relating to the watershed development project. The records to be maintained shall include among others :-

- (a) Daily labour attendance register;
- (b) Material consumption register;
- (c) Work completion register;
- (d) Cash book for daily cash transactions;
- (e) Appropriate journals and ledgers with double entry system of accounting;
- (f) Maps that show the treatments completed survey number-wise and which are updated on a monthly basis;
- (g) Appropriate bills and vouchers;
- (h) Proceedings of the VWC meetings.
- (i) Register for daily rainfall, recorded within the watershed and survival rates of the saplings planted in the watershed.

9.2 NABARD, in consultation with the PFA and other experts, may prescribe from time to time the format in which the records are to be maintained and the reports to be submitted for monitoring project implementation. The PFA/VWC is also required to collect, maintain and furnish specific information for the purpose of monitoring the impact of various project measures on the cropping pattern, ground water recharge and its use, survival of sapling planted etc. in the watershed.

10. Maintenance of Works and Watershed Treatments

10.1 The responsibility for maintaining the treatments and other works taken under the project from the beginning of the project as well as after the completion of the project shall rest with the Village Watershed Committee. The works on individual lands will be maintained by the individual farmer. The work of community nature will be maintained by the community. The work of community nature even if located on individual land will be maintained by the community.

The VWC shall constitute a " Watershed Maintenance Fund" and arrange for appropriate contributions towards the fund from the Watershed Community for common property management. Care should be taken to ensure that the contributions are, in general, commensurate with the benefits actually derived or likely to be derived by the individual family from the watershed development.

10.2 Commencing from the second or third year of project implementation, PFA and the VWC, through due discussion with the watershed community, will establish the watershed maintenance fund. While the minimum contribution per land holding farmer shall be Rs.100/- per year, higher levels of contributions shall be prescribed according to the income of the individual farmers. In exceptional cases, concerning extremely poor farmers, the watershed community may decide on the appropriate level of contribution.

11. Liability

11.1 In the event of any misutilisation of funds or utilisation of funds for the purposes not specified under any letter of sanction issued by NABARD or any agreements entered into by NABARD with the VWC, NABARD reserves the right to suspend disbursements of loans for project implementation and demand refund of amount so misutilised / utilised for purposes not specified from the PFA and the VWC, jointly and severally through the State Government.

Recommendations of the Subcommittee**1. The Need for WDF**

A designed intervention is being done for the first time under WDF which aims to replicate successful experiments in Watershed Development. WDF provides scope for experimentation. Further, NABARD's strength in scientific manpower, monitoring, systems and procedures, overcoming external influence etc. provides a strong foundation for success of this designed intervention and hence the Subcommittee recommends there is a definite need for WDF.

2. Dovetailing with NWDPRA

WDF is being tried by an Apex Banking Institution, with the secondary objective of identifying a Bankable Watershed Development Model, the Subcommittee recommends that it is better WDF programme continue independent of other projects/programmes.

3. Whether WDF should be a loan or grant?

Under NWDPRA and DP AP substantial grants are provided to State Governments where as the amount involved in WDF is small. To recycle the fund and to promote successful experiments in watershed, WDF should be used for providing loans to State Govts. This will also act as a mechanism for active participation of the State Governments. To provide incentives to State Govts, the interest rate has been reduced to 4.5% p.a. and grant is provided for CBP & FR preparation. Further incentives are also suggested at recommendation no. 9. Hence loan mode should continue

4. Whether WDF could be a Grant & Loan Component in 50:50 ratio?

Loans, which are very concessional in nature, are provided to the State Governments. For the people, it is always as grant. Hence, the Subcommittee recommends to continue with the existing ratio of 1/3 rd grant and 2/3rd loan components.

5. Implementation of Programme entirely through NGOs

More than 80% of the sanctioned projects are being implemented through NGOs. In most of the States, the NGOs are already selected as PFAs. Hence, there is no need to revise the existing guidelines. In states, where good NGOs are not available and Government Departments are acting as PF As, the concerned Government officials should be provided intensive training on implementation through participatory approach. More emphasis to be given on capacity building of such officials. Government may also out source services for social mobilization

6. Implementation of Programme through loans to NGOs from WDF

Giving loans to NGOs is a complex issue. On a project basis which covers community based activities, integrated and participatory developmental approach it does not appear feasible. However, the discussion with leading NGOs indicate that for selected activities, loans could be advanced to NGOs in Watershed Development Programmes. Some of the activities include Livestock Development, Dairying, Bee Keeping, for providing inputs for running Micro-Agroclinics etc. Hence, the Subcommittee considers that this may not-be a workable model.

7. Reducing interest rate further on WDF loans or making it interest free

The present rate of interest i.e. 4.5% p.a. is already very low. As pointed out earlier, considering the grants given for various activities, effective interest rate becomes still lower. Historically, since beginning of WDF, ROI on WDF was revised when ROI on RIDF loans was reduced and the ROI on WDF loans is being fixed at 2% below the RIDF rate. As a policy it is decided to keep the ROI on WDF 2% below the RIDF rate. **In case of any upward revision of ROI on RIDF, CSC may be approached for specific approval.**

8. Increasing the repayment period of WDF loans

Considering the total operations of State Govts, the amount involved under WDF is too small. The annual repayments also being small, do not put any burden on the State's finances. **Hence, the present repayment period of nine years including three years grace period may continue.**

9. Ways to improve the participation of- States

- Workshops for highlighting the importance may be conducted in non-participating States. Two clusters of watersheds in each State may be implemented on grant basis.
- MoA while reviewing the projects under NWDPA with State Governments, would also review the projects under WDF.
- To all identified States under WDF (irrespective of their participation) 2 clusters each of 3-5 projects (each project with an area of about 500-600 ha) would be taken under full grant basis.
- As an additional incentive to participating States, incentive by way of one for every 5 projects under loan may be taken on grant basis.
- Formation of District level committee involving line departments may be encouraged. It will improve ownership and convergence.
- Exposure visit of higher officials of State Govt to other States may be taken up.

10. Ways to expedite the pace of implementation

As the CBP is the core concept for a successful, sustainable model, these self -selection / proofing phase should continue. The process of planning must be refined by following net planning concept. Delays were basically due to the establishment of systems & procedures for loan component projects. Once they are in place, the pace of implementation will be faster. The Subcommittee recommends that Training and Capacity

Building of NGOs may be taken up on intensive scale and the Review and Monitoring system should be intensified.

11. Addressing qualitative issues:

To address the qualitative issues the Subcommittee recommended the following

- 1) Cluster approach be promoted.
- 2) Convergence with extension and other programmes of Agriculture and Animal husbandry departments (Cluster approach will help).
- 3) The cost ceiling in WDF needs to take care of labour wage rate increase from time to time. A ready reckoner for this may be prepared and followed.
- 4) Local variations in Standard Schedule of Rates for labour wage should be provided in the project report as a contingent item. For this purpose, a specific analysis of wage rates may be taken up.
- 5) When the project is on, as early as possible, specific economic activities to be identified and supported
- 6) Participation of KVKs in WDF should be intensified by allocating more funds under training component of each project.
- 7) Training and capacity building on both technical and participatory processes of both watershed community, NGO and Government functionaries needs to be enhanced.
- 8) Monitoring of CBP projects is to be intensified (e.g. Retired people as independent monitors).
- 9) One quarter (25%) of WDF Maintenance Fund needs to be earmarked for credit purposes and consideration to be given to utilise this fund from 2nd/3rd year of the project.
- 10) In completed watersheds, watershed plus should be supported on pilot basis. Support may be given to those activities which can be loanable. NABARD to work out the terms and conditions (rate of interest, repayment period, mode of release etc)
- 11) Watersheds should have a micro- Agriclinic as a component in WDF projects.
- 12) Some funds should be utilised for action research.
- 13) NABARD should document successes under WDF.

12. Utilising WDF for diversified activities such as Wasteland development etc. of State Govt. through loans

The fund requirement for diversified activities will be very high, which WDF cannot meet. As WDF has a mandate for development of replicable & sustainable watershed development models, by diversion of funds for Wasteland Development, the fund may lose its focus. Hence, the Subcommittee recommends that WDF should continue to focus only on Watershed Development.

13. Assess the need to increase the corpus:

As on 31 March 2004, the total corpus of the fund is Rs. 354.61 crore of which Rs. 11.51 crores has been utilized. Considering the allocation to 7 participating States and accrual to the Fund by way of interest on unutilized portion and excess margin on RIDF, the Committee feels there is no need for further contribution to the Fund at this stage. However, NABARD should prepare a long term action plan which should be the basis for further decision on this issue.

