

RESOLUTION

GOVERNMENT OF ODISHA. DEPARTMENT OF WATER RESOURCES

No. 11011 /WR, Bhubaneswar, dated 18/5/15
Irr.-I-WB-09/2015

Sub: - Constitution, Administration and Utilization of Water Conservation Fund (WCF).

The State Cabinet approved the proposal for creation of "Water Conservation Fund (WCF)" in their 37th meeting held on 05.08.2013 on the recommendation of the Water Resources Board. It has been decided that a corpus fund will be created by way of receipt of one time contribution @ ₹2.50 crore per cusec of water allocated to the industries which will be utilized for construction of different water conservation projects. The contribution will be made on the basis of drawal of water and industries drawing 1 cusec of water or more will have to contribute to the corpus fund. The modalities of creation, administration and utilization of WCF have been formulated by Water Resources Department in consultation with the Finance Department and the Accountant General (A&E), Odisha.

These guidelines are now issued for constitution, administration and utilization of Water Conservation Fund:

GUIDELINES FOR CONSTITUTION, ADMINISTRATION AND UTILIZATION OF WATER CONSERVATION FUND (WCF)

Introduction:

Water is a prime natural resource, a basic human need and a precious natural asset. Growth process and expansion of economic activities inevitably lead to increasing demands for water for diverse purposes such as domestic, industrial, agricultural, hydropower and thermal power etc. The rivers in Odisha are seasonal. 80% of the annual rainfall occurs during the monsoon. It is therefore imperative to conserve monsoon water for use during non-monsoon periods.

Due to rapid industrialization, the demand of water has been substantially increased and there is conflict among various stakeholders very often. The live storage capacity of a reservoir is mainly utilized by the industries in the non-monsoon period i.e. between October to June every year. Hence, the industries may be involved to take the social responsibilities for water conservation by contributing towards a corpus fund named as Water Conservation Fund (WCF). The State Water Resources Board in its 14th Meeting held on 08.12.2011 agreed to the proposal for creation of WCF to be administered by

Water Resources Department. The Cabinet in its 37th meeting held 05.08.13 has approved that a WCF shall be created by the contribution of one time deposit of ₹2.5 Crore / Cusec of water allocated to the industries.

2. OBJECTIVE:

The objective of creation of WCF is to construct different water conservation projects such as Medium Irrigation Projects, Minor Irrigation Projects, Dams, Barrages, Weirs, Bridge-cum-Barrages, Check-Dams etc. in the upstream areas for conservation of water to be used during lean season for agriculture and various other purposes. These structural interventions will also recharge ground water extensively.

3. CONSTITUTION OF WCF:

- 3.1. The contribution received from the industries towards WCF (WCF is termed as fund here-in-after) shall be shown as Government receipt and deposited under the Major Head of Account "0701-Medium Irrigation Projects-80-General-800-Other Receipts-0097-Miscellaneous Receipts-02230-One time contribution towards Water Conservation Fund".
- 3.2. The amount so deposited in Government account shall be transferred to the Fund Account "8449-Other Deposits-00-120-Miscellaneous Deposits-9618-Deposit Account of Water Conservation Fund-91325-Deposits-" by making budget provision of *equal amount* under the Head of Account "2701- Medium Irrigation-80-General-797-TRANSFER TO/FROM RESERVE FUNDS/DEPOSIT ACCOUNTS-9619-Transfer to Water Conservation Fund/Deposit Accounts-49010-Inter Account Transfer".
- 3.3. The actual expenditure for the purpose as mentioned will be debited to the programme Minor Head under the functional Major Head in Revenue Section or Capital Section depending upon the nature of expenditure. Amount financed from the WCF in these case will be shown as deduct entry under the "Minor head '902-deduct amount met from Water Conservation Fund' under the functional Major/Sub-Major Head where under the actual expenditure stands debited and Budget provision may be made accordingly.

4. ADMINISTRATION OF WATER CONSERVATION FUND:

4.1 *Deposit of Fund:*

- i. The industries drawing more than or equal to one cusec of water will deposit one time contribution @ 2.50 crore per cusec of water allocated to them at the time of drawal of

agreement for new proposals or at the time of renewal of agreement or within three months of notification by Water Resources Department.

- ii. Industries which are drawing less than one cusec of water will have to deposit their one-time contribution if they exceed the threshold of drawal of one cusec of water during any part of the financial year. Similarly, industries who have already deposited the one time contribution for a certain allocation of Water will have to pay higher contribution proportionate to the excess drawal made by them in a particular year.
- iii. The Executive Engineer (EE) concerned will countersign the application for deposit by the industries and keep the Superintending Engineer, Chief Engineer / Chief Engineer & Basin Manager / Chief Construction Engineer, Chief Engineer, Water Services and Water Resources Department informed about the process. The calculation sheet for the amount to be deposited is also to be enclosed and countersigned by the Executive Engineer.
- iv. The industry(s) will deposit the contribution amount into the Govt. account under Major Head 0701-Medium Irrigation electronically through the Treasury Portal of Govt. of Odisha which will be accounted for by the Cyber Treasury, Bhubaneswar.
- v. After depositing the fund the industry will submit the copy of deposit receipt to the Executive Engineer and the Executive Engineer will intimate the same to all concerned as above.

