



# **Maharashtra Water Resources Regulatory Authority**

## **POLICY FOR CLEARANCE OF WATER RESOURCES PROJECTS**

April 2015



## **1.0. Need For A Policy**

1.1. Section 12 (9) of the MWRRA Act, 2005, states as under

*“12 (9) - The Authority shall while framing policy give preference to projects so that the physical backlog forming the basis of the financial backlog be eradicated in accordance with the Governor’s directives.”*

1.2. This implies that the Maharashtra Water Resources Regulatory Authority (hereinafter referred to as the Authority) has to first frame a policy for clearance of projects before addressing the issue of eradication of physical backlog. The present policy has been accordingly made to indicate the procedure to be followed by the Authority for clearing projects.

## **2.0. Preamble of The Act**

2.1. The Preamble of the Act requires the Authority to regulate water resources within the State of Maharashtra and facilitate and ensure judicious, equitable and sustainable management, allocation and utilization of water resources. In so far as project clearance is concerned, the terms judicious, equitable and sustainable would mean the following

- Judicious - While processing a project for clearance, it needs to be ensured that the project is techno-economically feasible and socially acceptable.
- Equitable - Projects should aim at minimizing regional imbalance and ensuring equitable access to water for all.
- Sustainable - The projects cleared for implementation should throughout their economic life be able to maintain the level of benefits as envisaged at planning stage.

## **3.0. State Water Policy**

3.1. As per Section 12 (1) of the Act, the Authority is required to work according to the framework of the State Water Policy.

3.2. Para 10.2 of the State Water Policy relates to ‘Investment Priorities and Plans’ and states as under,

*“10.2.1. Investment plans for the development of water resource projects and programmes shall be formulated to ensure timely completion at the least cost and with maximum benefit. Project priorities and selection shall be consistent with current and projected limits of available financing to ensure the timely completion of projects and programmes and the economic principles contained in this water policy. In the context of multi-year programmes, individual sub-projects will be prioritized, selected and implemented in the same manner. While deciding the investment priorities preference shall be given to the projects which are at an advanced stage.*

*10.2.2. Time and cost overruns and deficient realization of benefits characterizing most water related projects shall be overcome by upgrading the quality of project preparation and management. The underfunding of projects shall be obviated by an optimal allocation of resources having regard to the early completion of ongoing projects as well as the need to reduce regional imbalances.”*

#### **4.0. Provision in MWRRRA Act Regarding Project Clearance**

4.1. In Chapter III of the Act, the Powers, Functions and Duties of the Authority have been listed. Section 11 (f) relates to project clearance and states as under

*“11 (f) to review and clear water resources projects proposed at the sub-basin and river basin level to ensure that a proposal is in conformity with integrated State Water Plan and also with regard to the economic, hydrologic and environmental viability and where relevant, on the State’s obligations under Tribunals, Agreements, or Decrees involving inter-state Entitlements.*

*Provided that, while clearing the new water resources projects by the concerned for construction proposed by River Basin Agencies, the Authority shall ensure that Governor’s Directives issued from time to time, relating to investment priority for removal of regional imbalance are strictly observed :*

Note : The second proviso to this section has not been included as it is not relevant to project clearance.

## **5.0. Guiding Principles for Project Clearance**

5.1. From a reading of the Preamble to the Act and the discussion in the note on its implication for project clearance, provision in the State Water Policy regarding investment priority and provision in the Act regarding project clearance, the following guiding principles can be enunciated for the Authority to follow while giving project clearance.

- (i) The proposed project should form a part of the Integrated State Water Plan.
- (ii) Water availability for the project at the prescribed dependability level should be beyond any shadow of doubt after providing for the requisite environmental flow in sub-basin or basin as the case may be. The total utilization from completed, ongoing, approved and the proposed projects should be within the allocation made to the State by Tribunals or in inter-State agreements. The project should not have adverse impact on water availability in completed and ongoing projects downstream.
- (iii) The project should meet the prescribed economic criteria. The cost estimates are required to be framed as per latest schedule of rates & estimation of agricultural benefits made at current prices.
- (iv) The long term sustainability of the scheme should be established at the planning stage itself. In other words, it has to be ensured that annual O & M cost of scheme is covered by the annual water charges.
- (v) The yearly projected funding required to complete the project as planned should be realistic.
- (vi) The implementation of the project should not vitiate the completion of other ongoing projects due to possible thinner spread of available budgetary resources.
- (vii) The project should be environmentally sustainable.