WDF - Operational guidelines for sanctioning/releasing Revolving fund to NGOs for implementing watershed plus activities in completed watershed areas

Introduction

In the wake of the implementation of many FIP projects, a need was being felt that watershed plus activities should be taken up by farmers/village community in completed watersheds. Accordingly, necessary operational guidelines have been framed to supporting of watershed plus activities by way of revolving funds to NGOs, on a pilot basis.

1. Name of the Project :

The project will be styled as **Pilot Project for financing NGOs for Watershed Plus Activities**. The project will be implemented by the NGOs/PIAs, through individuals/SHGs/VWCs/WUAs.

2. Project area and activities to be supported :

The project will be operational in all the watersheds treated under the WDF programme. The area proposed for taking up economic activities/watershed plus activities must be within such watershed area. The revolving fund may be utilised for taking up any post watershed activities which will increase production and productivity. Agri/allied activities like dry land horticulture, dairy/livestock development, bee keeping, vegetable cultivation, medicinal and aromatic crops, land development, micro irrigation etc. and also all other income generating activities that receive a boost in the post (watershed) development scenario may be considered.

3. Selection of the NGO :

i. The NGO must be a registered one and apolitical. It must not have been black listed by any Bank/Govt Dept/CAPART/any other agency. The NGO must have been operating in the proposed watershed area and must have successfully implemented watershed development programme in that area.

ii. It must have a sound reputation and should have adequate managerial and financial capability. It must have proven capability to guide the farmers/beneficiaries in proper selection and pursuing of economic activity for which revolving fund facility is being sought.

iii.. It must have regularly audited accounts.

4. Project Appraisal, Recommendation, Sanction and Release of revolving fund :

The revolving fund/project proposal will be received by ROs in the prescribed format. ROs will scrutinise/appraise the proposal, after conducting a field visit, where found necessary. The revolving fund applications duly appraised with RO's recommendation will be sent to HO for sanction by the competent authority as per the delegation of power in vogue. The release of revolving fund there against will be made by ROs, on the basis of the drawal application of the NGO.

5. Quantum of Revolving fund :

The maximum revolving fund amount to NGO would be up to Rs.10.00 lakh per project. The NGO may decide about the quantum of revolving fund to be advanced to the individual farmers/SHGs/WUAs, depending upon the economic activity. These details will have to be furnished by the NGO along with the revolving fund application.

6. Mode of Finance :

NABARD will be extending revolving fund facility to NGOs for onlending to individuals/SHGs/VWCs/WUAs, on the terms and conditions mentioned separately.

7. Revolving fund Documentation :

ROs will obtain the following documents before releasing the revolving fund :-

- i. Agreement with NABARD assigning all book debts by creating a floating charge in favour of NABARD and agreeing to hypothecate its movable and fixed assets in favour of NABARD to the extent of shortfall, if any, in the value of book debts.
- ii. Demand Promissory Note
- iii. Resolution to borrow from NABARD
- iv. List of Movable Property/ Assets

8. Payment of Service charges and Repayment of Revolving fund :

(a). The rate of service charges on the revolving funds shall be same as the refinance rate at the lowest slab on the date of drawal. The service charges is payable annually on the first day of July every year. **Service charges is payable during the grace period also.**

(b). If the NGO fails to pay the service charges on the due date/s, it shall be liable to pay additional service charges on the overdue service charges amount at 2% above the rate applicable to the principal amount as per sub clause (a) above.

(c). Each drawal of revolving fund will be deemed as a separate revolving fund for the purpose of repayment. The installments falling due on any date during 01 July to 30 June will be payable on 30 June every year and shall be repaid by the NGO on the first day of July every year

d) In case of failure of the NGO to pay the instalment on the due date, NABARD will charge penal service charges @ 2 % on the entire amount of revolving fund outstanding. However, the same may be waived by ED/CGM of DPD FS, keeping in view the circumstances under which the default has taken place.

9. Period of revolving fund :

The period of revolving fund would be a maximum of 5 years.

10. Spread for the NGO :

The maximum rate of service charges chargeable to the ultimate beneficiaries would be not more than 9% p.a.

11. Monitoring and Reporting Mechanism

i. For effective implementation of the project and proper utilisation of the revolving fund, it is desirable that a Project Implementation and Monitoring Committee is constituted. The committee may comprise

representative of NABARD RO/DDM and one or two representatives from leading bank/s operating in the district, so that there will be wide awareness about the watershed approach, among the bankers. The Committee will meet at least once in a quarter and review matters connected with implementation and providing assistance for watershed plus activities in the watershed area. The NGO may be advised to constitute the Project Implementation and Monitoring Committee (PIMC), in consultation with the RO/DDM of the district

ii. The NGOs will report the progress in implementation to the concerned RO, in the prescribed format, on a monthly basis.

iii. ROs will be responsible for the monitoring of the project. Monitoring visits may be undertaken on a quarterly basis as per need. The progress in release/utilisation of revolving fund will have to be reported to HO on a monthly basis, along with the Monthly Progress Report being submitted under WDF.

12. Accounting Procedure

The NGOs will maintain a ' no lien ' bank account with a bank for routing all transactions relating to the revolving fund as also records showing details of the transactions from the revolving fund availed from NABARD. NABARD RO/HO will have the right to depute its officers to inspect the books of accounts.

APPENDIX III

Form of letter of undertaking

by the State Government

The CGM/ GM/ OIC

National Bank for Agriculture and Rural Development

Regional Office

Dear Sir

Undertaking by State of _____

NABARD has agreed to provide loans and advances to State of _____ from Watershed Development Fund (WDF) for implementing Watershed Development projects in the State.

2. In consideration thereof, the Governor of State of _____ (hereinafter referred to as “the State Government”) undertakes, agrees and assures that :-

- I. The State Government shall ensure and arrange for regular and prompt repayment of principal and payment of interest on due dates as per respective sanction letters in respect of borrowings from WDF;
- II. With a view to ensuring the compliance of the aforesaid obligation, the State Government shall make adequate and specific provision in its budget annually towards repayment of principal and payment of interest in respect of the aforesaid borrowings;
- III. The State Government shall issue specific instructions to RBI for repayment of principal and payment of interest as and when such payments fall due as per the respective sanction letters in the format enclosed hereto.
- IV. The State Government shall not revoke or withdraw or otherwise make this undertaking ineffective as long as the dues under the aforesaid borrowings are not fully repaid.

Yours faithfully

For and on behalf of Governor

of State of _____

(Authorised Official)

Name :

Designation :

Date :

Place :

Seal :

APPENDIX - IV

Contact Addresses

Addresses of Regional Offices

Tripura R.O. (Agartala)

Shri V Mohan Doss
General Manager
Palace Compound (East), Uzirbari Road,
Tripura Regional Office, Post Box No. 9, Agartala – 799 001.
Tel: 0381 - 224125
Fax: 0381 - 224125
Email: nabagtro@dte.vsnl.net.in

Gujarat R.O. (Ahmedabad)

Shri Bhawar Puri
Chief General Manager,
Gujarat Regional Office, NABARD Tower,
Opp. Municipal Garden,
P.B. No. 8,
Usmanpura, Ahmedabad – 380 013
Tel: 079 - 7552257 - 59
Fax: 079 - 7551584
Email: nabahm@icenet.net.in District Offices

Mizoram R.O. (Aizawl)

Shri J C Mishra
Officer-in-Charge,
Mizoram Regional Office, Ramhlun Road (North),
Bawngkawn, Aizawl – 796 012, Mizoram.
Tel: 0389 - 2340815
Fax: 0389 - 2340815
Email: nabaiz@sancharnet.in

Karnataka R.O. (Bangalore)

Shri B B Mohanty,
Chief General Manager,
113/1, Karnataka Regional Office, Jeevan Prakash Annexe, J.C. Road,

P.B. No. 29, Bangalore – 560 002.
Tel: 080 – 2225241-44
Fax: 080 – 2222148

Email: nabbng@bgl.vsnl.net.in

Madhya Pradesh R.O. (Bhopal)

Shri A K Mathur
Chief General Manager,
Madhya Pradesh Regional Office, E-5, Arera Colony,
Bittan Market,
P.O Ravishankar Nagar,
P.B. No. 413,
Bhopal – 462 016.
Tel: 0755-563341,563369
Fax: 0755-566188
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Orissa R.O. (Bhubaneswar)

