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Washington, D.C.

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RETURN TO SOUTH ASIA RECORDS

INDIA - Credit 526 IN

Vol. VI



Archives
The World Bank Group
30305779
R1982-052 Other #: 2038-1 11911B
Drought Prone Areas Project - India - Credit 0526 - P009692 - Correspondence - Volume 3

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This file is closed as of 31. August. 1976

For further correspondence, please see Von. VII.

RECORDS MANAGEMENT SECTION



सत्यमेव जयते

D. AURORA
Jt. Secretary.

India Credit 526

कृषि और सिंचाई मंत्रालय
ग्राम विकास विभाग
कृषि भवन, नई दिल्ली-110001
दिनांक 197

MINISTRY OF AGRICULTURE & IRRIGATION
DEPARTMENT OF RURAL DEVELOPMENT
KRISHI BHAVAN, NEW DELHI-110001.
Dated August, 31st 1976

Mr. Th...

Please let's discuss properly

to this, we do not want to create

bad feelings

with Aurora a bit stiff

D.O.No. 15(1)/76-DPAP.

4 9 Sept

Dear Mr. Parsons,

I am in receipt of your letter dated July 29th, 1976. We have gone through the various comments communicated by you on the master plan of Ghatshiras project and the para wise replies to these comments are enclosed.

You have made an observation that the main weakness of the master plan is the absence of any proposal for command area development. I do not understand how this impression has been formed by the I.D.A. In this connection I wish to draw your attention to pages 27 to 33 of the Project Report wherein you will find the technical features of the proposed C.A.D. works as well as their cost estimates. Maps showing details of water courses, field channels and drains and control structures have been appended to the second volume containing drawings of the project. It is surprising that these have missed the attention of I.D.A.

As I have already written to you, there are no doubt some weaknesses in the master plan but these have already been taken note of by us and the State Government has been requested to rectify them. As regards the observations concerning the design of the tank you will appreciate that there is complete lack of hydrological data at present for small catchments and therefore it would not be possible to verify the run off estimates or the coefficient of siltation on the basis of actually observed data for some time more. Our concern in this direction has been to set up the gauging stations in the DPAP Districts. We can hope to do the verification exercise only after two or three years. Your suggestions to substantiate the duties of irrigation water and for distribution of silt in the live storage space as well as for making exercises for reservoir operation study have been noted and the State Government has been requested to do the needful.



सत्यमेव जयते

कृषि और सिंचाई मंत्रालय
ग्राम विकास विभाग
कृषि भवन, नई दिल्ली-110001
दिनांक 197

MINISTRY OF AGRICULTURE & IRRIGATION
DEPARTMENT OF RURAL DEVELOPMENT
KRISHI BHAVAN, NEW DELHI-110001.
Dated 197

- 2 -

I am pained to notice that you have returned our withdrawl application No. 15 regarding the re-imbursement of the expenditure incurred on this project as well as others. In spite of some shortcomings, this master plan incorporates by and large the essential features of the C.A.D. While judging the quality of the master plan it has to be kept in view that it is for the first time that an attempt has been made to present such a comprehensive CAD plan for a minor irrigation work. I feel that IDA should have appreciated this point before returning the withdrawl application to us.

There is no doubt that Section 204 B. of the Maharashtra Project Agreement stipulates that before starting the construction of the first tank the State Government would furnish to the Association for its comments the Master Plan for itegrated tank construction and the comman area development. The purpose of incorporating this clause into the agreement was to ensure that the CAD Plan of the tank is prepared because such plans were not being prepared earlier by the State Governments for small works. Since this has been done and plan submitted to the IDA, we should go by the spirit of the clause and not by the its letter. It is seen that this clause does not mention that there will be no re-imbursement if this condition was not complied with. I assure you that the ultimate objective to develop the command areas of tank schemes fully will definitely be achieved.

The withdrawl application is for Rs. 2303,765 out of which Rs. 234702 only are on account of Ghatshiriaj Project. The re-imbursement claimed is much less than the prescribed limit of 47.5 per cent. In any case there is no reason for not giving re-imbursement for other items included in this withdrawl application. I am, therefore, returning herewith the withdrawl application and would request you to please re-consider your decision and arrange to re-imburse the full amount.

With regards,

Yours sincerely,

Mr. Dennis J. Parsons,
Chief, General Agriculture Divn,
South Asia Projects Deptt.,
1818 H St. N.W. Washington D.C
20433 U.S.A.

Parawise replies to the Comments made by IDA
on the Master Plan for Ghatshiras project.

Item Nos. 1&3 A of the comments:- It has been suggested that the estimated run off yield and the coefficient of siltation should be verified by actual observations, in this connection it may be mentioned that there is a complete lack of observed hydrological data at present for small catchments and therefore it is not feasible to verify the estimates of runoff yield and coefficient siltation at this stage. We are already aware of this shortcoming and we have since advised the state Government to install the gauging stations immediately. For obtaining any purposeful rainfall run off correlation it would be necessary to collect data for atleast 4 to 5 years and preferably more. It is believed that is it not the intension of IDA to withhold the execution of projects till then.

Item No.2 of the Comments: In the case of max. design flood it has been suggested that the same should be checked by the Unit Hydrograph technique. Here also we are handicapped by the absence of data required for such a study. For the application of this technique it is necessary to have a continuous discharge data for atleast 4 to 5 years at the site and also concurrent rainfall data in the catchment. Also the frequency of gauge discharge observations must be such that the complete shape of the flood hydrograph is defined. Again short period rainfall data are necessary. Unfortunately adequate data is not at all available for the river in question. Any attempt for synthetic unit hydrograph will be no better than the method already used. It may also be mentioned here that unit hydrograph method is not suited to very small catchments say less than 50 Sq. miles in area. Any study for unit hydrograph of Ghatshiras project which has a catchment area of 389 sq. miles will perhaps and nothing else.

Inglis formula was derived from the observed data of the catchment in Maharashtra State and has been successfully used for major and medium projects in that state. As such the design of spill over based on the flood estimated by this formula appears adequate. It is not to suggest that no effect is required, to verify the applicability in accuracy of this method. This requirement has been noted and the state-Government would be asked to adjust more rational method methods when information of actual flood flows for a few years is obtained. Our concern would be to establish data for the use of rational formula viz $Q = CIA$ which is more appropriate for small catchments.

Item No.4 of the Comments:-

It is not correct to say that in Calculating the storage capacity it has been assumed that 80% of water requirements would be met by direct river flow and 20% by release from storage.

In Maharashtra region MI tanks generally get assured replenishment from the September and October rains. Hence mainly rabi irrigation and little monsoon irrigation is practised on most of the M.I. tanks in the state i.e. the water available at any site in the stream is primarily reserved for meeting 100% rabi requirements and during Kharif the area --2/

to serve the
purpose of
academic
interest only

replenish monsoon

is only protected from the uncertainty and unpredictability of monsoon rainfall by the amount of run off conserved by the tank. On the basis of the experience of the State Government this protection is provided to the extent of 20% of kharif requirements. This measure is intended to guarantee a minimum in a year of low rainfall or unevenly distributed rainfall when more or less complete crop failure would have occurred without it.

Item No.5,7&8 of the Comments: The suggestions have been noted and the state government has been requested to do the needful.

Item No.6 of the Comments: It is not feasible to ~~follow~~ follow flood frequency method in view of the position explained in item No.2.

Item No.9 of the Comments: It is not correct to say that the question of CAD has not been treated at all in the draft master plan. Technical features of the command area works and their cost estimates ~~cost estimates~~ are given on pages 27 and 33 of the report. Values of agricultural produce of different crops under the existing conditions and with project are given on pages 35 and 47 to 50. Maps showing details of water courses, field channels and drains control structures etc. are appended to the 2nd Volume of the project report containing the drawing of the project. The State Govt. has been further requested to present a model plan for one outlet, illustrating the method of irrigating different fields. This will meet the requirements of IDA indicated in the outlines for a master plan.

Item Nos.10 and 11 of the comments:

It is clarified that the Unit Cost per million cft of storage does not account for the cost CAD component. As per prevailing practices of the Govt. of India, the criterion of B.C. ratio is taken as the guiding factor for testing the economic feasibility of minor irrigation projects. This has been worked out for the project in question and is within the prescribed limits. In addition internal rate of return has also been worked out and given at page 52 of the report. This has been verified by the project Economist DPAP central unit and his view is that though a simpler method has been used for working out the internal rate of return the result obtained is not far different from the method used by the World Bank in the appraisal report. It is not clear how this comment has been made that the only criteria used in the economic justification in the cost per million cft of water stored.

P.K.

28/8/76

Z-210 NEW DELHI 180 241525 IST

ETAT INDEMBASSY WASHINGTON

G. VENKATARAMANAN FROM VINEET NAYYAR

PLEASE PASS ON THE FOLLOWING MESSAGE TO MRS.
HAMILTON AND PARSONS:-

"WE HAVE SEEN YOUR COMMUNICATION OF 29TH JULY
1976 RELATING TO DROUGHT PRONE AREA PROJECT
(CREDIT 526-IN) (.) THE AGREEMENT STIPULATED THAT
MASTER PLAN T WOULD BE PREPARED FOR EACH COMMAND AND
FORWARDED TO IDA(.) THIS HAS BEEN DONE(.) WE ARE
THEREFORE SOMEWHAT SURPRISED THAT YOU HAVE
RETURNED OUR U TON NO.15(.)
DALJIT ARORA IS SEPARATELY REPLYING TO
YOUR COMMUNICATION AD SERIATUM(.) THIS IS TO
ASSURE YOU THAT TO THE EXTENT POSSIBLE/PRACTICAL
WE SHALL ENDEAVOUR TO IMPROVE THE MASTER PLAN IN
CONSULTATION WITH IDA BUT IN THE MEANTIME WE WOULD
HOPE THAT EXPENDITURE INCURRED ALREADY WOULD BE
REIMBURSED(.) APPLICATION FOR WITHDRAWAL IS
ACCORDINGLY BEING SENT BACK FOR NECESSARY ACTION."'
FOREIGN

COLLS:- Z-210 29 1976 (CREDIT 526-IN) 15

CORRECTION: IN 6TH LINE READ .. MASTER PLAN..INSTEAD OF MASTER
PLANT. TKS

MEA SPG 241558 PL ACK TKS

TA

?