- (viii) The project should have required provision for land acquisition, rehabilitation and resettlement as per prescribed norms.
- (ix) The clearance should comply with the directives of the Governor, issued from time to time on removal of backlog.

## **6.0. Categories of Projects Requiring Clearance**

6.1. The following categories of irrigation projects will require clearance from the Authority

- Major projects - CCA more than 10,000 ha
- Medium projects - CCA between 2,001 to 10,000 ha
- Minor projects - CCA between 251 to 2,000 ha

6.2. Multi-purpose projects (with storage capacity more than 1.5 Mm<sup>3</sup>) with benefits other than irrigation like hydro power, non irrigation water use, navigation etc. will also need clearance of the Authority. Cost allocation for different purposes should be made as per relevant BIS Code.

6.3. Reservoir projects solely for non-irrigation (with storage capacity more than 1.5 Mm<sup>3</sup>) which are not proposed by RBAs but by water utilities, private promoters and for which administrative approval is issued by (a) the WRD (b) the department concerned and (c) otherwise, will require clearance of the Authority.

6.4. Water Conservation Projects having CCA upto 250 ha with storage capacity less than 1.5 Mm<sup>3</sup> and projects solely proposed for non-irrigation with storage capacity less than 1.5 Mm<sup>3</sup> do not require clearance under Section 11 (f) of the Act from the Authority. However, the MWRRRA has delegated the powers to review & certify water availability for Projects having CCA upto 250 ha with storage capacity less than 1.5 Mm<sup>3</sup> vide letter No. 772 dated 06/09/2007 to Chief Engineer (HP), Nashik. The water account for these categories of projects will be maintained basin-wise by Chief Engineer (HP), Nashik. While issuing water availability certificate to individual projects, the upto date cumulative quantity of water in the basin of all cleared projects will be indicated in the clearance against allocated quantum by the State Government or in the State Water Plan. This will be reviewed by the Authority, basin wise, every June end.

## **7.0. Integrated State Water Plan (ISWP)**

- 7.1. Section 11 (f) of the Act requires the Authority to ensure that the project being processed for clearance is in conformity with the ISWP. While submitting the project, RBAs will have to certify that it is included in the ISWP.

## **8.0. Channel for Submission**

- 8.1. As a part of the restructuring exercise of the Water Resources Dept, the State Government vide its GR dated 19/11/2010 has set up a State Level Technical Advisory Committee for scrutinizing proposals pertaining to Administrative & Revised Administrative Approvals of water resources projects costing above Rs. 25 crore. The Committee is chaired by Director General, DTHRS, Nashik with Chief Engineer, DTRS, Nashik and Chief Engineer, Planning & Hydrology, Nashik as Members and Superintending Engineer, Data Collection, Planning & Hydrology, Nashik as Member Secretary.
- 8.2. Subsequently, vide Circular dated 21/09/2011, WRD has issued the guiding principles for getting MWRRA's clearance for Administrative Approval and Revised Administrative Approval proposal of WRD. It was directed that the Irrigation Development Corporations should submit the proposals costing more than Rs. 25 crores first to the State Level Technical Advisory Committee and after the Committee's Techno-economical scrutiny and clearance, to submit the proposals to the Authority for its review & clearance. The detail instructions given in the Circular should be strictly followed while sending proposals to MWRRA for clearance under Section 11(f) of the Act. If there is any revision in these guiding principles by the State Government in the future, the same shall apply.

## **9.0. Revised Administrative Approval**

The WRD vide GR dated 10/06/2013, has issued the guiding principles for Revised Administrative Approval proposals of WRD for change in scope. The detail instructions given in the GR should be strictly followed while sending such proposals to MWRRA for review and clearance under Section 11(f) of the Act. If there is any revision in these guiding principles by the State Government in the future, the same shall apply.

## **10.0. Format for Submission to the Authority**

- 10.1. The Detailed Project Reports (DPR) for major, medium and minor irrigation projects are required to be submitted by EDs of the Corporation to the Authority along with the clearance of the State Level Technical Advisory Committee.
- 10.2. The DPRs are to be prepared as per norms laid down by the WRD adopting latest schedules of rates. For its purpose, the Authority may also finalize a different format for submission of any project, if considered appropriate.

