

H-11016/15/2010-PPC
Government of India
Ministry of Rural Development
Department of Land Resources

Block XI, 6th floor, CGO Complex,
Lodhi Road, New Delhi-110 003
Dated 20.05.2019

To,

The Chief Executive Officer,
State Level Nodal Agency
for WDC-PMKSY in all States

Subject: Operational Guidelines for utilization of Watershed Development Fund (WDF) for watershed projects sanctioned under Integrated Watershed Management Programme (IWMP) now Watershed Development Component of Pradhan Mantri Krishi Sinchayee Yojana (WDC-PMKSY) reg.

Madam / Sir,

Department of Land Resources has sanctioned 8214 watershed development projects in 28 States (except Goa) [during the period 2009-10 to 2014-15] covering an area of about 39.07 million hectare under Integrated Watershed Management Programme (IWMP) principally for development of rainfed portions of net cultivated area and culturable wastelands. The IWMP was amalgamated in 2015-16 as the Watershed Development Component of the Pradhan Mantri Krishi Sinchayee Yojana (WDC-PMKSY). Government has not sanctioned any new watershed projects under WDC-PMKSY since 2015-16 and the focus is now on the completion of ongoing projects.

2. IWMP is being implemented as per the Common Guidelines for Watershed Development Projects, 2008 (Revised Edition-2011). Para 73-76 of the Common Guidelines indicate that people's contribution towards the WDF will be collected and deposited in WDF bank account. After completion of Works Phase, at least 50% of the WDF funds shall be reserved for maintenance of assets created on community land or for common use under the project. Works taken up on private land shall not be eligible for repair / maintenance out of this fund.

3. It is understood that a number of projects have been completed and the WDF generated in these completed projects is lying unutilized in the WDF accounts of respective projects. In this regard a Guidelines for utilization of WDF funds prepared by the Karnataka is being circulated with this letter as a guidelines to all States for adoption or modifications as per State specific needs for effective utilization of WDF for sustainable post-project maintenance of the assets /

structures created under the project with the broad frame work of Common Guidelines for Watershed Development Projects, 2008 (Revised Edition-2011).

4. It its meeting held on 20.11.2018, the Steering Committee for WDC-PMKSY had suggested that States may be apprised of the mandatory requirement of having a State Government signatory for any withdrawal of funds from WDF Account.

Yours faithfully,



(Mahinder Singh)
Director (WM)

Copy to: PS / PA to Joint Secretary (WM) / DIGF (WM)/ Director (WM)/ DC (WD),
Department of Land Resources, CGO Complex, New Delhi

Guidelines for Utilization of Watershed Development Fund (WDF)
Watershed Development Department Karnataka, Bangalore

1. Watershed Development Fund (WDF):

Watershed Development fund is created at each watershed level in all the Watershed Development Projects for ensuring the post project maintenance of community assets created in the watersheds. One of the mandatory conditions for selection of villages for watershed projects is people's contribution towards WDF. The contribution to WDF shall be a minimum of 10% of the cost of NRM works executed on private lands only. However in case of SC/ST farmers, the minimum contribution shall be 5% of the cost of NRM works executed on their lands.

These contributions would be acceptable either in cash at the time of execution of work or in terms of voluntary labour. A sum equivalent to the monetary value of the voluntary labour would be transferred from the watershed project account to the WDF bank account. User charges, sales proceeds and income earned from assets created under the project on common property resources shall also be deposited in the WDF bank account. Individuals as well as charitable institutions should be encouraged to contribute generously to this fund. The WDF bank account is jointly operated by President and Secretary of the Grama Panchayath concerned of the respective watershed.

2. Utilization of WDF:

After completion of a watershed project the WDF funds shall be reserved for maintenance of assets created on community land or for common use under the project. Works taken up on private land shall not be eligible for repair / maintenance out of this fund.

3. Availability of WDF:

The department has done an exercise to assess the WDF fund availability in various schemes since inception of the department and it is found that an amount of Rs. 4047.87 lakhs is available in the respective watershed development fund accounts. The WDF utilization is very marginal.

4. Proposed Operational Guidelines for WDF:

a) Necessity of the Fund:

The high value water harvesting structures such as Check dams, Nala bunds, Percolation Tanks, Vented dams, Farm ponds etc., created in the watersheds are prone to damages by stray cattle, rain, sunshine, wind and unexpected natural calamities after the project period. In such cases the damaged assets on private lands have to be repaired by beneficiaries themselves, but such assets damaged on the community lands cannot be repaired unless there is a source of fund. Hence in order to ensure longer sustainability of these assets, it is necessary to create a fund called WDF.

b) Creation of fund:

As per the respective project guidelines, the people's contributions, User charges, sales proceeds and income earned from assets created under the project on common property resources shall be deposited in the WDF bank account. Individuals as well as charitable institutions should be encouraged to contribute generously to this fund.

c) Monitoring of the Fund:

An Exclusive Joint Bank Account should be opened in a nationalized bank in the name of Grama Panchayath President and Secretary and all the money collected as per the above para should be deposited in that account. The bank account should be operated jointly

by GP President, Secretary and the respective ADA/PIA. All the fund so collected should be invested in long term fixed deposits. The interest earned on these fixed deposits and part of the principal amount is proposed to be used for maintenance (repair) of the assets created on the community lands of the watershed area.

d) Repair of works:

The Project Implementing Agency(PIA) should frequently visit the completed / saturated watershed and find out the works which are needed to be repaired. The beneficiaries are to be convinced to take up repair of assets damaged in their lands. And for the repair of assets created in the community lands the estimates are to be prepared and after due recommendations of the GPs, the estimates are to be sanctioned by competent authorities. After due sanctions and release of fund from WDF by GP, repair works can be taken up by PIA, as per the departmental account procedures and existing SR rates.

The amount available in the WDF account will be spent in the slab as given below.

Year	Principal amount	Interest accrued
1 st year	10%	30%
2 nd year	15%	25%
3 rd year	20%	20%
4 th year	25%	15%
5 th year	30%	Remaining interest

All the available amount in the WDF account may be utilized over a period of five years. The repair charges of such works should not

exceed 25% of the basic cost of that work. After five years the assets has to be maintained by the respective Gram Panchayats only.

e) Maintenance of Registers:

The GP should maintain the following registers with respect to WDF of a particular watershed.

1. WDF fund Collection Register.
2. Receipt book for Contributions
3. Repaired works Register.
4. Sanctioned Estimates.
5. Cash book & MB Books.

f) Inspection of works and Accounts:

The Agriculture/Watershed Development Department is empowered fully to check the accounts of WDF and quality of work.