[Handwritten signature/initials]

India Credit 482
cc India Credit 521
cc India Credit 522
cc India Credit 526
IN-522
IN-482

August 31, 1976

Dr. A.A.A. Chothani
National Dairy Development Board
Anand-388001
India

Dear Aziz:

Many thanks for your assistance and kind advise during the last review mission to Bhopal and Bangalore. I was sorry I could not come to Anand, but the final arrangements, although not ideal for the discussion on tender documents, did make for active GOI involvement.

I see a little hope in Karnataka; but its fate is still in balance, I think. Rajasthan and MP are coming along well, but I only hope that plant construction and achieving expenditure targets will not divert their attention from DCS organization, supervision and servicing. NDDB would have to keep refocussing their attention on DCS and Union field activities.

It appears that GOI wish to take a more active part in coordinating the three projects; this is welcome. They also propose to keep NDDB involved in quarterly review at Delhi. I hope that NDDB would be asked for six monthly review of DCS health and vigour.

Regarding DPAP training, I was a bit disappointed that NDDB could not start in October; of course, I had assumed that they can recruit by then. However, I still hope NDDB can organize a full fledged course for DPAP, even if in January, one district at a time. Daljeet Arora would certainly respond positively. Please keep in contact with him; also regarding the master plan/feasibility studies, for the DPAP districts, starting with Bijapur.

With kind regards, and thanks once again.

Sincerely yours,

Anand K. Seth
General Agriculture Divn.
South Asia Projects Dept.

AKSeth:tns

India Credit #82
a India Credit 526 *File: 1N-482*
a India Credit 521 *1N-521*
a India Credit 522 *1N-522*

August 31, 1976

Mr. G. M. Jhala
National Dairy Development Board
Anand-388001
India

Dear Mr. Jhala:

It was a pleasure meeting you and Mr. Halse in Delhi; although the tender document work would certainly have been better handled at Anand. I hope you received our final comments in time for the document to be issued on September 1.

Thank you for sparing Dr. Chothani for the Bhopal/Bangalore review.

Regarding the DPAP feasibility studies that Mr. Arora wants NDDB to do, please tell Dr. Aneja of my hopes that these studies would be as constructive as possible and geared to the specific needs of these peculiar areas, rather than a routine analysis you would do for better dairy areas. Long term and short term recommendations would need to be separated; questions of breeding policy, fodder production, extension, calf rearing proposals may also need to be addressed. Certainly, in these areas milk base would be low; and the objective would be to make specific organizational (and technical) proposals to increase milk production (and farmer income), create self reliant village based institutions which can effectively respond to the dairy farmers needs.

Incidentally, I am aware of Dr. Pandya's problems re Karnataka's inaction over training; please do not lose patience with them, though you may be careful with them. I am sure you remember, it's "AMUL" label they are operating under.

We still wait, to help, if called upon, regarding continued technical assistance to NDDB, and GOI decisions regarding a larger dairy project in India.

With kind regards and many thanks. Please also convey my regards to Dr. Kurien.

Sincerely yours,

Anand K. Seth
General Agriculture Division
South Asia Projects Dept.

HE
AKSeth:tns

India Credit 526

Mr. Marius Veraart

August 31, 1976

Peter G. Nelson

INDIA - Drought Prone Areas Project (CR526-IN)

Please include the following message in your next Rome cable:

"India - DPAP please advise whether Heye Groenewold available
to accompany Frank Thornley on proposed mission to review
Maharashtra and Karnataka components of DPAP for two weeks from
October 10."

FThornley:pt

Y. RUPLA NAIK,
SECRETARY TO GOVERNMENT
RURAL DEV. AND CO-OPN. DEPT.
and Commissioner,
Special Economic Programmes.

D.O. NO. RDC 314RWP76



India-Credit 526

KARNATAKA GOVERNMENT SECRETARIAT
VIDHANA SOUDHA, BANGALORE

DATED 30th August 1976.

426/115
526-IN 31

Mr Seth

I am interested in
the Group development.
We should study this
in due course

Mr. Dennis J. Parsons,
Chief, General Agriculture Division,
South Asia Projects Department,
The World Bank,
1818 H Street,
N.W. Washington, D.C.20433, U.S.A.

INDIA - Drought Prone Areas Project(526-IN)

10 Sept

Dear Mr. Parsons,

Please refer to your letter of July 19, 1976 regarding India Drought Prone Areas Project, Bijapur, (526-IN) I thank you for your appreciation of my action in dissolving the Governing Council and vesting full powers in the District Development Authority.

2. As regards the including of the completion of unfinished bunds in the Project, I am glad that you have appreciated the need for completing them as part of the Integrated development of the D.P.A.P. areas and for having agreed in principle to include them in the project. I have discussed this question in detail with the Director of Agriculture and also the Joint Director of Agriculture in charge of Soil Conservation. They have been asked to collect the necessary information which will be sent to you after receipt of full information from them.

3. A detailed plan for the development of milk collection, processing and marketing in the District has been prepared. This was also discussed with Mr. D. Aurora, Director of D.P.A.P., Government of India, Mr. Seth, World Bank representative on Dairy Development and also Dr. Chautani one of the Directors of N.D.D.B. (Amul) on 6th and 7th August 1976. As suggested by them, I have instructed the Project Director and also the Director of Animal Husbandry to furnish details of all aspects of milk collection and marketing keeping in view the projections of milk yield as a result of upgrading of cattle by artificial insemination, better feed and animal care etc. This will be sent shortly.

4. As regards sheep society bye-laws, Mr. Aurora, Director of DPAP., Government of India informed me that this question will be specially discussed in detail with your mission shortly as the actual working of sheep farming Co-operatives are going to present lot of problems. After these discussions and final decision we shall take appropriate action.

(contd.....2,)

5. I am glad you have raised certain relevant points concerning the short-term credit survey, the need for improving the staffing of primary co-operatives, strengthening the Central Cooperative Bank management, lending procedures in drought prone areas and the actual extent of credit requirements of the people of these areas.

6. I am myself in charge of the Department of Co-operation having the Registrar of Co-operative Societies of Karnataka State working under me. We have undertaken a massive drive for reorganisation of the Co-operatives in our State including Bijapur DPAP District which has been almost completed. On our request the Reserve Bank of India had deputed one of their experts to make a thorough study of the Co-operative credit structure in four districts where the District Central Cooperative Banks were not strong and to make recommendations to reorganise the existing non-viable and weak societies into financially more viable societies. In the light of these recommendations, we have taken the following steps in Bijapur DPAP District also.

7. Out of the total number of 649 primary Co-operative Societies in Bijapur District, there were 273 viable societies, 251 potentially viable societies, 19 weak societies and 6 dormant societies. After regrouping and reorganising all the existing societies as per the norms of viability suggested by the Reserve Bank of India, the total number of primary Cooperative Societies are reduced to 397. We have ensured that every primary society has got a full time paid Secretary. Each Primary Society is expected to cover about 600 agricultural families with a lending programme of not less than two lakhs of rupees.

8. As suggested by you, I shall have the credit survey report further reviewed and all acceptable recommendations of the credit survey team will be implemented.

9. As an essential part of our programme of re-organisation of the Cooperative credit structure, this year, we have a time bound programme of universal membership of all agricultural families as members of Cooperatives, mobilisation of deposits of the Co-operatives, tightening the recovery of overdues, tightening the lending procedures by giving major portion of the loans in the form of agricultural inputs like fertilisers, seeds etc., instead of in cash after assessing the actual credit needs. These measures I think, will tone up the working of the Co-operative Societies in the D.P.A.P. District of Bijapur also.

As regards the report promised by me about the detailed plan for development of milk collection and marketing etc., I shall send the same with all the required details in a fortnight's time as the Project Director has to furnish a few more details regarding the marketing aspects.

