

Watershed Development Fund

Guidelines for NGOs

National Bank for Agriculture
and Rural Development
Head Office

Mumbai

1. WATERSHED DEVELOPMENT AT THE MICRO LEVEL CONCEPT AND ELEMENTS

2. what is a watershed ?

2.1 A Watershed can be defined as the drainage basin or catchments 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 of huge, covering several thousands of hectares.

3. What is water shed development all about?

3.1 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.

4. What are the components/sectors of Water shed development?

4.1 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

4.2 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 amount of livestock in the area, the extent of forest cover, 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.

4.3 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.

5. Why Watershed Development?

5.1 The consequent of environmental degradation are all too well known. Activities of manlike 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 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 labour from rural to urban areas in search of livelihood.

5.2 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 available like land, water and vegetation 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.

6. Why People's Involvement?

6.1 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 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.

- 6.2 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 mobilization, management and conservation.

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 municipality of watershed development programmes into a single national initiative through involvement of village level institutions and NGOs.
- 1.2 In pursuance thereof WDF has been created in NABARD with a contribution of Rs.100 Crore each by NABARD and Government of India (GOI).

2. **Objective 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 actors involved –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 operationlised in close co.ordination 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:

- i. It has to be focused n 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.
- ii. 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 of organization of works, sharing of benefits and resolution of conflicts.
- iii. 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, participate actively and in close coordination with each other.

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

4. **Utilisation of WDF.**

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

- i. Promotional efforts with Communities, NGOs, SHGs, Panchayats, Bankers and Government Departments on grant basis.
- ii. Taking up “Capacity building” projects, on grant basis, with Communities, NGOs, SHGs and Panchayati Raj Institutions (PRIs) in different states.
- iii. 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.
- iv. Supplementary flexible financing (grant and/or loan) 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.
- v. Financing implementation of watershed projects through the state governments on loan basis.
- vi. Supporting (on grant under/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.
- vii. 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 watershed 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. Who can Participate in the Projects funded out of the WDF?

5.1 Voluntary agencies with the necessary capability, and the watershed communities who have demonstrated a willingness and ability to follow the discipline of the program are eligible to participate. The voluntary agencies in the states of Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh, Bihar, Haryana, Himachal Pradesh, J&K, Karnataka, Rajasthan, Tamilnadu and West Bengal can participate. On the basis of their applications, information supplied, work done and site visits, NABARD will identify the NGOs suitable for participation in the WDF assisted projects. Identified NGOs are to be ratified by the State Steering Committee and only such NGOs can participate.

6. **Criteria for Selection of districts**

6.1 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 irrigated area is less than 30%, where there is a concentration of SC/ST population and where the extent of rain fed farming & potential for watershed development is large.

6.2 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.

7. **Criteria for selection of watershed.**

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

7.2 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 of water scarcity problems.
- c) Villages in the upper part of drainage systems
- d) The size of a watershed project should be around 1000ha (but not less than 500ha).
- 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.

7.3 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 conditional ties:
 - 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 at least not to increase the area under such crops from the present position,
- v) To contribute initially four days of “Shramadan” on watershed treatment works by the entire village community and later, once selected for the programme to contribute by way of “shramadan” 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 right in common lands.
- vii) To start and contribute 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.

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 watershed (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 NGOs for implementing watershed development projects, will be identified based on the following criteria:

9.2 The NGO should have been active in the area for a significant period before proposing a watershed project for the area. NGOs and watershed communities willing to implement a watershed project, if selected, have to go through a Proofing State (Please See Section 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 NGO staff. They should build on that strength which is a foundation for their participation in the project.
2. Before the villagers and NGO personal choose to participate in the project, it is essential that they are clear in their minds about what watershed development involves. 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 to be run by the watershed community. 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 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 also increase.

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 laboring 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, forestlands and 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 during a Gram Sabha meeting. It should consist of representatives of all social groups in the village including representation of women (30%) and also of the different hamlets of the villages.

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 "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 an area basis, both public and private lands are to be treated.