Shri S Abdul Kareem,
Chief General Manager
Orissa Regional Office, Ankur, 2/1, Nayapalli,
Civic Centre
P.B. No. 179,
Bhubaneswar – 751 012.
Tel: 0674-415297,
417132, 417218
Fax: 0674-402019
Email: nabbhu@sancharnet.in

West Bengal R.O. (Kolkata)

Shri G L Tawte
Chief General Manager,
West Bengal Regional Office, Abhilasha, 2nd Floor,
6, Royd Street, P.B. No. 9083,
Kolkata – 700 016.
Tel: 033 – 294672, 296123, 295264
Fax: 033 – 2454507
Email: nabcal@cal.vsnl.net.in

Punjab and Haryana R.O. (Chandigarh)

Shri A Ramanathan
Chief General Manager,
Punjab and Haryana Regional Office, Plot. No. 3,
Sector 34-A, P.B. No. 7,
Chandigarh – 160 022.
Tel: 0172-666791, 612899, 616607
Fax: 0172-665863

Email: nbardchd@sancharnet.in District Offices - Haryana

Tamil Nadu R.O. (Chennai)

Dr. Prakash Bakshi
Chief General Manager, Tamil Nadu Regional Office, 105-106,
48 Mahatma Gandhi Road P.B. No. 6074,
Chennai - 600 034.
Tel: 044 - 8273792, 8276986, 8222536
Fax: 044 - 8275732
Email: nabchn@md3.vsnl.net.in

Uttaranchal R.O. (Dehradun)

Shri S Prabhakara
Chief General Manager, Uttaranchal Regional Office
2nd Floor, Hotel Sunrise Building,
113/2, Rajpur Road,
Dehradun - 248001
Tel: 0135-748612
Fax: 0135-748610
Email: nabarddn@shimlets.com District Offices

Nagaland R.O. (Dimapur)

Dr G D Banerjee
Deputy General Manager, Nagaland Regional Office
Cooperative Complex
Opp. Fire Station,
Dimapur - 797 112,
Nagaland.
Tel: 03862 - 27040

Sikkim R.O. (Gangtok)

Shri K R Nair
Deputy General Manager, Sikkim Regional Office
Om Niwas
Church Road, P.B. No. 46,
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Tel: 03592 - 23015
Fax: 03592 - 23015
Email: nbgtk@dte.vsnl.net.in

Assam R.O. (Guwahati)

Shri C K Gopalakrishna
Chief General Manager, Assam Regional Office
Lakshmi Bhawan, Dr J C Das Road,
Panbazar. P.B. No. 81,
Guwahati - 781 001.
Tel: 0361 - 540873 - 75 *Fax:* 0361 - 541131 *Email:* nabassam@dataone.in

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**Integrated Watershed Development
Programme In South Bihar
Guidelines**

National Bank for Agriculture and
Rural Development
Head Office
Mumbai

CHAPTER I

WATERSHED DEVELOPMENT AT THE MICRO LEVEL CONCEPT AND ELEMENTS

1. What is a watershed ?

1.1 A watershed is synonymous to catchment area and it is an independent Hydrological unit. It can be defined as the drainage basin or catchment area of a particular stream or river. Simply stated it refers to the area from where the water to a particular drainage system, like a river or stream, comes from. A watershed may be small, consisting of a few hectares or huge, covering several thousands of hectares.

2. What is watershed development all about ?

2.1 Watershed development refers to the conservation, regeneration, and the judicious use of human and natural (like land, water, plants, animals) resources within a particular watershed. Watershed development attempts to bring about the best possible balance in the environment between natural resources on one side and man and grazing animals on the other. It requires people's participation because conservation is possible only through the whole hearted involvement of the entire community.

3. What are the components/sectors of Watershed Development ?

3.1 Watershed development involves the following components / sectors:

- i) Human resource development (community development);
- ii) Soil and land management (conservation and use);
- iii) Water management (conservation and use);
- iv) Afforestation;
- v) Pasture(Fodder) development;
- vi) Agricultural development;
- vii) Livestock management; and
- viii) Rural energy management

3.2 Watershed development involves continuous interaction and exchange between various sectors e.g. the livestock that can be maintained is dependent on the availability of fodder, which in turn is related to soil and water management. The availability of firewood and other fuel is related to the extent of forest cover, the livestock in the area and the productivity of the land. The development of all the above sectors is crucially dependent on the **development of the human population** inhabiting that watershed.

3.3 When the environment gets degraded, the quality of life of the human community within that region also deteriorates. Watershed development thus aims at the rejuvenation of the environment in an integrated and comprehensive manner.

4. Why Watershed Development ?

4.1 The consequences of environmental degradation are all too well known. Activities of man like deforestation, wrong farming techniques, livestock over-grazing and faulty land use lead to the destruction of plant and tree cover exposing the earth to the natural forces like heavy rains, direct sunshine and high velocity winds. These in turn lead to environmental problems such as soil erosion, floods or water scarcity. Agricultural yield is lowered and this results in decline in the income levels of the community resulting in poverty and eventually leading to migration of labor from rural to urban areas in search of livelihood.

4.2 Watershed development, therefore, involves not only regeneration of the environment, but also the management of needs of the human community in such a way that their demands match the resources viz land, water and vegetation available within that particular watershed. This equilibrium between need and availability of resources will lead to a better and increased resistance to drought and increased agricultural production augmenting food supply, fodder, fuel and, timber. Thus standard of living improves leading to reduction in poverty-induced migration.

5. Why People's Involvement ?

5.1 There is a pervading influence of the environment on the human community living within that region, as they depend on it for food, water etc. When the economic condition of a community deteriorates, it leads to over-exploitation resulting in degradation of natural resources. People, for whom agriculture is a low return and risky activity, expand their cattle herds for financial security. This leads to overgrazing and in turn to soil deterioration and erosion, especially in ecologically sensitive upper reaches of the watershed.

5.2 It is necessary for people to understand the relationship between their poverty and the degraded environment in which they live in. They must also be provided with an equally good, if not better, economic alternative. Only then they will willingly let go their claims on the environment in favour of possible benefits that will accumulate in the long run from environmental regeneration through appropriate management. Environmental regeneration is therefore possible only when the local community feels the need for it and they are fully in control of all aspects of resource mobilisation, management and conservation.

5.3 Human beings and their activities are the root cause of environmental destruction, and hence restoring of the health of the environment is their responsibility and only they can do it. There can be no

sustainable natural resources management unless it involves the participation of all inhabitants of the concerned environment/area in an active manner.

CHAPTER II

PROGRAM PERSPECTIVES AND APPROACH

1. **Genesis**

1 The project on 'Integrated Watershed Development in eight districts of South Bihar' was conceived on the basis of the discussion held in the meeting of the Empowered Committee on Rashtriya Sam Vikas Yojana (RSVY) under the Chairmanship of the Secretary, Planning Commission on 12 August 2004 in New Delhi. The programme will be implemented over a period of 8 years.

2. **Objectives of IWDP in South Bihar**

2.1 The objective of the Programme is to spread the message of participatory watershed development in eight districts of Bihar viz. Jamui, Banka, Nawada, Munger, Bhabua, Rohtas and Aurangabad. . The corpus fund will be utilised to create the necessary framework conditions to replicate and consolidate the isolated successful initiatives under different programmes in the government, semi-government and NGO sectors. All the partners involved viz., watershed community, central and state government departments, banks, agricultural research institutions, NGOs and NABARD can act in concert to make a breakthrough in participatory watershed development. IWDP is proposed to be operationalised in close coordination with the Planning Commission and State Ministries.

3. **Importance of Participatory Approach**

3.1 The Integrated Watershed Development Programme to be successful must involve the participation of the concerned people and must be related to the environment in which they live, and on which they depend for their needs. This involves the following :

a. It has to be focused on the regeneration and equitable use of the resources in the particular environment on which the village depends for its needs. A watershed provides a naturally occurring hydrological unit and is also the area on which the inhabitants depend for survival. It thus becomes a common issue drawing the people together, giving rise to a common interest and fostering a common purpose.

b. The people voluntarily must come together and accept full responsibility for regenerating their environment from concept to planning, implementation, supervision, maintenance of project measures and associated practices. This would imply consensus in arriving at a common understanding regarding rules and regulations and the setting up of mechanisms for organisation of works, sharing of benefits and resolution of conflicts.

c. To make the project sustainable, it is necessary for all the key actors, like the Watershed Community, NGOs, Banks, Government Institutions and Technical Service Organisations, to participate actively and in close coordination with each other.