With best regards,

Yours sincerely,

(Y. Rupla Naik)
(Y. Rupla Naik)

*Yes Yes.
and more*

*2/11/64
naik was
going to do
this!!*

Don't forget to

RECEIVED

1976 SEP 10 AM 8:59

INCOMING MAIL UNIT

Let me get started on the marketing aspects.
 I will send the same with all the needed details in a
 letter for development of the collection and marketing etc.
 As regards the letter promised by me about the detailed

societies in the D.V.V. District of Bikaner also.
 Messages I submit will come up the working of the co-operative
 bank after suggesting the exact credit needs. These
 societies will be the 'seed' etc. instead of the
 by stating the collection of the loans in the form of self-
 the recovery of advances, differentiating the lending procedures
 mobilization of deposits of the co-operatives, differentiating
 type of self-sufficient societies as members of co-operatives.
 As I have a time bound programme of industrial member-
 organization of the co-operative credit structure, this
 a. As an essential part of our programme of re-

forms of the credit supply from will be implemented.
 supply letter further detailed and all necessary recommendations.
 b. As suggested by you, I shall make the credit

of not less than two terms of loans.
 about 600 self-sufficient societies with a lending programme
 being suggested. Each Bikaner society is expected to cover
 have suggested that every Bikaner society has got a full time
 of Bikaner co-operative societies the required to 333. We
 suggested by the Reserve Bank of India, the total number
 all the existing societies as per the norms of agricultural
 and a government societies. After re-organizing and re-allocating
 these, 333 Bikaner societies, 13 weak societies
 societies in Bikaner District, there were 333 Bikaner socie-
 3. One of the total number of 643 Bikaner co-operative

taken the following steps in Bikaner D.V.V. District also.
 societies. In the light of these recommendations, we have
 strong and weak societies into financially more strong
 and to make recommendations to reorganize the existing non-
 members the District Central Co-operative Bank were not strong
 supply of the co-operative credit structure in total districts
 of India and decided one of their experts to make a thorough
 been almost completed. On one hand the Reserve Bank
 in one state instructing Bikaner D.V.V. District with the
 a message drive for reorganization of the co-operatives
 of Kharakha State working under me. We have undertaken
 operation making the Registrar of co-operative societies
 e. I am aware in spite of the reorganization of co-

of credit requirements of the people of these areas.
 procedures in strong more areas and the exact extent
 the District Co-operative Bank management, lending
 involving the re-organizing of Bikaner co-operatives, strengthen-
 concerning the short-term credit supply, the need for
 2. I am sure you have raised certain relevant points

India Credit 526

Aug. 27, 1976

IN-526

Mr. D. J. Parsons

August 27, 1976

A. K. Seth (IDA) and A.A.A. Chothani (Consultant)

INDIA - DPAP Project (Karnataka Dairy Component) Credit 526-IN
Supervision: Back-to-Office and Full Report 1/

Status

1. Staff enthusiasm is high. However, the mission was amazed by the total lack of any GOK effort to learn from the experiences of the Karnataka Dairy Project which is based on the same (AMUL) concepts. Lack of adequate training for spearhead team is the primary constraint to effective implementation. With 40 DCS formed, staff constraints have appeared because of the demands of servicing DCS already established. Milk collection costs are excessive due to random DCS formation.

Actions Agreed

2. Following corrective steps were agreed with DPAP Director, GOI, and GOK:

a) Team strength to be increased to 26 with effect from October using open market recruitment;

b) NDDB to organize team's training as soon as possible;

c) KDDC to depute 2 out of its 8 NDDB specialists to spend 4 days in Bijapur to help the spearhead team;

d) NDDB to prepare a masterplan for dairy development in Bijapur;

e) Restrict DCS formation for next six months to northern part of district, mainly to fill up gaps in milk routes and thus increase average route collection and decrease unit collection costs;

f) Director, Animal Husbandry, to prepare a breeding policy paper for the district for review (by January 1, 1977);

g) Establish a project training center for DCS staff along lines of KDDC, Mysore center, by March 1977;

h) Consider the Dairy Extension and Supervision Report (DECS) for possible use of the model in Bijapur (copies have been sent);

i) Spearhead team leader to prepare a paper on the organization of the calf rearing program (October 1, 1976).

1/ TORs dated July 16; date of visit 7th August, 1976.

August 27, 1976

Farthur Action Recommended

3. A letter should be sent to Director, DPAP, and GOK summarizing our understanding of the agreed action plan. This is being prepared. No other action is necessary.

cc: Messrs. van der Tak (2)
Yudelman
Israel
Bowron
Elliott (Controllers)
Forget
Mrs. Robbin (Controllers)

Messrs. E. Stern
Street
Picciotto
Perry
Rowe
Blobel
Jansen
Alisbah (3)
NDO


AKSeth:as

India Credit 526

No.3(7)/76-DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)

New Delhi dated the 26th Aug., 76.

The International Development
Association, 1818 H. S-treet.,
N.W. Washington-DC-20433.
USA

Subject:- Physical and financial progress of IDA assigned
project under Credit Agreement 526-IN for
DPAP.

*** **

Dear Sir,

see Quarterly Reports
I am enclosing a statement showing the Financial
and Physical progress of the six IDA districts upto
March, 1976 together with the targets fixed for the
5th Plan period for information of the Association.

Yours faithfully,

J.P.

(J.P. Sharma)
Deputy Secretary to the Govt. of India.

Encl: 1

RECEIVED
1322 268 -3 511
13/08/76

India Credit 526 1N-482
1N-521
1N-522

August 25, 1976

Mr. V. D. Puranik
Deputy Director of Animal Husbandry
Drought Prone Areas Program
Vetrinary Hospital Compound
Bijapur, District Bijapur
Karnataka, India

Dear Puranik:

As per instructions of Mr. A. K. Seth, I am enclosing herewith five copies of "Report on a Proposed Dairy Extension and Cooperative Supervision Service:

Sincerely yours,

T. N. Sharma
Secretary to Mr. A. K. Seth
General Agriculture Division
South Asia Projects Department

Encl. a/s

~~ENCLOSURES~~

WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

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☐ IDA
☐ IFC
☐ ICSID

India - Credit 526

TO: INTBAFRAD

DATE: August 24, 1976

NEW DELHI

ORIGINATOR'S EXT.: 3894

COUNTRY: INDIA

CLASS OF
SERVICE:

LT

CABLE NO. & TEXT:

961

R. M. J. H.

FOR LOWENSTEIN FOLLOWING CABLE RECEIVED AUGUST 17 QUOTE
UNDERSTAND BANK REVIEW MISSION WOULD VISIT INDIA SEPTEMBER
1976 STOP REQUEST INCLUSION ONE DAIRY EXPERT FOR REVIEW AND APPRAISAL
OF INTEGRATED CATTLE DAIRY PROJECT IN BIHAR FOR BANK ASSISTANCE
SIGNED AGRINDIA UNQUOTE STOP GRATEFUL YOU EXPLORE BACKGROUND TO
REQUEST AND CABLE YOUR VIEWS
REGARDS PARSONS

NOT TO BE TRANSMITTED

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DATE: August 24, 1976

NEW DELHI

ORIGINATOR'S EXT.: 3894

COUNTRY: INDIA

CLASS OF
SERVICE:

LT *slw*
RCW

CABLE NO. & TEXT:

967

WE

THORNLEY RETURNS OFFICE AUGUST 31 AND WILL CABLE YOU FURTHER THEN

REGARDING DPAP REVIEW

REGARDS PARSONS

NOT TO BE TRANSMITTED

REFERENCE:

Credit 526

AUTHORIZED BY (Name):

Dennis J. Parsons, Chief

DRAFTED BY:

PJBRUMBY:bb *DB*

DEPARTMENT:

ASPGA

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India Credit ^{sd} 526

Aug. 23, 76

RECEIVED

Distribution:

Mr. Parsons

AUG 23 8 26 AM 1976

COMMUNICATIONS
SECTION

FOR PARSONS

URCAB 928 AUGUST 18. WILL RETURN FROM LEAVE FROM AUSTRALIA OCTOBER 11.

COULD DPAP REVIEW BE DELAYED UNTIL THEN? DIFFICULT FOR ME CHANGE
DATES DUE APPOINTMENTS MY N.T. DEPARTMENT FOR DISCUSSIONS MY
SECONDMENT 2ND AND 3RD YEAR AND OTHER URGENT PERSONAL MATTERS.

REGARDS

ALBRECHT

Am Braun G / Thanky
HL.

CORVM

India. Credit 526

IN-482
IN-521
IN-522

August 23, 1976

Mr. D. Arora
Director
Drought Prone Areas Program
Ministry of Agriculture
Krishi Bhawan
New Delhi
India

Dear Daljeet:

It was a pleasure working with you in Bangalore. I was impressed by the enthusiasm and receptiveness of the spearhead team leader. With training at NDDB for an enlarged team, I think a good job can be done in Bijapur. Your decision to invite NDDB to do a master plan for the dairy development in the district was also sound.

I was hoping for a copy of the minutes of our August 7 meeting, but anyhow Mr. Parsons would possibly write you summarizing what I thought was agreed.

Attached is the Dairy Extension and Supervision Report that I talked about in Bangalore recently. I strongly believe in this component of our dairy projects. Although this activity should have started much earlier, the Dairy Corporations' experience to date has helped in convincing them of its need, and I think we will see a spirited implementation of these proposals. Incidentally, Karnataka estimate of the total costs of this program (including salaries, operating costs, everything) over five years came to roughly Rs. 2.0 million for each Union.

With kind regards.

Sincerely yours,

A. K. Seth
General Agriculture Division
South Asia Projects Department

cc: Mr. S. Naik
GOK, Bangalore (with 5 copies of
Extension Report)

 A.K.Seth:tns

India - Credit 526
INCOMING TELEX From New Delhi

sd

Aug. 23, 76

RECEIVED

Distribution:

Mr. Parsons

AUG 23 8 26 AM 1976

COMMUNICATIONS
SECTION

FOR PARSONS

URCAB 928 AUGUST 18. WILL RETURN FROM LEAVE FROM AUSTRALIA OCTOBER 11.