11. Check dams should be 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 finalizing the treatments of forest area in the watershed which could either to implemented by the VWC/ NGO under the guidance of Forest Department or to be implemented by the Forest Department. Funds are available from WDF for treatment of forest lands also

IV. ORGANISATIONAL AND INSTITUTIONAL DETAILS

1. Overview

- 1.1 Watershed development will be undertaken by the concerned Village Watershed Committee (VWC) with the help/ facilitation by the NGO.
- 1.2 NABARD in consultation with the State Government will identify NGOs based on the criteria laid down in the guidelines (Chapter II, Point No.9). The identified NGOs have to provide information in the NGO Data Sheet (Annexure-I) for selection/ ratification by the State Steering Committee. NGO has to identify the watershed to be developed. The identified watershed should fulfill the criteria laid down in the guidelines (Chapter II, Point No.7). NGO has to submit information in the Watershed Data Sheet (Annexure-III) 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.I)

- 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 NGO to develop a small portion of the watershed, say, 50-100 ha. The duration of the CBP is generally for 12 months. After successful completion of CBP, NGO 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 NGO and the villagers will be permitted to take up CBP.

- b. The NGO 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, NGO may arrange for exposure visit of at least 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 to 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 get the Agreement Letter signed 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 deals their responsibilities. The members of VWC are selected by the 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 NGO 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.
 - j) 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 number wise 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 NGOs and Watershed Communities who have satisfactorily proved their capability to carryout watershed development under CBP are selected to take up FIP. The NGOs will be advised to prepare a Project Feasibility Report after 5-6 months of satisfactory implementation of CBP project. The preparation of the Project Feasibility Report taken up concurrently with and implementation of the CBP, FIP of watershed development will be based on this Project Feasibility Report prepared by the NGO in consultation with the villagers.

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 project would be considered for approval by NABARD. The duration of FIP is normally 4 years.

3.3 The FIP project is sanctioned by a core group headed by the Executive Director of NABARD with members from the Ministry of Agriculture, GOI and NGO sector, up to a maximum outlay of Rs.50 lakhs. Projects beyond this outlay will be sanctioned by the Central Steering Committee.

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

4. **Organisations Involved:**

4.1 The following institutions/ organizations 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. Non- Governmental Organisation (NGO):

The NOG is responsible for motivating the village community in planning and implementing the watershed project. The NGO and the VWC are jointly responsible for preparation of project feasibility report and project implementation, to receive funds and keep account for the same. The NGO is also expected to link with the Government

Departments/extension agencies/support institutions in order to avail available 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 NGOs and VWCs. On specific request from the NGO-VWCs, NABARD Regional Office would be rendering help for project specific problems as well. NABARD will help NGOs and village communities in improving their skills for project implementation.

ii) **Administrative Support:**

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

iii) **Technical Support:**

The State Government's Watershed Development Teams (WDTs), other similar organizations 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.

iv) **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:

i) **Constitution of SSC**

- | | | |
|----|--|-------------|
| a) | Principal Secretary of the Nodal Department responsible for WDF activities in the State. | Chairman |
| b) | Secretaries of the State Department of | Two members |

- | | | |
|--|------|--------------------|
| | ii. | Agriculture |
| | iii. | Forestry |
| | iv. | Rural Development |
| | v. | Water Conservation |
- c) Representative of NGOs Two members
- d) Experts on watershed (from) ICAR Research Institute/ State Agricultural University/ State Level Research Institute) One member
- e) Convener of the State Level Banker's Committee One member
- f) Officer-in-Charge, NABARD,RO Member-Convener
- ii) Terms of Reference of SSC
1. SSC would select the Project Facilitating Agencies/ Non-Governmental Organizations for facilitating implementation of projects.
 2. SSC would select/ratify the districts and watersheds jointly identified by the State Government and NABARD.
 3. SSC would monitor the progress implementation of projects under WDF.
 4. SSC would discuss field level operational problems and try to evolve strategies to overcome these problems.
- iii) Periodicity of Meeting
- SSC would meet once in a quarter.

c. At the National Level

NABARD Head Office administers Watershed Development Fund. The Central Steering Committee (CSC) directs the WDF. The Constitution and Terms of Reference of CSC are given below:

i) Constitution of CSC:

- | | | | |
|----|--|----|----------|
| a) | Secretary (A&C)
Department of Agriculture & Co.operation.
Ministry of Agriculture
Government of India | .. | Chairman |
| b) | Additional Secretary | .. | Member |

- Department of Agriculture & Co.operation
Ministry of Agriculture
Government of India
(In Charge of Watershed Development)
- c) Managing Director. .. Member
NABARD, Mumbai,
- d) Director General. .. Member
CAPART, New Delhi.
- e) Director General .. Member
ICAR, New Delhi or his representative.
- f) Joint Secretary .. Member
(Banking Division)
Ministry of Finance,
Government of India,
- g) Joint Secretary .. Member
(Wasteland Development)
Department of Land Resource,
Ministry of Rural Development,
Government of India,
- h) Joint Secretary, (NAEB) .. Member
Ministry of Environment & Forest,
Government of India.
- i) Joint Secretary (RFS) .. Member
Department of Agri & Co.opn
Ministry of Agriculture
Government of India.
- j) Secretary (Agriculture) .. 2 Members
of participating States to be rotated in
every two years- Orissa & Rajastan,
(First Set)
- k) Secretary (Rural Development) .. 2 Members
from other participating States.
Gujarath & Andhra Pradesh (First Set)
- l) NGOs Representtives. .. 3 Members
- i. Sri A.P. Fernandes,
MYRADA,
Bangalore- 560 071
Karnataka State.
- ii. Shri Anil Shah,
Development Support Centre,
Ahmedabad – 380 009,
Gujarath State.
- iv. Mr. Crispino Loba,
WOTR,
Ahmednagar- 414 001
Maharastra State.
- m) Chief General Manager. .. Convenor-cum-Member

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:

- 2) To provide policy framework for operationalisation of WDF.
- 3) To periodically review the progress of WDF.
- 4) To consider and decide any other issue/ proposal related to administration of WDF which is placed before CSC.

V. **FUNDS:**

1. Funds for the projects.
 - 1.1 The projects are funded from the Watershed Development (WDF).
2. **The projects for which support from Fund is Available:**
 - 2.1 Funds are available for the following purposes:
 - i. Project measures viz., afforestation, pasture development, dry land horticulture, agricultural development and soil and water conservation structures.
 - ii. Management costs of the NGO.
 - iii. Promotion and training costs which will include awareness campaigns in villages, specific training of NGO personnel and watershed community leaders, exposure visits to other projects and research stations.
 - iv. Cost of preparation of project Feasibility Report including necessary investigations, cost of hiring technical experts or agencies wherever applicable.
3. **Funds Flow**
 - 3.1 The cost of CBP or Proofing Stage (Phase 1) consists of (i) cost for project measures (area treatment) and (ii) cost of management of the NGO, under the CBP the cost of project measures are directly released to the bank account of VWC jointly operated by the VWC and NGO. The cost of management of the NGO would be directly released to the NGO.
 - 3.2 Once the NGO and the village community satisfactorily implement the CBP project for 5-6 months they will be advised to prepare a detailed Project Feasibility Report. The preparation of Project Feasibility Report is taken up concurrently with the implementation of CBP. Funds are provided by NABARD to the NGO concerned for preparation of project feasibility report.
 - 3.3 Full Implementation Phase will commence once the Project Feasibility Report is sanctioned by the NABARD/ Central Steering Committee. Funds for sanctioned projects are released by NABARD on installment basis to the bank account jointly operated by the NGO and VWC while cost of management costs is released directly to the NGO. The funds are replenished when at least 60% of the released amount is utilized and when the stipulated project measures as approved in the Project Feasibility Report are being implemented properly.

4. **Project Costing and Scale of financial Requirement.**

4.1 The Individual project costs may cover cost of physical treatment measures and filed implementation overheads or cost of management of NGO (not exceeding 20% of the overall project cost.

4.2 All lands from ridge to valley would be treated as per technical requirements. Management training overheads and all promotional costs will have to be worked out separately. A minimum complement of staff will have to be hired by the NGOs involved in project implementation.