3.2 Participatory watershed development must be implemented on a “large enough scale” at different places to create many success stories, each of which can act as nuclei, becoming a source of inspiration and demonstration for neighbouring villages. This would provide a major impetus for the unfolding of a “people’s movement” for regeneration of environment.

4. **Utilisation of Funds**

4.1 The corpus fund will be utilised mainly for the following purposes :

a. Taking up Integrated Watershed Development projects, on grant basis, with Communities, NGOs, SHGs and Panchayati Raj Institutions (PRIs) in the identified districts.

b. Supporting promotional activities for micro-credit; promotion of SHGs of women, land-less, members of the SC/ST communities and other weaker sections of the community and other related activities in the watershed development programme.

c. The corpus fund is to be operated flexibly

5. **Criteria for selection of watersheds**

5.1 The state government will identify watersheds covering villages with the following physical and socio-economic characteristics are preferred for inclusion in the programme :

5.2 **Physical characteristics**

a. Dry and drought prone villages. In any case the proportion of irrigated area may not exceed the average for the state or 30% whichever is lower.

b. Villages with noticeable soil erosion, land degradation, resource depletion or water scarcity problems.

c. Villages in the upper part of drainage systems.

d. The size of a watershed project should be around 1000 ha. (but not less than 500 ha.).

e. Well defined watersheds with the village boundaries coinciding to the greatest extent possible with the watershed boundary. As far as possible, **Watershed encompassing one village is ideal.**

f. Villages where the general cropping sequence does not include high water demanding and long duration crops like sugarcane, banana etc. and if such crops are grown in small pockets in the watershed, the villagers should agree that the area under such crops will not be extended during implementation or after completion of the watershed development project.

5.3 **Socio-economic characteristics**

a. Predominantly poor villages.

- b. High proportion of SC/ST in the total population.
- c. There should not be much difference in the size of the land holdings.
- d. Villages with a known history of coming together for common causes.
- e. Villages that have shown concern for resource conservation.
- f. Villages with alternative sources of employment must not be selected as the past experience indicates that the programme in such areas would not pick up.
- g. Villages that are willing to commit themselves to the following conditionalities :
 - (i) to ban clear felling of trees,
 - (ii) to ban free grazing and in treated areas for protecting vegetation,
 - (iii) to reduce the livestock population if in excess, and maintain the same at the carrying capacity of the watershed (number which can be supported by the watershed),
 - (iv) to ban cultivation of water intensive crops like sugarcane and banana or atleast not to increase the area under such crops from the present position,
 - (v) to contribute initially four days of "shramdan" on watershed treatment works by the entire village community and later, once selected for the programme to contribute by way of "shramdan" or otherwise 16% of the unskilled labour costs of the project and also to collect such contribution **EQUITABLY** (impartially and in a just manner) from the village community. The landless and poor single parent households are excluded from such a contribution,
 - (vi) promote equity for women and poor through preferential allocation of usufruct rights in common lands.
 - (vii) to start and contribute to a Watershed Maintenance Fund, from the second or third year onwards to maintain and upgrade the treatments and assets created under the project, at a rate of Rs.100/- per land owning families.
 - (viii) to take all such steps as are necessary for achieving and maintaining a sustainable production system,
 - (ix) to constitute, at the village level, a body called the Village Watershed Committee (VWC) which would have to be registered during the implementation phase within 6 months of the commencement of the work, so that it can undertake responsibility for maintenance of all the valuable assets created and generated by the project.

6. Criteria for Selection of Districts

- 6.1 The government of Bihar has identified eight districts keeping in view the percentage of irrigation (less than 30%), concentration of SC/ST population and extent of rainfed farming & potential for watershed development.
- 6.2 Priority has been given to the districts having the lowest proportion of irrigated area in the state, subject to the availability of basic ingredients needed for successful implementation of watershed development projects.

7. Commitment of Village Community

7.1 To enable the village community to have first hand experience of watershed development and to demonstrate their commitment for implementing a watershed project, they should be willing to :

- a. Visit other developed watersheds (exposure visits)
- b. Appoint selected village youth and key persons and sending them for specific training programmes
- c. Prepare and implement a demonstration or pilot project for a small area of the watershed of about 50-100 ha.

8. Criteria for selection of NGOs

8.1 The nodal agencies of the State Government would implement watershed development projects through NGOs. Even if the Project Facilitating Agency (PFA) is other than NGO, the same criteria could be utilised with necessary modifications. The following shall be the broad criteria for selection of NGOs.

- a. Reputation and financial management capacity- Three years Annual reports of the PFA shall be submitted
- b. Method of operation and rapport with people and local government agencies.
- c. Perspective on watershed development.
- d. Nature of projects handled in the past.
- e. Technical and managerial capability.
- f. Sensitivity towards group action /conflict resolution and equity for poor and women.
- g. Ability to motivate the community for providing 'Shramdan' in the village where they propose to work.

8.2 The PFA should have been active in the area for a significant period before proposing a watershed project for the area. PFA and watershed communities willing to implement a watershed project, if selected, have to go through a Proofing Stage (please see chapter IV for details) and meet the qualifying criteria before they undertake a large scale project.

CHAPTER III

PREPARING FOR WATERSHED DEVELOPMENT: SOME THOUGHTS TO BE BORNE IN MIND

1. Success in planning and implementation of a watershed project depends crucially on the interest shown by the watershed community and the staff of Project Facilitating Agency (PFA). They should build on that strength which would be the foundation for their participation in the project.

2. Before the villagers and PFA personnel choose to participate in the project, it is essential that all issues involved in watershed development are thoroughly discussed. Whenever initial meetings regarding the project are held in new villages, the villagers always give suggestions regarding sites for construction of “bandharas” or check dams that will provide benefit of irrigation to the farmers. **This is not a project for construction of check dams for irrigating farmers’ fields. This is a project on soil and water conservation, natural resources regeneration and management.** The people own the project from the stage of planning and are responsible for implementation and maintenance. It is important to adopt the appropriate technology for soil, water and natural resource management in the project.

3. **Owning the project by villagers**

3.1 Since no watershed development project can be successfully implemented unless it is “owned” by the villagers, it is absolutely necessary that each farmer/villager agrees to the project activity. Once a farmer has agreed to the project, he will be more interested and his participation in the project will be wholesome.

4. **Shramadan**

4.1 Shramadan, a voluntary labour contribution by the villagers excluding the landless and poor single parent households, is necessary so that the villagers consider the project as their own. This is expected to ensure long term maintenance and sustenance of assets created by the project.

4.2 A plan to get 16% contribution of the labour costs from the non-labouring families should be thought out well in advance and the consent of such families obtained in the beginning. Otherwise, only labouring households will provide shramadan and the bigger and land owning families will enjoy the benefits of the project financed through grant and Shramadan.

5. **Poor families in the watershed**

5.1 The relatively poorer families depend more on village commons, forest lands and on flocks of sheep and goat. Some of the measures of the project such as ban on free grazing and felling of trees affect poorer families more than others. Such families should be provided with alternative or compensatory means of livelihood right from the beginning. Attempts may be made for introduction of rotational grazing as a regular practice by the villagers.

6. Active Participation of people

6.1 The issues raised above and others can be effectively resolved only if the watershed community actively participates in the decision making for the project. It depends very much on the choice of the members of VWC and the support it gets from the villagers. The VWC should be appointed based on a consensus in the Gram Sabha meeting. It should consist of representatives of all social groups in the village including representation of women (not less than 30%) and also of the different hamlets of the village.

7. Importance of Nursery & Plantation

7.1 The project involves a lot of plantation work on forest lands, private lands as well as on bunds in cultivated fields. Most projects face a shortage of good planting material. It is better and economical to start a nursery for the project well in advance (as raising of good seedlings in a nursery takes from six months to a year) and stock it with enough seedlings to use during the project.

8. Trained manpower

8.1 There should also be enough trained manpower before the project starts. A core team of village youth would have to first undergo an orientation program to develop a clear idea of the project and the responsibilities of all persons involved with it. They would also need to acquire certain specific skills like surveying, staking, nursery raising, horticulture and pasture development, etc. for project preparation, implementation and maintenance.

9. Active involvement of women

9.1 Women should be actively involved in all aspects of project implementation as they not only do the bulk of farm related work but are also the transmitters of culture and values to children.

10. Ridge to Valley

10.1 The work on the project is executed with a "Ridge to Valley" perspective, that is starting from the top and coming downwards. This would mean that the treatment of the hilltops and hill slopes would be

completed first. Treatment of land should start from a higher elevation and gradually lands of lower elevations would be taken up. Thus lands at the bottom of the valley would be treated at the end.