COULD DPAP REVIEW BE DELAYED UNTIL THEN? DIFFICULT FOR ME CHANGE

DATES DUE APPOINTMENTS MY N.T. DEPARTMENT FOR DISCUSSIONS MY

SECONDMENT 2ND AND 3RD YEAR AND OTHER URGENT PERSONAL MATTERS.

REGARDS

ALBRECHT

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

Indicv526

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: INTBAFRAD

DATE: August 17, 1976

NEW DELHI

ORIGINATOR'S EXT.: 3894

COUNTRY: INDIA

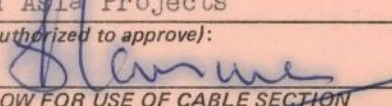
CLASS OF SERVICE: Telex

CABLE NO. & TEXT: 928

Wh

FOR ALBRECHT NEXT REVIEW MISSION FOR DPAP WILL BE COMBINED WITH DAIRY
SUPERVISION STOP MISSION EXPECTS ARRIVE MID SEPTEMBER STOP DPAP REVIEW
CAN TAKE PLACE EARLY OCTOBER FOLLOWING DAIRY REVIEW
REGARDS PARSONS

NOT TO BE TRANSMITTED

REFERENCE:	DPAP	AUTHORIZED BY (Name):	Dennis J. Parsons, Chief, ASPGA
DRAFTED BY:	PJBRUMBY:bb	DEPARTMENT:	South Asia Projects
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ORIGINATOR: PP	DATE: 10 59 PM 1976	SIGNATURE: [Signature]
REFERENCE:	COMMUNICATIONS SECTION	DATE: 10 59 PM 1976
NOT TO BE TRANSMITTED		

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ORIGINATOR TEXT: 258

DATE:

10 59 PM 1976

(TELETYPE/CABLE/TELEX)
OUTGOING MESSAGE FORM
MQHD BANK 110

☐ 1000
☐ 1000
☐ 1000
☐ 1000

[Handwritten signature]

South Asia General
 India Cr 482
 11 11 11 502
 11 11 11 521
 11 11 11 522
 11 11 11 526
 11 11 11 1011

THRU: Mr. Hugh Collier, Chief, ASADA
 Mr. Bilsel Alishah, Chief, ASADB
 Manfred P. Deutgen, ASADE

August 16, 1976

EEC Financing of Project Components in South Asia

1. I understand that you will coordinate the Department's suggestions for EEC financing. Here is a list of all agricultural projects in India, for which the latest forecasts show disbursements in calendar years 1977 and 1978 and for the first half of calendar year 1979 (which is the period in which the EEC give-away funds have to be disbursed). I did not include the Bihar Agricultural Markets Project and the Himachal Pradesh Apple Processing Project, as both projects are complicated and have been redesigned, and as disbursement forecasts are minimal any way.
2. Project components, on which EEC payments can be focused (so that they can fly their flag over them) and our disbursement percentages for them can be identified from the appraisal reports, also attached. We have no preference here, and they can pick whatever component attracts them most. One difficulty, though, is that disbursement forecasts are not broken down by project component, so that, by selecting individual components, they run the risk of getting one, against which there will be no disbursements in the period covered. Therefore, we should later-on review their selections together with the projects officer in charge.
3. If the EEC wants to concentrate on one single project, the Rajasthan Canal Command Area Development Project seems to be the most obvious candidate as disbursement forecasts for the specified period reach a total of US\$34 million. Moreover, this project has the following special feature that would be particularly well suited for getting EEC attention. There are 227 villages in our project area, all of which need the same standard type of drinking water supply. When the project was appraised in 1973, we wanted to include this water supply component for all 227 villages. But as GOI and the Government of Rajasthan did not have enough funds to make a sufficient contribution of their own for all of the villages, we could include only 100 villages in our project. Water supply for the remaining 127 villages was left for possible future phases of our lending to the area. These water supply systems are very simple, construction could start immediately, and disbursements would be very quick.

MPDeutgen:mff

		<u>CY77</u>	<u>CY78</u>	<u>CY79</u>
		FY77 II	FY78 I	FY79 II
Karnataka Dairy				
IDA 482	30.0	2.5	4.0	6.4
Chambal CAD (Raj)				
IBRD 1011	52.0	3.4	7.8	9.9
Raj. Canal CAD				
IDA 502	83.0	7.0	14.0	13.0
Rajasthan Dairy				
IDA 521	27.7	5.3	5.3	3.2
Madhya Pradesh Dairy				
IDA 522	16.4	3.6	2.3	2.0
Drought Prone Areas Program				
IDA 526	35.0	5.3	8.7	8.8

Aug. 16, 76

INCOMING TELEX From New Delhi

sd

India - Credit 826

Distribution: Mr. Parsons

Mr. Alisbah

FOR THORNLEY

HAD DETAILED INSPECTIONS AND DISCUSSIONS WITH LOCAL STAFF IN AHMEDNAGAR SHOLAPUR AND BIH++ BIJAPUR DISTRICTS REGARDING PROPOSED SHEEP DEVELOPMENT PLANS. BASED ON LOCAL DATA AVAILABLE NEED APPEARS FOR REVIEWING AND ADJUSTING PROPOSED SHEEP DEVELOPMENT PROGRAM. AM NOW AWAITING FURTHER INFORMATION FROM MAHARASHTRA DISTRICTS AND WILL HAVE DETAILED REPORT READY BY EARLY SEPTEMBER. SUGGEST FORTHCOMING REVIEW MISSION SHOULD DISCUSS MATTER WITH STATE GOVERNMENTS CONCERNED.

3) HAVE PLANNED FEI+++ FIELDS WORKSHOP FOR STAFF ALL FOUR DECCAN PLATEAU WORLD BANK DISTRICTS PLUS OTHE R DPAP DISTRICTS AT ANANTPUR BY NOVEMBER APPROX . FURTHERMORE PROPOSE TO TAKE APPROX 15 DAYS LEAVE COMMENCING MID TO LATE SEPTEMBER. IN ORDER TO FIT IN WITH VISIT NEXT REVIEW MISSION AND AVOID CLASH TO TIME IS IT POSSIBLE TO KNOW DATES OF NEXT MISSION SOONEST?

REGARDS

ALBRECHT

Asia Files
Albrecht
Thornley

248423 WORLDBANK

IBRD ND31500

India - DPAP Project

RECEIVED

AUG 16 7 32 AM 1976

COMMUNICATIONS SECTION



NATIONAL DAIRY DEVELOPMENT BOARD

ANAND 388001 INDIA PHONES: 601 TO 606 GRAM: DAIRYBOARD TLX: 017/245

Dr. A.A. Chothani
Director (FO & AI)

FO&AI/DP/222/10307

August 12, 1976

Dr. T. Krishnan
Director Animal Husbandry
Government of Karnataka
Bangalore.

Dear Dr. Krishnan:

Please refer to the discussion we had at Bangalore wherein Mr. Anand Seth of World Bank, Shri Rajit Aurora, Director, DPAP, New Delhi and Shri Y. Roopla Malik, Secretary, Cooperation, Govt. of Karnataka were present.

You had desired to get your Spearhead Team trained in Anand Pattern of Farmers' Organization at Anand any time after 15th Sept. 1976. After returning from Bangalore I had discussed this topic in light of the training schedule already chalked out by the Dairyboard for the training of various teams to which we are committed. I am sorry to let you know that as per the commitments it will not be possible to accommodate any batch of trainees before 19th January 1977. However, in case any of the teams for which we are committed as per schedule drops out, we will certainly accommodate your team. In this case I will let you know telegraphically. However, you will kindly appreciate that this is just a probability and we should not bank completely on it. I would therefore suggest that you may approach the Managing Director, Karnataka Dairy Development Corporation to place your team with the spearhead teams of KDCC operating at Bangalore, Mysore, Tumkur and Hassan. The team leaders of the KDCC teams may be asked by the Managing Director, KDCC to train your spearhead team members at these places. I am suggesting this adhoc arrangement just because your plans may not get unduly delayed and you may be able to get your team members trained preliminarily by the KDCC team operation in the areas mentioned above; and start the programme.

Later on, in January 1977, you can depute your team members in batches of 4 or 5 at Anand for complete training. To my mind, at the moment, this appears to be the only practical solution to your problem of starting the work of organizing societies on Anand pattern.

I know it will not be possible for you to wait till January 1977 to get the persons trained, as in that case the actual work of organization will start only sometimes in April 1977. This is one of the main reasons why I have suggested the above alternative.

p.t.o.

NATIONAL DAIRY DEVELOPMENT BOARD



ANAND 388001 INDIA PHONES: 601 TO 606 GRAM: DAIRYBOARD TLX: 013/242

I hope you will appreciate our difficulty in not accommodating your team immediately for training at Anand and bear with us. Kindly let us know your decision taken on the subject for my information.

With kind regards,

Yours sincerely,

(Signature)

(A. A. Chothani)

cc to:

1) Shri Laljit Aurora,

Director, IPAP
Rural Development Department
Ministry of Agriculture
Krishi Bhavan, New Delhi.

2) Shri Y. Hoopla Naik,

Secretary, Cooperation,
Govt. of Karnataka
Vidhan Sabha,
Bangalore.

3) Shri M.K. Venkateshan

Managing Director,
Karnataka Dairy Development Corpn.
Anankrupa, 496, IX Cross,
Rajshahvilas Extension
Bangalore 560 006.

4) Shri Anand K. Seth

The World Bank, South Asia Project Department
General Agricultural Division,
1818 H. Street N.W.
Washington, D.C. 20433 (U.S.A.)