5. **Key Principles to be Adopted for Projects under WDF.**

5.1 Following key principles are emphasized 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 community and organizations.
- Ridge to Valley perspective – treat every hectare that is required to be treated. Particular can be taken for involvement of the forest department in treatment of forest areas on the ridge to 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 at least 60% of the amounts released previously.
- Financial releases based on field monitoring and satisfactory progress.

6. **Monitoring and Reporting Mechanism**

6.1 NABARD, Regional Office will be responsible for monitoring of the projects. The desk monitoring based on the prescribed reporting formats, will be every quarter. The field level monitoring will be conducted every half year.

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 organizations:

- 1 Name of NGO:
- 2 Legal Status:
 - a. Whether Trust or Society:
 - b. Trust Registration Number:
 - c. Society Registration Number:
 - d. 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/ Centers:
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 Organization/ Trust/ Society:
Please enclose list of office bearers in the following format:

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

7. Organization 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

Sl. No.	Name	Designation	Age	Occupation	Qualification		Since when associated with organisation
					Educational	Experience (Yrs)	
1	2	3	4	5	6		7

(b) Paid workers

Sl. No.	Name	Designation	Age	Occupation	Qualification		Since when associated with organisation
					Educational	Experience (Yrs)	
1	2	3	4	5	6.		7

9. Equipment and infrastructure:

Please enclose information in the following format

(1) Fixed Assets (capital)

Sl.No.	Type	Number	When Purchased
1.	2	3	4

(2) Equipment

Sl.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:

Sl. No.	Name of Project	No. of Branches	Amount Involved	Year of start of implementation	Year of completion if applicable	Funding source
1	2	3	4	5	6	7

12. Largest project handled:

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

13. Relationship with Government Departments:

- a. Please indicate if you have implemented any Government programs in the past. If yes, please indicate description of the project and amount involved.
- b. 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 site:

Name(s) of the 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 -

Sl. No.	Name/ Type of scheme	No .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 are such opportunities from the proposed area?
 - c) If a Watershed Development Project is implemented in your village, how many laborers 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 organizations 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,NWDPR or any other such programme). If yes, what work has been carried out sofar 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 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 print 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. Kaccha Road Village (Please tick)
 4. Bazar Village (Please tick)
 5. Command Area Village (Please tick)
 6. Distance from nearest Tyre Road _____ in Km.

Note: Please enclose a copy of the toposheet of the watershed.

- 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	ha
	a) Cultivated Land	ha
	b) Uncultivated Land	ha
	Total	ha.
	Grand Total (1+2+3)	ha

Note: This total should tally with 14© above.

- g. Population details

Sl.No	Category	Number of Persons	Number of Families
<u>1</u>	Landless Laborers		
<u>2</u>	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)

Date _____

(Name of the organization)

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 at least one day's labour per week as shramdan (voluntary labour) to the Programme.
4. We will enforce on ourselves the ban of 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 helping setting 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 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.

Name of Witnesses	(Signature of wife & husband) Signature
1.	1.
2.	2.

LETTER OF AGREEMENT OF THE VILLAGE WATERSHED COMMITTEE

We the members of the Village Watershed Committee (VWC) of Village _____ Taluk _____ District _____ having derived our powers from the people of 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 maintaining the Watershed project. In this, it shall take the help of Non-Government/ 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 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 on payments made and plan for future works. Problems in project implementation, if any, will also 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 programme years and deposit in this A/c all moneys received in lieu of shramadan, fines from 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/land owners 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 from guilty of malpractices.
10. The VWC shall convene a meeting of the entire village at least once in three months. At the 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 the abilities.

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

Name

Position

Signature

Annexure – V

WATERSHED DEVELOPMENT FUND – TERMS AND CONDITIONS FOR PREPARATION OF PROJECT FEASIBILITY REPORT – THROUGH NGOS.

1. **Watershed Selection**

The criteria for watershed selections are presented at Chapter II, Point No.7.

2. Involvement of the Watershed Community

- 2.1 Along with the project preparation work, the NGO 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 NGO will eventually be responsible for watershed project implementation if the project is sanctioned for implementation.
- 2.2 NGO shall ensure that the entire watershed community shall agree to impose ban on 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 NGO 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.
- 3.3 There will 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 NGO 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 byelaws 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 The VWC and NGO will be jointly responsible for receiving for project execution, the use of funds and proper project implementation in accordance with the terms and conditions of sanction agreed to between the VWC, NGO and NABARD.