10.2 Ridge to valley treatment ensures that the soil erosion is reduced and the treatments at the lower catchment are protected. This also helps water conservation and ground water recharge. The treatment must be on area basis, both public and private lands are to be treated.

11. Check dams should be the last

11.1 If the physical measures in upper reaches and in the cultivated fields are carried out well, the whole watershed basin will act as a large reservoir with recharged ground water. The need for constructing expensive check dams in the lower portion of watershed will then get reduced considerably. Therefore, check dams are constructed at the end of the watershed to impound the excess water after allowing water to seep into the aquifer through the entire course of the drainage line of the watershed. However, one check dam could be built initially to create a water source for starting a nursery and/or for drinking water purposes, if it is felt absolutely necessary.

12. Seasonality

12.1 In most areas very little work except planting of trees and grass seeding can be taken up during the monsoons. Therefore the activities should be planned accordingly. To start a project during or just before the monsoon is not advantageous.

13. Improving farming practices

13.1 In addition to laying emphasis on physical measures equal or greater attention should be paid to agricultural programmes to help the farmers to take up improved farming practices and get maximum benefits from the infrastructure created under the project.

14. Treatment of forest land

14.1 Some of the watersheds may cover forest land and as mentioned earlier, all lands including forest lands need to be treated. As per existing law, the work on the forest land has to be planned and executed under the guidance of the Forest Department. Therefore, it is advisable to approach the local Forest Department for finalising the treatments of forest area in the watershed which could either be implemented by the VWC / PFA under the guidance of Forest Department or to be implemented by the Forest Department themselves. The Forest Department should be included in planning of treatment measures

from Capacity Building Phase itself. Any difficulties arising in treatment of forest areas may be discussed in the meetings of the State Steering Committee.

CHAPTER IV

ORGANISATIONAL AND INSTITUTIONAL DETAILS

1. **Project Facilitating Agency (PFA)**

1.1 Watershed Development will be undertaken by the concerned Village community with the assistance/ facilitation by an organisation identified by the State Government and NABARD. The state governments may identify an NGO, PRI, a government or semi-government agency or corporation for assisting the village community. Such identified organisation will be referred to as Project Facilitating Agency (PFA).

1.2 The State Government may submit the NGO Data Sheet (Annexure-I) for selection/ratification by the State Steering Committee. If the PFA is other than NGO, relevant modification may be made to this proforma while submitting the same to State Level Monitoring Committee. The PFA after identification of the watershed for development may submit the Watershed Data Sheet (Annexure-II) for selection/ratification by the State Level Monitoring Committee.

1.3 The process of watershed development comprises of 2 phases. The first phase is called the "Capacity Building Phase" (CBP) or "Proofing Stage" and the second phase is called "Full Implementation Phase" (FIP).

2. **The Capacity Building Phase (CBP) OR Proofing Stage (Phase 1)**

2.1 The aim of the Capacity Building Phase is to establish that village community can work together and cooperate with each other and also work with PFA to develop a small portion of the watershed, say, 50 - 100 ha. The duration of the CBP is generally 12 months. After successful completion of CBP, PFA would assist the village community in preparing the Project Feasibility Report for launching the Full Implementation Phase. During the CBP phase the following steps are undertaken:

- a. After the selected watershed fulfills the criteria and the villagers are eager and willing to implement the project accepting the discipline, the PFA and the villagers will be permitted to take up CBP.
- b. The PFA motivates the villagers through a series of meetings and discussions. During these discussions the reasons for environmental degradation and various problems affecting the people like shortage of water, fuel and fodder, decreasing agricultural production and migration can be discussed. It should emerge during these discussions that watershed development project can help the villagers in restoring the balance of their environment.
- c. The villagers should demonstrate their commitment to take up watershed development by undertaking 4 days of shramdan. Landless and poor single parent households could be exempted.

Voluntary contribution of bullocks, tractors, can also be valued and treated as shramdan. Shramdan should be for soil and water conservation activities.

- d. After one or two days of shramdan, PFA may arrange for exposure visit of atleast one member from each family to a nearby developed watershed. After completion of 4 days of shramdan, a meeting may be called for formation of Village Watershed Committee (VWC). At this meeting before formation of VWC, an Agreement Letter which contains the conditions and procedures for the implementation of watershed development project has to be read out to the people. The villagers have to orally agree to implement the Watershed Development Project and accept the conditions of community discipline. The community discipline consists of ban on 'free grazing', 'clear felling of trees' and 'eschewing growing of water intensive crops'. After this, the VWC is formed and the VWC has to get the Agreement Letter signed by both husband and wife of every family in the watershed (Annexure-III).
- e. The VWC also has to sign another Letter of Agreement (Annexure-IV) which details their responsibilities. The members of VWC are selected by people of the watershed and it will have representatives from different social and class groups of the village. It should be ensured that there is adequate representation of the different geographical areas within the watershed.
- f. After the formation of VWC and signing of Agreement Letters by the members of VWC and all the families, the villagers have to demonstrate the commitment to work with each other and also with the PFA in the development of the watershed by developing a micro watershed in the ridge portion. This micro watershed can be of the size of 50 to 100 ha and should include part of the ridge as well as the related valley. The criteria for selection of a micro watershed are:
 - (i) Proximity to the village so that it is easily noticed by the people.
 - (ii) Possibility of having different types of treatment like trenches, bunding, gully plugging, etc.
- g. For developing this micro watershed the villagers will have to prepare a development plan, which is known as survey numberwise planning. Under this, the Planning Team has to go to each and every field where work has to be undertaken, discuss with the owner of the field the treatments to be carried out and then finalize the plan with the consent of the farmer and his wife.
- h. After the preparation of this plan, it should be sent to NABARD for approval and sanction. NABARD's staff may visit the watershed and discuss with the members of VWC and the farmers having land in the micro watershed and verify the plan prepared. Thereafter, NABARD will sanction the plan for the development of the micro watershed and release funds for implementing the plan.

3. **The Full Implementation Phase (FIP)(Phase 2)**

3.1 Only those PFAs and Watershed Communities who have satisfactorily proved their capability to carry out watershed development under CBP are selected to take up FIP. The PFAs will be advised to take up Project Feasibility Study immediately after completing 60 to 75 per cent of the work in CBP. The preparation of the Project Feasibility Report is taken up concurrently with and implementation of the CBP. FIP of watershed development will be based on this Project Feasibility Report prepared by the PFA in consultation with the villagers. The terms and conditions for preparation of Project Feasibility Report are given in Annexure-V. The Project Feasibility Report is then forwarded to NABARD Regional Office for consideration.

3.2 On receipt of draft Feasibility Report NABARD staff will visit the watershed, discuss with the farmers and the members of VWC and verify the project report with the ground realities. If considered necessary, they may suggest modifications to incorporate based on the knowledge and experience gained from the CBP. Thereafter, the FIP project would be considered for approval. The duration of FIP is normally 4 years. The sanctioned projects will be monitored and supervised jointly by the Nodal department of the State Govt. and NABARD.

4. **Organisations Involved:**

4.1 The following institutions/organisations would be involved in the execution of watershed projects under WDF.

a. **At the Project level:**

i) **The Village Watershed Committee (VWC) :**

The VWC consists of persons nominated by a consensus, by the Gram Sabha attended by all adult members of the village, representing all the sections in the village and also the different geographical areas. It should have due representation of women (minimum, 30%). VWC is a registered body. **This body actually “owns” the project and is responsible for the planning, implementation, monitoring and maintenance of the project.**

ii) **Project Facilitating Agency (PFA)**

The PFA is responsible for motivating and assisting the village community in preparing and successfully implementing the watershed project. The PFA and the VWC are jointly responsible for preparation of project feasibility report and its implementation, to receive funds and be accountable for the same.