Mr. R. Rowe, Assistant Director, ASP

Dennis Parsons, Chief, ASPGA

August 11, 1976

Review of Monthly Disbursements

1. In response to your memo of June 30, I offer the following commentary on disbursement problems for projects being supervised by General Agriculture Division.
2. The following records of monthly cumulative disbursement to June 30, 1976 are attached:

BANGLADESH	Cereal Seeds (410-BD)
BURMA	Forestry I (493-BA)
INDIA	DPAP I (526-IN)
	Dairy - Karnataka (482-IN)
	Dairy - Rajasthan (521-IN)
	Dairy - Madhya Pradesh (522-IN)
	Tarai Seeds (614-IN)
NEPAL	Settlement (505-NEP)
SRI LANKA	Dairy (504-CE)

BANGLADESH Seeds (410-BD)

3. The main reason for slow disbursement on Bangladesh Seeds is delay in project execution mainly by the Bangladesh Agricultural Development Corporation, though there is a backlog of expenditures for which disbursement has not yet been cleared. This was discussed during the recent supervision mission (myself and Henderson) with the help of Mr. Grosvenor, Disbursement Specialist from Djakarta office.

BURMA Forestry (493-BA)

4. Cumulative disbursement on Burma Forestry to June 30, 1976 of US\$ 1.8M is ahead of the revised estimate made during the February 1976 supervision mission. Previous slow disbursement was due to delay in procurement of heavy machinery which, in turn was due to bureaucratic procedures, including a requirement that every tender award be approved by the Government of Burma at Cabinet level. Disbursement will again be reviewed during the November 1976 supervision mission. It is expected that the difference of US\$ 7.5M between appraisal estimate and actual disbursement will be narrowed to US\$ 4M during FY77.

BURMA Livestock (597-BA)

5. Progress in implementing Burma Livestock, declared effective on March 26, 1976 is very disappointing and we get no response to our enquiries. No disbursement yet against US\$ 0.1M forecast. Peter Nelson will continue to press for action by mail.

August 11, 1976

INDIA Dairy Projects (482-IN Karnataka; 521-IN Rajasthan; 522-IN MP)

6. The India Dairy projects are now being supervised by a mission in the field and I will report further when it returns. You will recently have seen my memo of July 20 on the disbursement problem, as it relates to the India Dairy and DPAP projects.

INDIA DPAP (562-IN)

7. Project execution of India DPAP is proceeding normally. The appraisal report disbursement estimate was overoptimistic, providing for a start in the June quarter of FY74 whereas the credit was only signed in January 1975. Mr. Busse from Controller's Department has recently visited DPAP authorities at the district level and the problem of handling small expenditures for IDA reimbursement has, hopefully, been remedied.

INDIA Tarai Seeds (611-IN)

8. The Tarai Seeds project is due for completion this year. No detailed disbursement forecast was made at appraisal. Implementation was considerably delayed by the cautious approach of Tarai Seeds management and by the intervention of the India-Pakistan War, which made it difficult to receive meaningful responses to tender invitations; and it was agreed to make occasional bulk claims for fertilizer expenditure, one of which is now due. The project is presently being reviewed and a decision on closing date will then be made.

INDIA Forestry Technical Assistance (609-IN)

9. No disbursement yet on the India Forestry Technical Assistance project declared effective only on May 17, 1976. US\$0.2M forecast at June 30, 1976.

NEPAL Rural Development (617-NEP)

10. No disbursement scheduled for Nepal Rural Development before September 1977.

NEPAL Settlement (505-NEP)

11. The only disbursement made on Nepal Settlement is for three truck chassis. The problems of this project were discussed during the recent supervision mission, in which you participated.

SRI LANKA Agricultural Development (595-CG)

12. No disbursements yet on Sri Lanka Agricultural Development only declared effective on March 1, 1976. \$1.8M forecast.

SRI LANKA Dairy (501-CE)

13. As of June 30, 1976 US\$ 0.7M had been disbursed, well behind the forecast US\$ 2.8M. Commitments for 800 farm loans averaging Rs 1,200 have been made, and accounts for vehicles for the project (US\$ 0.125M) are imminent. The key constraint to an increased rate of disbursement is the availability of local cattle. In spite of this difficulty it appears probable that the credit will be fully disbursed by the scheduled closing date of December 31, 1980.

Attachment

PGNelson:yk

MONTHLY CUMULATIVE DISBURSEMENTS
(US\$ Million)

COUNTRY	END	FY76											
	FY75	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Loan/Credit No. 88AN AN03/ BD-410													
Project Name BANGLADESH CEREAL SEEDS													
(E) Estimated at Appraisal	4.8			5.3			5.8			6.4			7.0
(R) Revised							0.2 ¹⁾			0.3 ¹⁾			0.4 ¹⁾
(A) Actual		0.1		0.2	0.2	0.2	0.2	0.2	0.8	0.8	0.8	0.8	0.8
A/E %				3			4			13			11
A/R %							100						

¹⁾ from Dec 75 Supervision

Loan Amount US\$ 7.5

Approved 6-11-73

Signed 6-29-73

Effective 1-30-74

Current Closing Date 12-31-77

MONTHLY CUMULATIVE DISBURSEMENTS
(US\$ Million)

COUNTRY	END FY75	FY76											
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN

Loan/Credit No. 8 NEPAD 01/
617-NEP

Project Name RURAL DEVELOPMENT
NEPAL

Nil

(E) Estimated at Appraisal

(R) Revised

0.0 0.0 0.0

(A) Actual

A/E %

0

A/R %

0

Loan Amount US\$ 8.0

Approved 2-24-76

Signed

Effective 7-15-76

Current Closing Date

Mr. R. Rowe, Assistant Director, ASF

Dennis Parsons, Chief, ASPGA

August 11, 1976

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August 11, 1976

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Attachment

PCNelson:yk

Long

MONTHLY CUMULATIVE DISBURSEMENTS
(US\$ Million)

COUNTRY	END	FY76											
	FY75	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Loan/Credit No. 8 IND AI 19/ IND-526													
Project Name DPAPI													
(E) Estimated at Appraisal					2.35								
(R) Revised													
(A) Actual		0.0				0.0		0.1	0.1	0.8	1.4	1.4	1.9
A/E %													
A/R %													

1) Recapitulation Sheet, Controllers

Loan Amount US\$ 35

Approved 12-5-75

Signed 1-24-73

Effective 6-9-75

Current Closing Date 6-30-80

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

Judith cr 526

TO: INTBATRAD

DATE: August 4, 1976

NEW DELHI

ORIGINATOR'S EXT.: 3894

COUNTRY: INDIA

CLASS OF SERVICE: Telex

1 11

CABLE NO. & TEXT: 890

FOR KRASKE

GRATEFUL IF YOU WILL INFORM J.P. SHARMA DEPUTY SECRETARY MINAG THAT
WE HAVE NO OBJECTION TO NOMINATION OF JOHN GORDON BY FAO FOR DPAP PROJECT
REGARDS PARSONS

NOT TO BE TRANSMITTED

REFERENCE: India Dairy -DPAP	AUTHORIZED BY (Name): Dennis J. Parsons, Chief
DRAFTED BY: PJERUMBY:bb	DEPARTMENT: ASPGA
CLEARANCES AND COPY DISTRIBUTION: cc: Mr. Melder	SIGNATURE (Of individual authorized to approve): [Signature]
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ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

DDC REGISTRY

In Reply please mention our reference
and date of this letter

Via delle Terme di Caracalla, 00100 - ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref. BK 3/2.4 IND

*Mr. New
Thornley 07/*

AUG. - 5 1976

Dear Frank,

INDIA - Drought Prone Areas Project

Thanks for your letter of 12 July, which indicates your general satisfaction concerning the progress of DPAP in India. Let us hope that Aurora has been able to establish an implementation capacity which will continue to work satisfactorily also after his departure. I was obviously glad to learn that you seemed particularly well impressed with recent developments in the dairy and sheep sectors.

It would be good to be with you again during the next supervision, although timing may be a bit of a problem. I shall see our medical unit at the end of this month and I hope that they will classify me as being fit again, also for duty travel. However, I am then provisionally booked for a supervision mission to the Philippines in October and I hope that there will be no overlap.

FAO has now located candidates for all the remaining technical assistance positions. The climatologist has been accepted by GOI and should be posted soon. Particulars of the calf raising expert (NZ) are being submitted and the same is the case for the advisor on bagasse treatment. The latter is from the Biotechnical Institute in Kolding, Denmark and is, hopefully, particularly strong on the engineering side. I trust that he will arrive in Ahmednagar before the next cane crushing season.

Greetings to you and your colleagues.

Yours sincerely,

Heye

H.H. Groenewold

FAO/World Bank Cooperative Programme

RECEIVED
INCOMING MAIL
JUL 11 1976
Mr. F. Thornley,
The World Bank,
1818 H Street, N.W.,
Washington D.C. 20433,
U.S.A.

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1976 AUG 11 PM 4:35
INCOMING MAIL UNIT

U.S.A.
Washington D.C. 20533
1815 H Street, N.W.
The World Bank
Mr. E. Brown

World Bank Cooperative Program
H.H. Brown

Dear Sirs,

Greetings to you and your colleagues.