4. Project Preparation and Related Financing

- 4.1 The project studies will be prepared in accordance with the terms of reference laid down NABARD for the purpose.
- 4.2 The Project Feasibility Report should be prepared with an emphasis on low cost at vegetative conservation measures in conjunction with structural measures wherever necessary.
- 4.3 NABARD shall sanction the grant for project feasibility report preparation to NGOs. NABARD will also pay fifty percent of the sanctioned amount as an advance on NGO acceptance of the terms and conditions and the rest of funds in

suitable installments in accordance with the progress of project preparation work. Before drawal of each grant installment, the NGO shall certify that expenditure incurred/ to be incurred for preparation of feasibility report will not be got reimbursed from any of source. However, the final settlement for all claims will be on the basis of actuals, bearing a reasonable relationship with norms and standards for all costs prevailing in the project area, and not in terms lump sum amount.

- 4.4 NGO shall maintain notes on its experience in preparing the project feasibility report a periodically submit a copy of the same to NABARD. A work plan for preparation of the project report along with funds required month-wise shall be submitted by NGO before commencement of the work. The release of advance from the sanctioned amount will depend on satisfactory progress of work according to the work plan.

5. **Documentation and Monitoring**

- 5.1 A separate account for receiving and utilising the grant for project preparation with adequate documentary evidence by way of bills, receipts, vouchers, etc., will be maintained by NGO. NABARD shall have access to inspect the accounts and documents maintained for the purpose by deputing officers or by calling for the documents in the original or as copies.
- 5.2 NABARD will have the right to monitor the progress in project preparation work by deputing officers to the project site.

6. **Liability**

- 6.1 In the event of any misutilisation of funds or utilization of funds for the purposes not specified under any letter of sanction issued by NABARD or any agreements entered into by NABARD with NGO and the VWC, NABARD reserves the right to suspend disbursements of grants for project preparation and/ or project implementation and demand refund of amount so misutilised/ utilized purposes not specified from the NGO and the VWC, jointly and severally.

7. **No obligation for Project Financing.**

- 7.1 The sanctioning of a grant to NGO and VWC for project preparation does not automatically confer on NGO or the VWC a right to subsequent financing by NABARD for the investments proposed under the project.
- 7.2 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 NGO and VWC will be scrutinized and sanctioned, if found suitable, by NABARD. The sanction will be subject to the general conditions laid down under the terms of reference mentioned in Annexure-VI and any other conditions laid down at the time of sanctioning the project.

Annexure-VI

**WATERSHED DEVELOPMENT FUND- TERMS & CONDITIN FOR THE
RELEASE OFGRANTS TO NGOs FOR THE WATERSHED PROJECT
IMPLEMENTATION.**

1. **Involvement of the Watershed Community.**
 - 1.1 NGO shall ensure that the watershed community is willing in principle to participate effectively in the project and also providing labor free of charge at least to the extent of 18% of unskilled labor cost.
 - 1.2 N.G.O. shall ensure that the entire watershed community shall agree to ban free grazing of animals 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 NGO 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 Committed

Please refer to the Point No.3 of the Annexure-V.
3. **Work Execution.**
 - 3.1 The Village Watershed Committee (VWC) and (NGO) shall pass appropriate resolutions for undertaking watershed project execution, for the opening of necessary accounts with the designated bank, for receiving funds under the project, for executing the project in cooperation with each other, the concerned departments or agencies of the central and state government and the National Bank for Agriculture and Rural Development (NABARD) and for proper utilization 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 project feasibility report approved and any other conditions stipulated by NABARD at the time of sanction of the project.
 - 3.3 The VWC and the NGO shall be jointly responsible for satisfactory work execution.
 - 3.4 The NGO shall maintain competent technical staff as stipulated in the terms of reference as well as the agreements of sanction and the said staff will be resident near the project location(within 10 to 15 Kms). The NGO should appoint a minimum of one full time agronomist, one part time Civil/Agricultural Engineer, One lady social worker and should have at least one motorcycle 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 utilization 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 NGO should ensure that there is a strong emphasis on simple low cost 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 at least 1% slope or more.
- 3.10 No funds shall be provided for the financing of irrigation development, buildings or other physical infra-structure (for eg., roads) and for the purchase of machinery such as bulldozers, tractors, 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 favorably only if run-off reduction and ground water availability subsequent to the planned soil conservation treatments of the upper catchments appear inadequate.