The PFA is also expected to link with the local Government Departments / support institutions in order to avail of existing facilities and resources.

b. At the State level :

i) Linkage Building/Networking :

The Bihar Regional Office of NABARD will maintain a communication channel with different agencies and attend to problems faced by the participating PFAs and VWCs. On specific request from the PFA-VWCs, NABARD Regional Office would be rendering help for project specific problems as well. NABARD will help PFAs and village communities in improving their skills for project implementation.

ii) Administrative Support :

Regional Office of NABARD is responsible for overseeing and administering the individual projects at the ground level.

iii) Nodal Department:

The State Government will identify one of its Department, which is normally responsible for implementing watershed development activities in the State, to act as the Nodal Department under IWDP. The Nodal Department will coordinate the IWDP activities in the State along with NABARD. It will provide necessary technical support to the NGOs / PFAs / watershed communities for implementing the projects and will also undertake joint monitoring of ongoing projects along with NABARD.

iv) Technical Support :

The State Government's Watershed Development Teams (WDTs), other similar organisations or NGOs are expected to provide the necessary technical support to the watershed communities implementing the projects. In cases where the WDTs of the State Government provide the technical support suitably trained/qualified person(s) reporting to the Village Watershed Committee may have to be provided for and financed out of the project funds.

v) State Level Review & Monitoring Committee (SLRMC) :

The programme at the State level is directed by a State Level Monitoring Committee (SLRMC). The Constitution and Terms of Reference of SLRMC are given below :

1) Constitution of SLRMC

- | | | |
|-----|--|----------|
| (a) | Agriculture Production Commissioner | Chairman |
| (b) | Secretary (Agriculture, A.H., Forestry,
Horticulture, Planning, M.I., Industries, and Rural | Member |

Development)

- | | | |
|-----|---|-----------------|
| (c) | Secretaries of the State Departments of
(i) Agriculture
(ii) Forestry
(iii) Rural Development
(iv) Water Conservation | Two Members |
| (d) | Representative of NGOs | Two Members |
| (e) | Experts on Watershed
(from ICAR Research Institute/
State Agricultural University/
State level Research Institute) | One Member |
| (f) | Convenor of the State level Banker's Committee | One Member |
| (g) | Officer-in-Charge, NABARD, RO | Member-Convenor |

2) Terms of Reference of SLRMC

- (a) SLRMC would select the Project Facilitating Agencies for facilitating implementation of projects.
(b) SLRMC would select/ratify the districts and watersheds jointly identified by the Nodal Department, PFA and NABARD
- (c) SLRMC would monitor the progress of implementation of projects under IWDP.
(d) SLRMC would discuss field level operational problems and try to evolve strategies to overcome these problems

3) Periodicity of Meeting

SLRMC would meet once in a quarter.

vi). District Level Review & Monitoring Committee (DLRMC)

The programme at the district level is directed by a District Level Review & Monitoring Committee (DLRMC). The Constitution and Terms of Reference of DLRMC are given below :

A. Constitution

- | | |
|---|----------|
| District Magistrate | Chairman |
| Representatives of Agriculture, A.H., Forestry,
Horti culture, Planning, M.I., Industries and
Rural Development | Member |
| Representative of the Project Facilitating Agency | Member |
| Lead District Manager | Member |

Terms of Reference of DLRMC

- (a) DLMC would take policy decisions for facilitating implementation of projects.
- (b) DLRMC would monitor the progress of implementation of projects under IWDP
- (c) DLRMC would discuss field level operational problems and try to evolve strategies to overcome these problems in coordination with the line departments.

Periodicity of Meeting

DLRMC would meet once in a month.

vii). Sanctioning of Projects : All the projects under IWDP will be scrutinised and sanctioned by NABARD, H.O.

CHAPTER V

FUNDS

1. Funds for the Projects

1.1 The Planning Commission has approved an outlay of Rs.. 60 crore for implementation of the project and released Rs. 10 crore. The project is to be implemented on full grant basis.

2. PURPOSES FOR WHICH SUPPORT IS AVAILABLE

The following items of the watershed projects under IWDP programme are supported on purely grant basis.

- ✓ The Capacity Building Phase of the project
- ✓ The training & other promotional activities for the project (which include awareness campaign in villages, specific training of watershed community leaders, study visits to other projects and research stations).
- ✓ The cost for preparation of the Feasibility Study Report for Full Implementation Phase
- ✓ The physical treatment cost during FIP (viz., afforestation, pasture development, dry land horticulture, agricultural development and soil and water conservation measures including drainage line treatments).
- ✓ Supervision Cost
- ✓ Project Facilitating Agency Management cost
- ✓ Training, Capacity Building, Demonstration of watershed community
- ✓ Support for Land less & women
- ✓ Maintenance fund

3. **Funds Flow**

3.1 The cost of CBP consists of (i) cost for project measures (area treatment) and (ii) management costs of PFA. The cost for project measures would be released by NABARD to the bank account of VWC jointly operated by VWC and PFA. The management cost of the PFA would be directly released to PFA.

3.2 Once the CBP phase project is satisfactorily implemented for five to six months, NABARD Regional Office would assess the project to evaluate whether the project is being implemented as per the stipulated norms and in a participatory manner. NABARD then would ask the PFA to submit a proposal for preparation of a Project Feasibility Report. After examining the proposal, NABARD would sanction preparation of Project Feasibility Report and also provide an advance for its preparation. The preparation of Project Feasibility Report is taken up concurrently with the implementation of CBP project. It is expected

that the PFA prepares the report within 4 months which is then scrutinised by NABARD for sanction of Full Implementation Phase.

3.3 The cost of FIP consists of (i) cost for project measures (area and drainage line treatments) and (ii) management costs of PFA. The cost of project measures sanctioned would be credited by NABARD directly to the bank account of VWC jointly operated by PFA and VWC. The cost of management of PFA would be released to the concerned PFA directly.

4. Project Costing and Scale of Finance

4.2 Broadly, the individual project costs may cover cost of physical treatment measures, administration overheads, a specific component targeted at landless within the watershed and a provision for community organisation and training programme as under:

4.3 The project cost will be worked out to treat the entire watershed from ridge to valley. The project cost would include costs for area treatment and drainage line treatment. The present (during the tenth plan period) cost norm is Rs. 6,000 per ha. After preparation of the project, in the above manner, VWC and PFA will discuss to bridge the funds gap, if any. If the village community is prepared to bridge the fund gap, the entire project as prepared will be taken up for implementation. If not, VWC and PFA will prioritise the items of work that can be taken up with the funds available. **However, the principle that no drainage line structures should be constructed without treating its catchment area should be strictly followed.**

6. Key Principles to be adopted for Projects

6.1 Following key principles are emphasised again and have to be adhered to in all watershed development projects funded out of IWDP

☐ Community shall own and implement.

- No project without a proofing stage - rigorous qualifying criteria for participating communities and organisations

- Ridge to valley - treat every hectare that is required to be treated. Particular care to be taken for involvement of the forest department in treatment of forest areas on the ridge lines and implementation of joint forest management scheme with the community.
- Survey number wise planning involving every farmer.
- Uninterrupted flow of funds for implementation - arrangements for providing half-yearly requirements in advance and claiming subsequent requirements after exhausting 60% of the amounts released previously.
- Financial releases based on on field monitoring and satisfactory progress.
- Maintenance arrangements to be built in.

Monitoring and Reporting Mechanism

7.1 The SLRMC at state level and DLRMC at district level would monitor the progress. NABARD, R.O. and the nodal department of the state government will also facilitate monitoring of the projects. Apart from desk monitoring based on the prescribed reporting formats, half yearly field level monitoring will be mandatory.

D. Creation, Utilisation of Maintenance Fund / Village Development Fund for Credit activities:

- a) During FIP, the norm of 16% shramdan (community contribution) would continue to be followed while sanctioning of WDF projects. Of this, 50% shramdan amount (i.e. 8%) would be credited to the Maintenance Fund.
- b) The maintenance fund may be augmented by crediting the contribution in excess of 16% received from farmers taking up agro horticulture, etc.
- c) The fund will be further augmented by crediting of 1% of cost of project measures towards the end of the project on successful completion.
- d) All monies received in lieu of shramdan, fines from cattle encroachments, sale of fishing rights, fodder and all other income may be deposited in this Fund

A part of the maintenance fund should be utilised for providing credit to farmers / landless labourers, after providing for maintenance of common assets created under the project. There may be a provision to support setting up of mini agriclinics out of the grant component of WDF.

E. Involvement of Financial Institutions:

The financial institutions covering the watershed area should be involved right from the beginning of the implementation of the project to meet the credit needs of the farmers.

F. Component for livelihood support to Landless / Women

There is a need to provide assistance for organisation of SHGs of women and landless farmers. It is envisaged to give preference to women members of the landless households as they are considered to be more adept at savings and credit activity. The fund earmarked for livelihood support system for landless will be used for assisting the SHGs for income generating activities and overall development broadly for

(i) Payment of honorarium to the Lady Social Worker / Community organiser to be hired for organising the women and other landless people in the watershed area into Self Help Groups. The SHGs would be organised giving due consideration to common occupation, social affinity compatibility etc.

(ii) Contribution to revolving fund for supporting women and men groups for setting up of micro enterprises as per a separate plan to be prepared by the NGO / PFA.