Will arrive in Washington before the next same clearing session.
Personally, satisfactorily strong on the engineering side. I think that the
the letter is from the Professional Institute in London, Denmark and is
submitted and the same is the case for the square on release treatment.
be posted soon. Participants of the staff training expert (IN) are being
assistance positions. The symposium has been accepted by GOI and should
WVO has now located candidates for all the remaining technical

there will be no overlap.
for a subcommittee mission to the Philippines in October and I hope that
it again, also for duty travel. However, I am then provisionally booked
at the end of this month and I hope that they will satisfy me as being
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It would be good to be with you again during the next subcommittee

with recent developments in the dairy and sheep sectors.
I was operationally glad to learn that you seemed satisfactorily well impressed
which will continue to work satisfactorily also after his departure.
hope that Antons has been able to enterprising in implementation especially
General satisfaction concerning the progress of DWP in India. Let us
thanks for your letter of 15 July, which indicates your

INDIV - please please please please

Best regards,

Ref: BK 3/5.4 IND

Via delle Terme di Caracalla, 00100 - ROME

Cables: FOODAGRI ROME

Telex: 5181 FOODAGRI

Telephone: 2371

OF THE UNITED NATIONS
FOOD AND AGRICULTURE ORGANIZATION

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



PARA LA AGRICULTURA Y LA ALIMENTACION
ORGANIZACION DE LAS NACIONES UNIDAS

and date of this letter
in reply please mention our reference
DDC REGISTRY

2000/1000 DDC



D. AURORA
Joint Secretary (DPAP)

Asia Records
INDIA - Drought Prone Areas
526-111
BY AIRMAIL

India Credit 526

कृषि और सिंचाई मंत्रालय
ग्राम विकास विभाग
कृषि भवन, नई दिल्ली-110001
दिनांक 1976

MINISTRY OF AGRICULTURE & IRRIGATION
DEPARTMENT OF RURAL DEVELOPMENT
KRISHI BHAVAN, NEW DELHI-110001.
Dated August, 1976

4-9-1976

D.O.No.23(7)/76-DPAP

My dear Shri Purose,

This is in reply to your letter of July, 16th, 1976 to Shri I.J.Naidu, Secretary, Department of Rural Development. We are happy to note that you consider the progress of the programme satisfactory.

The reorganisation of the Central Drought Prone Areas Programme Division has been approved and we will very shortly be staffing it with additional officers primarily to help us in more effective monitoring and evaluation of the programme. Let me assure you that a proper direction at the headquarters is being given due importance by us as we ourselves are interested in successfully implementing a programme of development for these areas. It is sometimes not possible, even though one might consider it necessary, for officers to stay on indefinitely in one particular assignment; irrespective of the fact, we would always ensure that the right persons are posted to key positions in the DPAP.

We are also concerned with the lack of continuity in various project areas and in response to this concern, Shri I.J.Naidu has already addressed all the Chief Secretaries of the State Governments requesting them not to transfer persons involved in the programme at least till the end of the 5th Plan period and in a number of States, specific instructions have since then been issued and we are quite hopeful that things will improve.

Development of minor irrigation has been a traditional item in the country and as such it is sometimes difficult for the Irrigation Department to change its ideas. We are, however, quite aware of the need for change in these attitudes and every effort has been made to ensure that the irrigation design and the development of command under this project is taken up in as scientific

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कृषि और सिंचाई मंत्रालय
ग्राम विकास विभाग
कृषि भवन, नई दिल्ली-110001
दिनांक 197

MINISTRY OF AGRICULTURE & IRRIGATION
DEPARTMENT OF RURAL DEVELOPMENT
KRISHI BHAVAN, NEW DELHI-110001.
Dated 197

- 2 -

a manner as possible. Thank you very much for sending us an outline of a report prepared by Mr. Kanchanalak. We certainly find it very useful.

In response to Mr. Thornley's suggestion, we have formed a group to look into the soil survey methodology and we hope that the group will start functioning very soon and will give us their advice. Similarly, we are taking action to set up a clearing house for location of surplus areas in which good quality animals may be available for export to other states.

The problem of small farmer definition is plaguing us as well. We have completed an exercise for Rajasthan and we hope that a decision would be taken very soon.

The monitoring side of the programme, as you have also indicated in your letter, is very important. We feel that even though a lot of thinking went into monitoring system, we still are not yet in a position to either get the kind of data we want, or even be able to utilise the data that we get from the States. We have specifically given a study to a research organisation from Poona to design a monitoring system for the central level with the basic objective of trying to locate the essential data which will match the objectives of DPAP. We are hoping that within a few months we would be able to get a design. If we find this useful, we will take up similar exercises for states and the districts.

I was told by Dr. Albrecht that you may be mounting a mission sometime in early October. We will be happy if you could inform us in advance whether this mission is being mounted at the time mentioned or not.

Regards,

Yours sincerely,

Mr. Dennis J. Parsons,
Chief, General Agricultural Dn;
South Asia Projects Department,
The World Bank, 1818 H Street, N.W.
Washington D.C. 20433, U.S.A.

APR 20 1976

India-Cr526

Aug 4/76

MONITORING PROJECT BENEFITS

INDIA

Ln. 1011-IN
(Chambal CAD Rajasthan)

Covenant:

In Paragraph 7 of The Memorandum of Understanding coming out of negotiations for this credit, GOR agreed to set up a project monitoring group in the CAA.

Status:

An ad hoc group has been set up; but frequent changes in project management have delayed any progress. The group is also expected to report directly to GOR and, so, may soon begin functioning effectively if the management turnover problems can be straightened out.

Cr. 294-IN
(Bihar Ag. Markets)

Covenant in Bihar Agreement:

Section 2.13. Bihar shall, within six months of the date of this Agreement, cause SMB to enter into a contract with an institution acceptable to the Association under terms and conditions satisfactory to the Association, to assist Bihar in carrying out Part C of the Project. Any such contract shall include, inter alia, terms of reference substantially in accordance with the Terms of Reference set forth in the Schedule to this Agreement. (cf. Annex 1.)

Status:

A.N. Sinha Institute of Social Studies was contracted and submitted a first report at the end of 1974. A supervision mission is presently in the field to check further work on evaluation.

Cr. 378-IN
(Mysore Ag. Wholesale Markets)

Covenant in Mysore Agreement:

Section 2.09. Mysore shall, within six months after the Effective Date, cause SMD to enter into a contract with an institution acceptable to the Association, under terms and conditions satisfactory to the Association, to assist Mysore in carrying out Part C of the Project. (cf. Annex 2.)

Status:

GOK has contracted with the Institute of Development Studies, University of Mysore, for execution of the market evaluation studies. Eight (8) markets have been selected, and the pre-investment survey has been completed for five (5). After completing these surveys the Institute initiated a continuous survey of the relevant factors. The quantity of data collected appears adequate, but neither SMD nor the Institute had planned any statistical testing of the data. The existing contract with the Institute does not provide sufficient funds to cover computerizing and analyzing the data statistically. A mission recommended that additional funds be provided by SMD and that the Institute provide both SMD and IDA its revised proposals for completing the study.

Cr. 427-IN
(Calcutta Urban Development)

Covenant in Project Agreement:

Section 3.02. The Authority shall establish an engineering management unit within the Authority to administer a project reporting system based on report formats already established by the Authority, and shall provide the Association with quarterly summaries of physical progress of and financial expenditures under the Project.

Status:

A progress reporting unit was established at the time the credit was made. Its function was to develop and operate an improved system of reporting the progress of project execution. With the reorganization this unit was incorporated in a Programming and Monitoring Cell

Cr. 427-IN
(Calcutta Urban Development)

Status: (Continued...)

reporting to the Works Committee. The Administrative Staff College has worked with the CMDA to develop the improved system which, as recommended by an earlier supervision mission (February, 1974), was to include reporting of physical progress as well as expenditures and was to relate these to previously determined estimates.

The proposed system was not in operation at the time of the recent mission's visit. Furthermore, the existing system did not provide an adequate basis for readily evaluating the progress of IDA disbursements or the prospects of disbursements over the years ahead.

The work of the monitoring Cell and the state of the reporting system should be reviewed during the next supervision mission, and the mission should be prepared to work out with CMDA a separate system of reporting for IDA-assisted projects if that appears to be warranted.

Cr. 456-IN
(Himachal Pradesh Apple Processing)

Covenant in Himachal Pradesh Agreement:

Section 2.05. Himachal Pradesh shall, not later than July 1, 1974, take all necessary steps to enter into an agreement with an institution acceptable to the Association under terms and conditions satisfactory to the Association, to assist Himachal Pradesh in carrying out Part F of the Project. (cf. Annex 3,)

Status:

By the end of 1974 HP had signed an agreement with HP University to carry out the project evaluation study. The head of the project evaluation cell was Dr. Tewari. So far, reorganization of the project has precluded much evaluative work; in the meantime, the group is helping in the organization of the marketing component.

Cr. 502-IN
(Rajasthan Canal CAD)

Covenant:

In paragraph 4 of the Memorandum of Understanding coming out of the negotiations for this credit on May 28, 1974, GOR confirmed that it will set up a project monitoring group in the CAA.

Status:

An independent monitoring unit to measure project benefits has been set up by the CAA and is functioning.

Cr. 526-IN
(Drought Prone Areas)

Covenants in Credit Agreement:

Section 4.01. In order to co-ordinate the execution of the Drought Prone Areas Program, to review the performance of the sub-sectors involved in the Program, to ensure consistency of technical norms with those of other programs, and to advise officials of departments concerned with the execution of the Program, the Borrower shall establish an Inter-departmental Co-ordination Committee, under the chairmanship of the Secretary of the Department concerned with the DPAP.