4.2 Release of Fund:

- i. Funds provided in the Budget under the functional Major Head will be released to the concerned Controlling Officers through iOTMS for expenditure which will not exceed the actual amount available in the fund at any point of time.
- ii. The Controlling Officers will distribute the allotment in favour of the concerned divisions as per existing procedure.

5. UTILIZATION OF WATER CONSERVATION FUND:

5.1. Selection of Projects

- i. Selection of projects will be made by a Technical Committee under the Chairmanship of Engineer-in-Chief, Water Resources with Engineer-in-Chief, Planning & Designs as vice-Chairman and Chief Engineer, Project Planning Formulation & Investigation, Chief Engineer, Minor Irrigation, Chief Engineer, OWPO, Chief Engineer, Water Services and Chief Engineer, Designs as member (s). Director, Monitoring & Evaluation, Office of Engineer-in-Chief, Water Resources will be the member convener. Prospective proposals prepared following standard

procedures will be submitted by the concerned Chief Engineers / Chief Engineer & Basin Managers / Chief Construction Engineers for consideration of the Committee.

- ii. New and ongoing water conservation Projects such as Medium Irrigation Projects, Minor Irrigation Projects, Check Dams, Barrages, Weirs, Bridge-cum-Barrages etc. in the upstream areas will be considered for funding out of this fund.
- iii. Only the projects cleared by the State Technical Advisory Committee (TAC) will be considered by the Technical Committee.
- iv. The project proposals will have two parts. Pre Project activities including Survey & Investigation, Land Acquisition etc. and other statutory clearances including base-line studies will be Part-I of the Project and construction proper will be part-II of the Project. One detailed implementation schedule showing programme for utilization of the funds will be part of the Project Report, both for Part-I and II.
- v. The projects will have a maximum completion period of three years, one year for pre project activities and two years for construction proper.
- vi. Select list of projects will be submitted to Government in Water Resources Department for approval. Upon approval, the projects will be eligible for funding under WCF.
- vii. Administrative approval to these projects will be accorded by competent authority.

5.2. Fund Utilization

- i. The fund will be utilized for approved activities following approved procurement programme.
- ii. Controlling Officers will submit Statement of Expenditure (SOEs) in respect of expenditure incurred out of the WCF during a financial year and forward to the Chief Engineer, Water Services by 15th April of next financial year. They are also required to obtain Audit Certificate from the D.A.G., Odisha and submit it to the Chief Engineer, Water Services by 30th September under intimation to Govt. in Water Resources Department.
- iii. The Chief Engineer, Water Services will compile the SOEs and submit the same to Govt. in Water Resources Department.

5.3 Implementation Arrangement:

The Projects will be implemented following the standard extant procedures of implementation by the existing institutional set up of Water Resources Department. If required, new field units will be created newly and / or through re-deployment. The posts so created will be co-terminus with the project.

5.4 **Maintenance of the project:**

Since the projects are to be taken up on a turn-key basis, the maintenance clause is inbuilt for the initial years (upto a period of five years), *thereafter*, the O&M expenditure will be funded out of State Budget like other projects *since it will earn revenue after completion*.

6. **MONITORING AND EVALUATION:**

Monitoring and Evaluation of the Projects will be done as per the standard arrangement of the Department.

7. **ACCOUNTING AND AUDITING PROCEDURE :**

i. *Maintenance of the Fund: Engineering-in-Chief, Water Resources will be the Administrator of the Fund and he will cause proper maintenance of the account records of the Fund.*

ii. *Records to be maintained for the Fund: Maintenance of records pertaining to receipt of contribution, transfer of contribution to the fund, total cost of the projects approved for financing from the Fund etc., transfer from the fund to meet the expenditure for approved projects and submission of monthly status report to the Government in Water Resources Department shall be the responsibility of the administrator. The Chief Engineer, Water Services and FA & CAO of the Office of the EIC, Water Resources will assist the Administrator of the fund in this behalf.*

iii. *Procedure for operation of the Fund*

a) *Sanction order for transfer to the Fund: On receipt of the contribution from the industrial units, Water Resources Department will issue sanction orders for transfer of fund from Major Head – 2701 – Medium Irrigation Project to the Major Head – 8449 – Other Deposits.*

b) *Sanction to meet the expenditure on Projects from the Fund: The Water Resources Department will issue sanction orders, at the close of the Financial Year, to meet the expenditure from the fund by debiting the Major Head – 8449 – Other Deposits with contra deduct debit to the Minor Head "902" under functional Major Head where the actual expenditure is made. On receipt of the sanction order adjustment will be carried out in the books of Accountant General before close of March (Supplementary) Accounts of the Financial Year.*

iv. ***Compilation and reconciliation of the Fund Account:*** *The administrator will cause the compilation of the fund account and reconcile all the transactions under the same at the end of the each Financial Year, within two calendar months of the succeeding year.*