(iii) Need based skill training to the members of SHGs and landless.

[

NGO DATA SHEET

Non-Governmental Organisations (NGOs) desirous of participating in the Integrated Watershed Development Programme are requested to furnish the following information about their organisations :

1. Name of NGO:
2. Legal Status :
 - i. Whether Trust or Society :
 - ii. Trust Registration Number :
 - iii. Society Registration Number :
 - iv. Date of Registration of Trust _____, Place

Note : Please enclose copy of Registration Certificates and copy of Memorandum of Association / Trust Deed and Rules and Regulations.

3. F.C.R.A.Registration Number : _____
Note : Please enclose xerox copy of certificate.

4. i. Registered Address of Head Office :

Area of Operation :

- ii. Address of Sub-Branches/Centres:

Area of Operation :

5. Other Details :

- 1) Name and designation of the Chief Functionary or contact person :
- 2) Address for regular correspondence:
- 3) Telephone number (Office and Residence):
- 4) Grams :
- 5) Fax number :

6. Office bearers of Organisation/Trust/Society :
Please enclose list of office bearers in the following format.

Sr.No.	Name	Designation	Age	Occupation	Since when associated with Organisation
1	2	3	4	5	6

7. Organisation Structure :

Please indicate the departments, their responsibilities and the authority structure/hierarchy (line of command).

8. Man Power :

Please enclose information in the following format

(a) Honorary workers

Sr. No.	Name	Designation	Age	Occupation	Qualification		Since when associated with Organisation
					Educational	Experience (yrs.)	
1	2	3	4	5	6		7

(b) Paid workers

Sr. No.	Name	Designation	Age	Qualification		Since when associated with Organisation
				Educational	Experience (yrs.)	
1	2	3	4	5		6

9. Equipment and infrastructure :

Please enclose information in the following format

(1) Fixed assets (capital)

Sr.No.	Type	Number	When purchased
1	2	3	4

(2) Equipment

Sr.No.	Name of Equipment	When purchased
1	2	3

10. Funding sources :

Please state names and address of funding agencies.

11. Projects handled in past/on-going :

Please enclose information in the following format.

Sr. No.	Name of Project	No. of beneficiaries	Amount involved	Year of start of implementation	Year of Completion if applicable	Funding sources
---------	-----------------	----------------------	-----------------	---------------------------------	----------------------------------	-----------------

1	2	3	4	5	6	7
---	---	---	---	---	---	---

12. Largest project handled :

Comment briefly on the largest project (financially or man powerwise) handled so far, indicating specifically difficulties experienced in the project and any other salient experiences.

13. Relationship with Government Departments :

i. Please indicate if you have implemented any Government programs in the past. If yes, please indicate description of the project and amount involved.

ii. Please describe what Government programs/schemes are being implemented presently by you. Please state amount (Rs.) involved.

14. Water and Land Management :

Please tick and fill in the relevant information wherever applicable.

Our NGO has been working in the past in the following fields

- a. Afforestation -
 - b. Pasture development -
 - c. Horticulture -
 - d. (i) Soil conservation
- We have done the following :

- 1. Farm bunding -
- 2. Contour bunding -
- 3. Gully plugging -
- 4. Contour trenching -
- 5. Terracing -
- 6. Any other (indicate name) -

(ii) Water Conservation
We have done the following :

- 1. Nala bunds - Nos. -
- 2. Check dams - Nos. -
- 3. K.T.Weirs - Nos. -
- 4. Percolation Tank - Nos. -

e. Agriculture Extension/Development

15. Developmental Approach

- 1. Which area/disciplines you prefer to work in ?
- 2. How do you choose a village to work in ?
- 3. How do you approach the village?
- 4. What programs do you introduce initially ?

16. Please enclose copies of the following :

1. Audited financial statement for the past 3 years.
2. Annual reports, if available.
3. Evaluation reports, if available.
4. Any other literature, if available.

Place :

Signature

Date :

Name and Designation:

Name of the Organisation:

ANNEXURE - II

WATERSHED DATA SHEET

1. Location of the proposed project site :
Name(s) of village (s), Taluka and District
2. Month and year since PFA has been active in the proposed project area.
3. Did the PFA participate in implementing any Government programmes or privately funded schemes in the proposed area?

If yes, give brief description in the following format -

Sr. No.	Name/Type of Scheme	Number of Beneficiaries	Date of Commencement	Date of Completion	Departments involved	Financial Outlay	Funding Source
1	2	3	4	5	6	7	8

4. Prevailing wage rate in Rs./day for casual labour in agriculture. Indicate range and season if necessary after mentioning the type of work.

5.
 - a) What alternative employment opportunities, other than agriculture are available in or near the proposed project site?
 - b) How far are such opportunities from the proposed project area?
 - c) If a Watershed Development Project is implemented in your village, how many labourers will be available on a monthly basis between the months of October and June.
6. Have village leaders/active persons visited any completed or on going watershed project? If yes, give names of the projects visited, number of persons who visited and brief experience from the visit.
7. Give a brief description of the community organisations existing in the village.
8. Please indicate any community activities completed by the villagers. Mention specific instances of "Shramadaan" (Note : Please treat this question as important).
9. Please indicate instances of previous work on Soil and Water Conservation and Afforestation done by the villagers.
10. Is the village included or proposed to be included in any other Soil and Water Conservation Programme (like DPAP, NWDPRA or any other such programme) If yes, what work has been carried out so far under the specific scheme/project?
11. Is there any prevalent pattern of out/in migration from/to the area? Give details. How many people of the village have migrated out of the village in search of work?
12. What is the literacy rate in the village? How many villagers are teachers or have been teachers?
13. What is the Service Area Bank and how far is the nearest bank from the village? (Please give name and address of Bank).
14. Give details of the proposed watershed project to the extent possible:-
 - a. Normal average annual rainfall (in m.m.)
 - b. Height difference between the highest and lowest point in the watershed (in meters)
 - c. Area of the watershed (in ha.)
 - d. Please provide the following information about the village
 1. Road Side Village (please tick)
 2. Tyre Road (please tick)
 3. Kachha Road Village (please tick)
 4. Bazar Village (please tick)
 5. Command Area Village (please tick)
 6. Distance from nearest Tyre Road _____ in km.

e. Area under irrigation:

1. Perennially irrigated _____ ha.

Type of crops	Area (ha)	Output (/ha)
---------------	-----------	--------------

2. Seasonally irrigated _____ ha.

Type of crops	Area (ha)	Output (/ha)

f. Land use pattern in watershed :

1	Forest Land (Belonging to Govt.)	ha.
2	Revenue Land	ha.
3	Private Land	
	a) Cultivated Land	ha.
	b) Uncultivated Land	had.
	Total	ha.
	Grand Total (1 +2+3+)	ha.

Note : This total should tally with 14 (c) above

g. Population details :

Sr.No.	Category	Number of Persons	Number of Families
1	Landless laborers		
2	Land owners		
	a) upto 3.5 acres		
	b) from 3.5 acres to 5 acres		
	c) more than 5 acres		
	Total		
3	SC/ST		
4	Those having BPL. cards		
5	Those who do not require daily wage employment		

h. Animal Population details:

1. Cows (Crossbred) Nos: _____
2. Scrub Cattle Nos: _____
3. Bullocks Nos: _____
4. Sheep Nos: _____
5. Goats Nos: _____
6. Others (name type) Nos: _____

Place _____

Signature

(Name and designation)

(Name of the organisation)

Date _____

Letter of Agreement of the Family

Agreement taken by : Village Watershed Committee
Village _____ Taluka _____
District _____
Agreement given by : Mr. and Mrs. _____
Village _____ Taluka _____
District _____

We the residents of the above mentioned village and we state that there is a need to implement the Watershed Development Programme in our village. To successfully implement the Programme in our village, we agree to observe the rules and conditions as mentioned below :

1. We will willingly participate in all types of meetings held in the village and contribute to the discussions.
2. We will contribute our energies and time to making the watershed development Programme a success.
3. We will contribute atleast one day's labour per week as shramdan (voluntary labour) to the Programme.
4. We will enforce on ourselves the ban on free grazing on treated lands and cutting of any tree.
5. We shall not sink a bore well during or after the implementation of the project for purpose of irrigation.
6. We will keep away from all types of disputes, at personal or community level, based on caste, religion, class, politics or difference of opinion, which may affect the Programme. If any such dispute occurs in the village, we will provide help in settling it at the village level itself through democratic processes.
7. As we understand that water is a social resource, we are agreeable to its equitable distribution on principles decided by VWC/Village Meeting. We will not directly lift water from any storage structure like check dams, percolation tanks constructed during the Programme or earlier.
8. We shall be in agreement with all decisions taken for the successful implementation of the project, taken by the VWC or at the village meeting.