Section 4.03. The Borrower and the Association shall exchange views through their representatives with regard to the performance of the obligations of the States and the Association under the States Project Agreements and shall promptly inform the performance of the said obligations by the States and the Association.

These Sections refer to paragraph 5.10 in the Appraisal Report:

Central Government Project Evaluation. An important function of the Central DPAP Unit would be the evaluation of project activities to determine if stated objectives were being realized; for example, whether unemployment was being reduced, if agricultural production was increasing and being stabilized, and the numbers and types of farmers benefiting under one program. Operating responsibility for this task would be assigned to the project economist of the Unit. However, much of the actual analysis would be undertaken by institutions

such as agricultural universities or institutes of management. Their involvement would afford an independent perspective on evaluation and would promote an awareness of the needs and techniques of district programs among individuals who might participate in such programs in future. Funds for this purpose would be included in the central allocation under the project. Details of the project evaluation process, including the role of Independent institutions, would be finalized in consultation with IDA.

Status:

The DPAP cell in GOI was fully staffed by the end of 1975. But arrangements for program monitoring are being made too slowly.

Cr. 540-IN
(ARDC Credit)

Covenants in Project Agreement:

Section 2.10. ARC shall establish a system, satisfactory to the Association, of evaluating on a continuous basis the financial and economic benefits of agricultural credit financed under the Project, which shall also be suitable to monitor similar projects financed by the Association through ARC. (cf. Annex ~~4~~)

Status:

ARDC has complied with this covenant; but as the Credit has only recently come effective, the next mission should investigate more closely what further action, if any, the evaluation department needs to take.

Cr. 511-IN
(West Bengal Ag. Development)

Covenants in Project Agreement:

Section 2.03. (b) In order to conduct economic evaluation and feasibility studies included in Part B (ii) of the Project, West Bengal shall employ qualified consultants acceptable to the Association upon terms and conditions satisfactory to the Association.
(cf. Annex 5)

PRSpray:ggb
August 4, 1976

Judis 526

P.L. Sivaram, I.A.S.,
Secretary to Government
of Andhra Pradesh,
Forests & Rural Devt Dept.



Hyderabad

3rd August, 1976

An Wilson

DO Lr No. 3370/DPAPI/76-1

Dear Mr Dennis J. Parsons:

I acknowledge receipt of your letter dated July, 19 1976 addressed to Mr B.C. Gangopadhyay former Secretary Forests & Rural Devt Dept.

I wish to inform you that I have taken over charge from Mr Gangopadhyay on 9th April '76.

I have gone through the report carefully and I am taking action on those points which require action. I will be writing to you shortly on the action taken on the various points.

Yours sincerely,

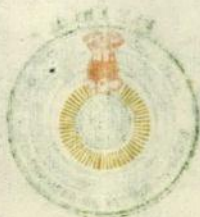
P. Sivaram
3/8

Mr Dennis J. Parsons,
Chief, General Agriculture Division
South Asia Projects Dept.
World Bank, 1818 H Street, N.W.
Washington DC 20433, U.S.A.

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Aug. 3, 1976

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From: New Delhi

India 1273
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India 614 Distribution:

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Mr. Parsons
Mr. Aliebah
Mr. Seth's Ofc.
Mr. Hayes' Ofc.

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MISSION ASSEMBLED HAYES/BILPO IN LADHOWAL. RE DAIRY STOP AT GOI
SUGGESTION POSTPONED NDDA VISIT TO 14TH AUGUST, MET RAJASTHAN
OFFICIALS IN DELHI TODAY AND VISITING BHOPAL TO DISCUSS EXTENSION
TOMORROW. YOUR 841 TO SOME CONFLICTS WITH YOUR 797 RE KARNATAKA
REALLOCATION FOR TRAINING AND EXTENSION. POSITION OF 797 PERMITS
ME TO ASSURE ADEQUATE ARRANGEMENTS FOR LOCAL FINANCING PRIOR TO
AMENDMENT OF DCA. GRATEFUL ADHERE TO 797 POSITION. GRATEFUL
ASK IN SHARMA TO MAIL 10 COPIES EXTENSION REPORT AND COPY YOUR LATEST
LETTER TO KARNATAKA AND MP ABOUT QUARTERLY PROGRESS REPORT TO PC
KONLI, JOINT SECRETARY, MINISTRY OF AGRICULTURE.

RECORDS

SETH

India: 1273-11V
482-11V
614-11V
526-11V

OFFICE MEMORANDUM

TO: Note to files

DATE: August 2, 1976

FROM: Jacques Loup, ASPGA

SUBJECT: INDIA - Drought Prone Areas Project (CR526-IN)

Attached please find the following:

1. Reports on Banking Plans for:

- (i) Bijapur District - Doc #140,509
- (ii) Anantapur District - Doc #131,810 (b)
- (iii) Jodhpur & Nagaur Districts (Rajasthan). This accompanied Sharma (GOI) letter 23(7)/76-DPAP of June 14, 1976. Doc #140,510
- (iv) Ahmednagar and Sholapur Districts (Maharashtra). This accompanied Sharma (GOI) letter 23(2)/76-DPAP of April 21, 1976. Doc #131,811 (c)

2. Tender Papers for construction of Minor Irrigation Tanks in

Ahmednagar - Maharashtra State:

- (i) Ghatshiras, Tal: Pathardi (Agreement No. B-1/1 for 1975/76). Doc #140,514
- (ii) Dhond Paragaon Tal: Jamkhed (Agreement No. B-1/2 for 1974/75). Doc #140,513
- (iii) Sakur, Tal: Sangamner (Agreement No. B-1/3 for 1975/76). Doc #140,512

3. A note on Principles of Planning and Designing of Minor Irrigation

Works and Particular Details for M. I. Scheme, Ghatshiras Tal: Pathardi (Maharashtra State). (Includes the master plan for Ghatshiras)



ALL INDIA CO-ORDINATED RESEARCH PROJECT
FOR DRYLAND AGRICULTURE
(I. C. A. R.)

Dr. Ch. Krishnamoorthy,
Assistant Director General-
cum-Project Director.

2-2-58/60,
Amberpet
HYDERABAD-500013.
500013, INDIA

F.No. 16-24/76,

July 31, 1976.

Dear Dr. Thornley,

Thank you very much for your letter of June 24, 1976 and the observations on the Agro-Economic Studies that we have planned under the Drought Prone Areas Programme financed research project. The note given to you was brief. I am, therefore, elaborating as under the scope and objectives of each of the five projects

1. Farm Structure Studies: As you have rightly said these are broad based studies of the farming systems in vogue in different regions having different Socio-Economic and Agro-Ecological conditions. These are expected to throw sufficient light, among other things, on the (i) availability and allocation of different resources and inter-relationship among them; (ii) relationship between input and output; (iii) farm and off farm employment available to family labour, and (iv) credit needs and availability etc.

This is a core study, in which an attempt is made to understand the farmer and his farming as a whole and the rationale of the farmer doing an operation in a particular manner. The results of this study might suggest modifications in the current agro-biological research efforts to suit the farmers' needs and resources.

2. Economic Analysis of New Farming Practices: This implies analysis of input - output data for only such crops, practices and systems for which dependable technology has been developed for a region.

Field data available from the research centres, it is considered, will not be quite appropriate for drawing conclusions because of small size plot experiments, controlled conditions and very high degree of management. Dependable information can, therefore, be had only from the large plot demonstrations, with the recommended practices on the farmers' fields, conducted by the extension agency as well as the scientists. This study would also indicate the requirements of new technology vis-a-vis the traditional farming.

3. Formulation and Development of Farm Plans: Here, our intention is to develop farm plans, where an individual farm is considered as an entity and most profitable combinations of farm resources, practices and enterprises are worked out for implementation. Such an exercise is aimed at using budgeting technique and taking into consideration the most recent technological improvements. To begin with, we consider it only a pilot study.

I am grateful to your suggestion that we may study the major farming systems in a region with a view to determine (on the basis of long term data) production, costs, price and technology trends so that production practices and enterprises are identified for concerted extension efforts. This we would take up in the next technical meeting/workshop.

4. Studies on the Adoption and Diffusion of New Technology:

This is a study to ascertain where and to what extent the modern technology has been adopted by the farmers and if not, why. For, it is considered that the acceptance of technology by a large number of farmers is more important than the technology itself. Any new technology which cuts across traditions and involves structural changes in the age old farming system is likely to be resisted by the farmers more particularly by the small farmers on various social and economic grounds. In some cases even ignorance may be a cause. The intention is that findings of this study would identify constraints thus help to establish economic motivations needed to accelerate the adoption of the technology besides lifting technical or organisational constraints noticed in the field.

5. Studies on the Efficiency of Production Inputs, Individually and in Combination: The new technology is a combination of non-monetary and monetary inputs (some of them like fertiliser/pesticides being quite expensive). Any decision on the use of monetary input by the farmer would take two things into consideration (i) capacity of the farmer to invest or capital availability and (ii) ability of the input factors to contribute to the production individually and in combination. Since there are different categories of farmers and majority of them are poor, it is felt, that there is a need to gather data on the intensity and efficiency in the use of resources at the farm level. Thus the scope of this study is quite different from the study outlined at No. 2 page No. 1. Here the attempt is to assess the contribution of each individual factor or component of the technology and study No. 2 is aimed at assessing the technology as a whole.

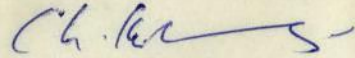
Our experience so far is that with the existing facilities studies No. 1, 2 & 4 would be carried on at most of the centres under the programme. We will have a fresh look in our next meeting when all aspects concerning planning, execution of studies and bottlenecks if any would be considered in detail.