## **11.0. Hydrological Viability**

- 11.1. The dependability Criteria to be followed will be 75% dependable yield for major and medium projects and 50% dependable yield for minor projects. Where Tribunal Awards / Inter-State agreements make allocations to the State at lower dependability, water availability studies will be accordingly made for the proposed project.
- 11.2. The DPR should include water availability studies from CE (HP) comprising
  - (i) Water allocation to the State as per Tribunal Awards / Inter-State agreements.
  - (ii) Water account of the basin giving total utilization of completed projects, ongoing projects, projects accorded AA but yet to be taken up, projects to be accorded AA but water availability certificate given and balance available for utilization in new projects.
  - (iii) Yield studies at proposed project site based on rainfall data and gauge data of stations in the catchment and accounting for all upstream utilizations (existing and planned), also water available (net) at different dependabilities and proposed utilization.
  - (iv) Effect of the project on performance of existing and planned downstream projects in terms of reduction in dependability, if any.



11.3. The Authority may seek any clarification from CE (HP) or may require some additional study to be done which shall be provided before the hydrological viability of the project is accepted.

## **12.0. Economic Viability**

12.1. For major and medium projects, the criterion for economic viability shall be the benefit cost (BC) ratio of a minimum of 1.5 which is as per CWC and State norms. The BC ratio shall be computed as per procedure prescribed by the CWC.

12.2. For minor projects, the State government has prescribed norms for cost per unit of gross storage and BC ratio vide GR dated 30/04/2011 for general areas and vide GR dated 29/07/2009 for Konkan. These norms shall be adhered to. If there is any revision in norms by State government, the same shall apply.

12.3. Investment Priority : Every new project should be accompanied by data showing a list of ongoing projects in the district concerned, their approved cost, latest revised cost, expenditure till end of previous financial year, balance cost and budget allocation in last five years to the district for the irrigation sector. If the ratio of total balance cost of ongoing projects to budget allocation is more than three, then taking up a new project will delay completion of ongoing projects with attendant delay in accrual of benefits, time and cost overruns and so on.

## **13.0. Environmental Viability**

13.1. There are separate Acts requiring projects to obtain environmental clearance and clearance for diversion of forest lands from specified Authorities at the Centre & States after following specified procedure. This issue does not therefore come under the purview of the Authority. While clearing projects, the Authority will stipulate that these statutory clearances are obtained before work on the project is started.

13.2. Resettlement and rehabilitation plans for project affected families normally form a part of environmental clearance. The Authority will ensure the adequacy of provisions made in cost estimate for the R & R plan and also stipulate that the gorge filling of dam will not be done till all R&R works are completed.

#### **14.0. Governor's Directives on Backlog**

14.1. The Governor under relevant constitutional provisions and provisions in the MWRRA issues directives from time to time for removal of financial and physical backlog and the Authority is required to comply with these directives while clearing new water resources projects.

#### **15.0. Involvement of WUA During Construction**

15.1. Section 73 of MMISF Act 2005 requires the work of distribution system having discharge capacity not exceeding one cumec be carried out only after constituting Minor level WUA under Sections 5,6,7,8 of MMISF Act. The Authority will include this stipulation in project clearance.

#### **16.0. Keeping Projects on the Shelf**

16.1. The Governor's directives sometimes do include a stipulation that projects in a particular region of a particular basin can be cleared for taking up statutory clearances and kept on shelf for implementation at a later date. The Authority will comply with this directive by permitting AA to be issued for limited purpose of incurring required expenditure for obtaining statutory clearances only. Such clearances will not be under Section 11 (f) which is solely for construction.

#### **17.0. Clearance of Projects Taken Up Under Public Private Partnership**

17.1. Projects already cleared under Section 11 (f) would not require fresh clearance if they are taken up under the PPP mode of financing unless the revised model that the private promoter is projecting to recover his investment results in reduction of benefits that would have accrued to the farmers had the project been a routine government funded project. The Authority would then have to clear the project again under the jurisdiction granted to the Authority by Section 11 (f) considering its altered viabilities.