We are in full agreement with the above rules and conditions. We understand that these are binding on us and our family members. If any of these rules are violated by us or our family members, we would be fully responsible and any decision taken on this violation by the VWC or at the village meeting would be acceptable to us.

We are signing this agreement letter, based on full understanding and on our own choice, on (day) _____, date _____ / _____ / 20____, in the presence of witnesses.

(Signature of wife & husband)

Name of Witnesses

Signature

1.

1.

2.

2.

Letter of Agreement of the Village Watershed Committee

We, the members of the Village Watershed Committee (VWC) of Village _____ Taluka _____ District _____, having derived our powers from the people of the village to plan and implement the Watershed Development Programme, do hereby agree the following to be the responsibilities of the VWC.

1. The VWC shall be fully responsible for planning, implementing, supervising, monitoring and maintaining the Watershed project. In this, it shall take the help of Non-Government and Government agencies.
2. The VWC shall motivate the people of the watershed to contribute voluntarily their labour (shramdan) once a week, undertake ban on free grazing on treated lands and effect a ban on cutting of trees for commercial purposes.
3. The VWC shall get agreement letters signed from each head of household of the village to start the Programme and work agreement from each landowner before treatment of his/her land.
4. The VWC shall convene its meeting at least once a month, where it shall review works done, payments made and plan for future works. Problems in project implementation, if any, will also be discussed and solutions found during this meeting. The quorum for all meetings shall be 50% of total members of the VWC (excluding NGO members).
5. The VWC shall take responsibility for the Supervisor(s) and shall guide and supervise him/her.
6. The VWC shall keep its records up-to-date and open them for inspection by anybody from the village or any authorized external authority.
7. The VWC shall establish a "Maintenance Fund" Account (A/c) for maintenance of works in the post Programme years and deposit in this A/c all moneys received in lieu of shramdan, fines from cattle encroachments, sale of fishing rights, fodder and all other income. The VWC shall undertake to maintain all structures created on common lands/public properties and remind farmers/landowners to maintain those on their own land so that benefits arising from the project continue in the future.
8. The VWC shall try to undertake the integrated socio-economic development of the village.
9. The VWC shall implement the Programme with integrity and take action against any member found guilty of malpractices.
10. The VWC shall convene a meeting of the entire village atleast once in three months. At this meeting, reports of all works done and future plans shall be presented to the village and its approval taken.

We agree to abide by these conditions and successfully implement the Programme to the best of our abilities.

Signed on (day) _____, the (date) _____ of (month)_____,(year) _____

Name	Position	Signature
1.		
2.		

Annexure - V

Watershed Development Fund – Terms and conditions for preparation of project feasibility report - through PFAs

1. Watershed Selection

1.1 The criteria for watershed selection are presented at Chapter II Point No.6.

2. Involvement of the Watershed Community

2.1 Alongwith the project preparation work, the PFA shall initiate efforts with the watershed community so that the watershed community constitutes a formal registered body in the nature of a Village Watershed Committee (VWC) (as set out in sub-heading on VWC), which along with the PFA will

eventually be responsible for watershed project implementation if the project is sanctioned for implementation.

2.2 PFA shall ensure that the entire watershed community shall agree to impose ban on clear felling of trees and free grazing in treated areas for protecting vegetation within the watershed area and such other measures as are necessary for maintaining and protecting the treatments undertaken for watershed development.

2.3 The project feasibility study report and planning for the watershed development will be done with the full involvement and participation of the VWC and the Watershed Community.

3. Village Watershed Committee

3.1 The Village Watershed Committee (VWC), a body representing the entire watershed community, jointly with the PFA will be responsible for project preparation and also for subsequent execution, if and when the project is sanctioned.

3.2 The VWC will be nominated by the Gram Sabha and will have at least 9 members which would include a Chairman, a Vice Chairman, a Treasurer, a Secretary as Office bearers and other members. The members shall be nominated from the watershed area. The members of VWC are expected to work voluntarily and hence no sitting fees should be paid to them for attending meetings of VWC.

3.3 There should be adequate representation of the different geographical areas within the watershed.

3.4 There will be at least 30% members selected from among the women and 2 members selected from among landless persons in the watershed area.

3.5 A representative of the PFA may also function as the Secretary of the VWC, if necessary, for one or two years initially. However, attempt should be made to train and develop members of the VWC for serving as the Secretary of the Committee.

3.6 NABARD will have the right to depute one of its representatives as a member of the VWC and the bye laws of the VWC shall make adequate provision for the same.

3.7 The Village Watershed Committee shall meet at least once a month preferably from the start of the project preparation work and mandatorily once the project execution begins.

3.8 If the watershed development project submitted by the state government is sanctioned for implementation, the VWC and PFA will be jointly responsible for receiving the funds for project execution, the use of funds and proper project implementation in accordance with the terms and conditions of sanction agreed to between the state government and NABARD.

4. Project Preparation and Related Financing

4.1 The project will be prepared in accordance with the terms of reference laid down by NABARD for the purpose.

4.2 The cost of preparation of Project Feasibility Report will be provided as grant by NABARD

4.3 NABARD will provide loan to the state government for Full Implementation Phase of watershed development.

4.4 The Project Feasibility Report should be prepared with an emphasis on low cost and vegetative conservation measures in conjunction with structural measures wherever necessary.

5. Monitoring

5.1 NABARD will monitor the progress in project preparation work by deputing its officers to the project site.

6. Liability

6.1 In the event of any misutilisation of funds or utilisation of funds for the purposes not specified under any letter of sanction issued by NABARD, NABARD reserves the right to suspend disbursements of grants for project implementation and demand refund of amount so misutilised / utilised for purposes not specified from the PFA.

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V	Funds□	
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Annexure V	Watershed Development Fund - Terms and conditions for preparation of Project Feasibility Report - Through PFAs□	
	Address of NABARD, HO and Regional Offices□	

a.

Right to Information Act, 2005 - Representation by Shri Mahinder Kumar - Focus given by this Department on SC/ST in watershed development projects.

Watershed projects are sanctioned on a watershed basis, treating all areas, covering all communities including SC/STs.

One of the objectives of creation of Watershed Development Fund in NABARD being supporting (on grant and/or loan basis) promotional activities for micro-credit; promotion of SHGs of women, land-less, **members of the SC/ST communities** and other weaker sections of the community and other related activities in the watershed development program.

Further, in **Selection of Districts** preference is given, among others, where **there is a concentration of SC/ST population**.

DPD.FS

Part - A

Work Plan for July 2006

- Preparation of agenda notes for the XI CSC meeting under WDF
- Discussions and issue of Policy circular on implementation of watershed projects in 31 distress districts
- FSR study of 2 IGWDP projects in Maharashtra
- Coordination meet with AP- R.O. on implementation of watershed projects
- Follow up with Bihar R.O. and sanction of CBP projects
- Preparation of MoS and convening the PSSC meeting under IGWDP-Maharashtra
- Follow up with Gujarat R.O. on selection of agency for base line survey, establishing PMU, selection of watersheds
- Finalisation of IGWDP-Maharashtra Half-yearly Report
- Assessment of further projects / treatment measures which may be considered under KDPP

Part - B

Status of work planned during the pervious month

Work/issue	Status	If pending, reasons for the same	Action taken / proposed
Convening of CSC-Sub committee meeting and finalisation of report	Done		
KDPP- Sanction of 1 project	Pending	Consent of the NGO to post suitable engineer for the project is awaited	Discussed in the wrap meeting held on 15 June 2006 at Bhuj on conclusion of field visit
Conduct of Monitoring study of 10 projects- KDPP	Done. Report is being finalised	-	-
Convening of NABARD- ICRISAT coordination meet on watershed plus activities	Done.		
Follow up Gujarat R.O. on grounding IGWDP- Gujarat	Done. Discussed the project with KfW on 29 June 2006 and arrived at certain action plan / agreements	-	-
Associating with the Working Group to assess the merits in the WDF - IGWDP for replication in other programme of GoI	GM(NSR) participated in the meeting of the working group held at NewDelhi on 28 June 2006 and presented the salient features	-	-
Convening workshop on watershed development	Not done	Decided to convene at a later date	
Follow up in regard yo	Done		

preparation of the report of sub group on watershed plus policiesZ			
Coordination meet & PCU meet on IGWDP-M	Done		