

## **CHAPTER – 4**

### **Externally Aided Projects**

**4.1.** The State Government has given a very high priority for the Externally Aided Projects (EAPs) in the annual plan formulation process considering that the assistance under such projects come as 90% grant for special category States.

**4.2** The State Government is already implementing EAPs in the sectors of Public Works, Forestry, Irrigation & Public Health and Power and three new projects in the sectors of Tourism, Agriculture and Environment are likely to be started during the financial year 2011-12.

### **On-going EAPs in Himachal Pradesh:**

#### **1. WORLD BANK ASSISTED HIMACHAL PRADESH STATE ROAD PROJECT:**

**4.1.1** The World Bank Assisted State Road Project has been started from 1st July, 2007 with a total estimated cost of ₹ 1365.43 crore for a period of five year. The project consists of up-gradation and improvement of about 2435 kms of State Highways and Major District Roads. The project has been divided into two components:-

- i) Core Network Improvement Component and
- ii) Core Network Maintenance and Management.

**4.1.2** The objective of the project is to have positive social impacts in term of reducing transportation costs and improving traffic flows on priority segments of the core road network of Himachal Pradesh. This objective will be achieved through a package of prioritized infrastructure investment and improved management practices.

**4.1.3** The sharing pattern of the project is in the ratio of 72.50: 27.50. An outlay of ₹ 115.00 crore has been kept for the financial year 2010-11, against which an expenditure of ₹ 115.00 crore has been incurred up-to December, 2010. Reimbursement of ₹ 63.57 crore has been received up-to December, 2010. An outlay of ₹ 260.00 crore has been proposed and reimbursement of ₹ 113.00 crore is expected by the State Government under this project for the financial year 2011-12.

## **2. HP MID-HIMALAYAN WATERSHED DEVELOPMENT PROJECT:**

**4.2.1** Mid Himalayan Watershed Development Project became operative in Himachal Pradesh w.e.f. 1st October, 2005 and will conclude in 2013. The project is being implemented with the assistance of World Bank. The overall goal of the project is to reverse the process of degradation of the natural resource base and improve productive potential of natural resources and incomes of the rural households in the project area in Himachal Pradesh. Secondary objective is to support policy institutional development in the State to harmonize watershed development projects and programmes across the State. The project will cover around 272 micro watersheds spread over 602 Gram Panchayats, 42 blocks in 10 districts (Chamba, Kangra, Hamirpur, Mandi, Bilaspur, Kullu, Solan, Shimla, Sirmaur and Una Districts). The project is being implemented by the Himachal Pradesh Natural Resource Management Society. Forest is the Nodal Department for the implementation of this project.

The main thrust of the project is:-

1. To improve productivity of agrarian and natural resource systems for raising per capita income of people,
2. To generate gainful employment opportunities through project interventions and
3. To raise the living standard of women and other disadvantaged groups.

**4.2.2** The total cost of the project is ₹ 365.00 crore and sharing pattern is in the ratio of 80:20 between the GoI and State. During the year 2010-11, an expenditure of ₹ 30.32 crore has been incurred, up-to December, 2010, against the approved provision of ₹ 60.00 crore. Reimbursement claims of ₹ 36.55 crore have been filed against which an amount of ₹ 29.77 crore have been received up-to December, 2010. An outlay of ₹ 55.00 crore has been proposed under this project for the year 2011-12 against which reimbursement of ₹ 26.00 crore is expected by the State Government.

## **3. SWAN RIVER INTEGRATED WATERSHED MANAGEMENT PROJECT:**

**4.3.1** Swan River Integrated Watershed Management Project (SRIWMP) has been started with total estimated cost of ₹ 160.00 crore in Una District with the financial support from the Japan International Cooperation Agency (JICA). This project with 8 years of duration (2006-14) became operative from 2006. Forest Department is the nodal agency to implement the project. 85% of the total project cost will be received as external assistance and 15% will be borne by the State Government as state share. The main objective of this project is to regenerate the forests, to protect the agriculture land, to enhance agriculture and forestry production in the catchments area, to secure protection and optimize use of land resources, to reduce soil erosion & decrease sedimentation and to reduce the water traffic to the main Swan River.

**4.3.2** An outlay of ₹ 30.00 crore has been kept for the financial year 2010-11, against which an expenditure of ₹ 21.68 crore has been incurred up-to December, 2010. Reimbursement claims of ₹ 18.71 crore have been filed and an amount of ₹ 16.93 crore has been received up to December, 2010. An outlay of ₹ 35.00 crore has been proposed under this project for the financial year 2011-12 and reimbursement of ₹ 18.00 crore is expected by the State Government.

#### **4. HYDROLOGY PROJECT-II**

**4.4.1** The World Bank Aided Hydrology Project-II has been started with total cost of ₹ 49.50 crore for six years from 1<sup>st</sup> April, 2006 and will be concluded in 2012. About 77.76% of the total project cost will be received as an external assistance and 22.24% will be borne by the State Government as State share. The project is being implemented by I & PH Department. The project envisages measuring / monitoring of surface and ground water by means of making provision of permanent gauging station and water quality laboratory.

**4.4.2** An outlay of ₹ 13.50 crore has been kept for the financial year 2010-11 against which an expenditure of ₹ 3.84 crore has been incurred upto December, 2010. Reimbursement of ₹ 3.19 crore has been received upto December, 2010 against the filed claims of ₹ 4.21 crore. An outlay of ₹ 13.50 crore has been proposed under this project for the financial year 2011-12 and reimbursement of ₹ 6.30 crore is expected by the State Government.