4. Financing Arrangements.

- 4.1 NABARD shall release the money for actual project execution directly to VWC. This work include all material and labour cost. A bank account may be opened in the name of the VWC which will be operated jointly by a representative of the VWC and an authorized signatory of the NGO. The VWC shall authorize the person concerned to operate the account. The said account may be opened in the bank branch in whose Service Area the project Area the project area falls. This will facilitate familiarity of the bank shall with the Project and subsequent credit financing in the project area.
- 4.2 The amounts sanctioned for meeting cost of management of the NGO including technical and manpower support shall be released directly to the NGO concerned. Release of funds towards project management will be proportional to the quantum of work done under project measures.
- 4.3 The amounts sanctioned for meeting cost of management of NGO and project execution will be disbursed by NABARD to the NGO and the Village Watershed Committee respectively in installments. The Installments 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 project.
- 4.4 The installment shall normally cover the requirement of funds for a period of six months.
- 4.5 While the first installment will be released in advance based on the work plan submitted by NGO the release of subsequent installments will be contingent upon satisfactory completion of the work indicated for the half year for which installment was drawn. In order to maintain continuity of work execution the VWC and the NGO apply in advance for release of the next installment after 60% the financial coverage of the previous half year has been achieved.
- 4.6 Application for release of advance installment (except the first one) shall be accompanied by the following certificates:

- (a) A certificate from the Technical Support Organisation (implying a technical agency consultant engaged by the NGO for project preparation work) 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 NGO concerned that the work for the preceeding halfyear has been executed to the extent of 60% of the physical and financial program indicated in the sanctioned project document for which the previous installment 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 installments will be contingent upon NABARD satisfying itself regarding the progress.
- 4.8 The money shall be released by NABARD so as to be credited directly to the respective accounts of the NGO and the VWC, and the VWC and NGO together as joint signatories will be able to draw upon the VWC account for a period of two years. Thereafter, if the performance of the VWC is found to be satisfactory, the VWC can operate the account independently. The NGO can draw upon its account independently in respect of project management expenses.
- 4.9 The project shall be implemented and completed normally over a period of 4years from the date of release of 1st installment. The release of grants will also be for a corresponding period.
- 4.10 The amount released as advance for project implementation, if not utilized for the purpose during the period for which it was released, shall be repaid to NABARD by the NGO and the VWC.

5. Work Inspection and Certification.

- 5.1 Technical supervisors from the NGO or the technical support organization (TSO) engaged by the NGO 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 therefore. 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 employed by the NGO for supervising project implementation.
- 5.2 The VWC shall maintain on its record a monthly work completion report.
- 5.3 The watershed site, the completed work and the records maintained by the VWC and NGO 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 over all 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.
- 5.4 Inspection and audit reports by NABARD or its representatives shall be made available to the NGO and VWC, within a month of the completion of such inspection/audits.

6. Maintenance of Records.

- 6.1 The VWC and the NGO 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 all 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.
- 6.2 NABARD, in consultation with the NGOs 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.
- 6.3 The NGO/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 to NABARD from time to time.

7. Maintenance of Works and Watershed Treatments.

- 7.1 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 works of community nature, it located on individual lands will be maintained by the Community.
- 7.2 The VWC shall constitute a "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.
- 7.3 Commencing from the second or third year of project implementation, NGO and the VWC, through due discussion with the watershed community, will establish the village 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.

8. LIABILITY

- 8.1 In the event of any misutilisation of funds or utilization of funds for the purposes not specified under any letter of sanction issued by NABARD or any agreements entered into by NABARD with the NGO and the VWC, NABARD reserves the right to suspend disbursements of grants for project implementation and demand refund of amount so misutilised/ utilized for purpose not specified from the NGO and the VWC, jointly and severally.