#### **5. HYDRO-ELECTRIC POWER PROJECTS:**

**4.5.1** The following four projects being executed by HPPCL are being assisted through Asian Development Bank funding under Clean Energy Development Programme:

1. SAWRA-KUDDU HEP – 111 MW
2. KASHANG HEP – 195 MW
3. SAINJ HEP – 100 MW
4. SHONGTONG - KARCHEM HEP – 402 MW

**4.5.2** The total estimated cost of the above four projects is ₹ 6701.00 crore. Project cost of these projects is being shared by ADB, Other Financial Institutions and State Government in ratio of 53:17:30 respectively. The capacity building component is 100% ADB funded. An outlay of ₹ 190.00 crore has been kept for the financial year 2010-11 against which an expenditure of ₹ 194.05 crore has been incurred upto December, 2010. Reimbursement of ₹ 119.35 crore has been received upto December, 2010 against the filed claims of ₹ 82.92 crore. An outlay of ₹ 200.00 crore has been proposed under these projects for the financial year 2011-12. Reimbursement of ₹ 120.00 crore is expected by the State Government for the financial year 2011-12. The project wise detail is as below:-

## **I SHONGTONG KARCHEM HYDROELECTRIC PROJECT:**

**4.5.1.1** The Shongtong-Karcham HEP has been contemplated as a run of river scheme on river Satluj in the reach between Powari and Ralli villages in Kinnaur District with an installed capacity of 402 MW. The total estimated cost of the project is ₹ 2750.00 crore.

## **II SAINJ HYDROELECTRIC PROJECT:**

**4.5.2.1** The Sainj Hydroelectric Power Project is a run of the river scheme on Sainj river, a tributary of Beas river in Kullu District of Himachal Pradesh. The total revised estimated cost of the project is ₹ 785.00 crore.

## **III KASHANG HYDRO ELECTRIC PROJECT:**

**4.5.3.1** The total estimated cost of Kashang Hydroelectric Power Project is ₹ 1939.00 crore. Ingerated Kashang HEP in district Kinnaur envisages development of Kashang and Kerang streams; the tributaries of river Satluj with an installed capacity of 195 MW which will be actualized in three stages, each stage having an installed capacity of 65 MW.

## **IV SAWRA-KUDDU HYDRO ELECTRIC PROJECT:**

**4.5.4.1** The Sawra-Kuddu HEP has been contemplated as a run of the river scheme on Pabbar river in Shimla District. The total estimated cost of the project is ₹ 1182.00 crore.

## **V CAPACITY DEVELOPMENT:**

**4.5.5.1** An amount of ₹ 45.00 crore has also been sanctioned for capacity development under these four hydroelectric projects, which is 100% Externally Aided.

## **NEW PROJECTS LIKELY TO START IN 2011-12**

### **6. ADB ASSISTED INFRASTRUCTURE DEVELOPMENT INVESTMENT PROGRAMME FOR TOURISM IN HP:**

**4.6.1** Total estimated cost of the project is ₹ 428.22 crore to be implemented in phases over a period of 10 years. The project cost will be shared by ADB and State Government in the ratio of 70 : 30. State will receive ADB financing under the Multi- tranche Financing Facility (MFF) through the Government of India for this project. Asian Development Bank Board has approved the above project on 28<sup>th</sup> September, 2010.

**4.6.2** The project aims at to improve basic tourist facilities such as creating information centre, waste management arrangement, creating facilities like

parking, toilets, landscaping, road improvement, beautification and development of tourist places including historical and religious places of tourist attraction in the project area, etc in order to increase the in flow of religious and other national and inter-national tourists in the State. The project will provide direct and indirect benefits to the State such as generating additional employment, increasing income of the people, creating additional infrastructure in the State, etc.

**4.6.3** An outlay of ₹ 10.00 crore has been proposed in 2011-12 and reimbursement of ₹ 6.00 crore is expected by the State Government under this project.

## **7. HIMACHAL PRADESH CROP DIVERSIFICATION PROMOTION PROJECT (JICA):**

**4.7.1** The Department of Agriculture, Himachal Pradesh has proposed a project on “Crop Diversification Promotion in HP” with total estimated cost of ₹ 321.00 crore for funding from Japan International Co-operation Agency (JICA). The objectives of the project are - to increase income per unit area by diversifying to cash crops cultivation, sustainable growth of agriculture sector through organic agriculture thereby ensuring prosperity of small and marginal farmers of the State, taking advantage of climatic conditions in the State for growing off-season vegetable, etc.

**4.7.2** The project would be implemented from the next financial year 2011-12. An outlay of ₹ 8.20 crore has been proposed under this project and reimbursement of ₹ 5.00 crore is expected by the State Government for the financial year 2011-12.

## **8. ENVIRONMENT PROJECT:**

### **8.1 World Bank Aided Environmentally Sustainable Development Project**

To create the basis for sustainable development through sound environment management at the level of Govt., Civil Society and Industry, a World Bank Aided Environmentally Sustainable Development Project is proposed from Annual Plan (2011-12) with the following policy reform areas:-

**Component-I:** Interventions which will strengthen the institutional framework for environmentally sustainable development and climate change

**Component -II** Interventions which will strengthen the knowledge base for informed decision making.

**Component-III** Interventions which will strengthen river basin management approaches for improved water resource management.

**Component-IV** Interventions which will promote low carbon development in public infrastructure.

**Component-V** Interventions which will strengthen enforcement and promote environmentally sound pollution control and waste management.

The total project cost is estimated at US\$ 200 million. The project has the in principle approval of the Government of India and the World Bank. The project is proposed to be implemented over a period of three years. The fund flow is likely to start in 2011-12. A token provision of ₹ 1.00 lakh has been made in the Annual Plan 2011-12.