To supplement what I have said above, I am enclosing herewith a copy of the proceedings of First Workshop on Agro-Economic Research in Drought Prone Areas that we organised during March, 1976 to finalise the programme of work.

With best regards,

Encl: as above.

Yours sincerely,



(Ch. Krishnamoorthy)

31-776

Dr. Frank Thornley,
World Bank,
1818 H Street,
N.W. Washington,
D.C. 20433, U.S.A.

PROGRESS REPORT OF WORLD BANK FINANCED AGRO-ECONOMIC
RESEARCH IN DROUGHT PRONE AREAS

1. Staff Appointments:

- i. Co-ordinating Cell: Mr.B.K. Rastogi, Production Economist in the Coordinating Cell, All India Coordinated Research Project for Dryland Agriculture is holding the charge of current duties of the post of Senior Agricultural Economist in addition to his own duties since February 2, 1976, pending the recruitment of Senior Agricultural Economist.
- ii. Co-operating Centres: Out of 16 centres in the Scheme, the Agricultural Economists together with the supporting staff were appointed at 11 centres. However, at three of these centres Kovilpatti, Hebbal (Bangalore) and Bijapur, the Agricultural Economists were subsequently relieved either to pursue higher studies or to take up regular posts. At one centre (Ranchi) Assistant Professor in Agricultural Economics is also functioning as Agricultural Economist (DPAP Scheme) in addition to his duties.

Hence, at 9 locations out of 16 the Agricultural Economists have to be appointed. These include, Jodhpur, Nagaur, Bellary, Hyderabad, Rajkot, Kovilpatti, Hebbal, Bijapur and Ranchi centres.

Respective Vice-chancellors and Directors of the Institutes have been again requested to expedite appointments of Agricultural Economists and the supporting staff (Senior Research Assistant and Field Investigators).

2. Research: At a Workshop meeting held on 8th & 9th March, 1976, programmes of researchwork were developed.

Accordingly following five studies have been designed:

1. Farm Structure Studies: These are broad based studies of the farming systems in different regions having different Socio-Economic and Agro-Ecological conditions. These are expected to throw sufficient light, among other things, on the (i) availability and allocation of resources and inter-relationship among them; (ii) relationship between input and output; (iii) farm and off farm employment available to family labour, and (iv) credit needs and availability etc.

This is a core study in which an attempt is made to understand the farmer and his farming as a whole and the rationale of the farmer doing an operation in a particular manner. The results of this study might suggest modifications in the current agro-biological research efforts geared to meet the farmers' needs and resources.

2. Economic Viability of Recommended Practices: This implies analysis of input - output data for only such crops, practices and systems for which dependable technology has been developed for a region.

Field data available from the research centres, it is considered, will not be quite appropriate for drawing conclusions because of the small size of experimental plots, controlled conditions and very high degree of management. Dependable information can, therefore, be had only from the large plot demonstrations, with the recommended practices on the farmers' fields, conducted by the extension agency as well as the scientists. This study would also indicate the requirements of new technology vis-a-vis the traditional farming.

3. Studies on Farm Planning: Here, our intention is to develop farm plans where an individual farm is considered as an entity and most profitable combinations of farm resources, practices and enterprises are worked out for implementation. This exercise aims at using budgeting technique taking into consideration the most recent technological improvements. To begin with, we consider it only a pilot study.
4. Efficiency of Production Inputs Individually and in Combination: The new technology is a combination of non-monetary and monetary inputs (some of them like fertiliser/pesticides being quite expensive). Any decision on the use of monetary inputs by the farmer would depend on (i) The capacity of the farmer to invest or capital availability, and (ii) The potential of the input factors to contribute to the production individually and in combination. Since there are different categories of farmers and majority of them are poor, there is a need to gather data on the intensity and efficiency in the use of resources at the farm level. Thus the scope of this study is quite different from the study at No. 2 mentioned above. Here the attempt is to assess the contribution of each individual factor or component of the technology while study No. 2 is designed for assessing the technology as a whole.
5. Studies on the Adoption & Diffusion of the Technology: This is a study to ascertain where and to what extent the modern technology has been adopted by the farmers and if not, why? For, it is considered that the acceptance of technology by a large number of farmers is more important than the technology itself. Any new technology which cuts across traditions and involves structural changes in the age old farming systems is likely to be resisted by the farmer, more particularly by the small farmers on various social and economic grounds. In some cases even ignorance may be a cause. The intention is that finding of

this study would identify constraints and help establish economic motivations needed to accelerate the adoption of the technology besides lifting technical or organisational constraints noticed in the field.

However, our experience so far is that with the existing facilities studies No. 1, 2 & 5 would be carried on at most of the centres under the programme. The priorities and programme of work would be considered afresh after gaining the experience when all aspects concerning planning, execution of studies and bottlenecks if any would be considered in detail.

The research work is in progress at 12 out of 16 centres sanctioned under the scheme. In addition to this Indore centre (Indo-British Operational Dry Farming Project) is also cooperating. Details pertaining to the various studies undertaken by each of the centres are given in the statement enclosed.

3. Workshops and Meetings:

1. A Workshop was held on March 8 & 9, 1976 to develop the research studies and place priorities. The Workshop was attended by Agricultural Economists (Research side), Chief Scientists of Dryland Agriculture Projects, Project Executive Officers of Integrated Dryland Agriculture Development Projects, Director (DPAP) and Project Economist (DPAP) Central Cell and the Project Director, Project Coordinator and the other research staff of the Dryland Agriculture Project.
2. A Workers' Meeting is to be organised on October 26, 27 & 28, 1976 to decide upon tabulation, analysis and reporting pattern besides discussing the field problems, with a view to find solutions. In this meeting the Agricultural Economists in position and Senior Research Assistants (where Agricultural Economists are not in position) are invited to participate.
4. Guidance: Mr.B.K. Rastogi, Production Economist, In-charge of Agro-Economic Research (DPAP) visited the following 9 research centres and helped the Agricultural Economists in selection of the villages, selection of the farmers, developing of proformas and offered constructive suggestions for the implementation of programme.

Research Centres

Duration

1. Akola	..	5.5.76 to 7.5.76
2. Indore	..	8.5.76 to 11.5.76
3. Rahuri	..	14.6.76 to 18.6.76
4. Sholapur	..	18.6.76 to 21.6.76
5. Bijapur	..	21.6.76 to 23.6.76
6. Bhubaneswar		6.7.76 to 9.7.76
7. Anantapur	..	20.7.76 to 22.7.76
8. Bangalore	..	22.7.76 to 24.7.76
9. Hissar	..	20.9.76 to 23.9.76

Statement of Studies Undertaken

Centre	<u>*Research studies undertaken during 1976 - 77</u>				
	1	2	3	4	5
1. Kovilpatti	.. ✓	✓	✓	-	✓
2. Bellary	.. -	-	-	-	-
3. Hebbal (Bangalore)	.. ✓	✓	✓	-	✓
4. Anantapur	.. ✓	✓	✓	-	✓
5. Hyderabad	.. ✓	✓	-	-	✓
6. Sholapur	.. ✓	✓	✓	-	✓
7. Akola	.. ✓	✓	✓	✓	✓
8. Jodhpur	.. -	-	-	-	-
9. Rajkot	.. -	-	-	-	-
10. Hissar	.. ✓	✓	✓	-	✓
11. Varanasi	.. ✓	✓	✓	-	✓
12. Ranchi	.. ✓	✓	✓	-	✓
13. Bhubaneswar	.. ✓	✓	-	-	✓
14. Bijapur	.. ✓	✓	✓	-	✓
15. Nagaur	.. -	-	-	-	-
16. Rahuri (Ahmednagar)	.. ✓	✓	✓	-	✓
17. Indore	.. ✓	-	✓	-	-

*S T U D I E S - 1. Farm Structure Studies
 2. Economic Viability of Recommended Practices
 3. Studies on Farm Planning
 4. Efficiency of Inputs Individually and in Combination
 5. Studies on the Adoption & Diffusion of the New Technology

DPAP Crest 526-IN

D.O.NO.DPA.1076/294/ARD-4.



Indicr 526

PLANNING DEPARTMENT
MAHARASHTRA

Sachivalaya, Bombay-32-BR.

V. Subramanian.

Special Secretary to Government
& Addl. Development Commissioner.

31st July 1976.

Mr. Wilson
File

Mr. Wilson

Dear Mr. Parsons,

Re see 19 July letter is followed up.

I thank you for your letter of the 19th July 1976

N 8/12

in which you have discussed at length various suggestions arising from the review of the progress of the DPAP in Sholapur and Ahmednagar districts. I am happy that the team which was sent by the State Government to New Delhi to discuss this question was useful. As you perhaps know I was on leave during that period, otherwise as usual I would have also attended the discussions.

I shall write to you in detail about the various suggestions made in your letter because it would be necessary for me to consult some of my departmental colleagues with a view to seeing how far the suggestions are practical and what we can do for implementing them expeditiously.

With regards,

Yours sincerely,

V. Subramanian

(V. Subramanian.)

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MAHARASHTRA GOVT.

P.T.O.

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(A. Supplement)

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Yours sincerely,

With regards,

expectantly,

are practical and what we can do for implementing these
colleagues with a view to seeing how far the suggestions
necessitate for me to consult some of my departmental
suggestions made in your letter because it would be
I shall write to you in detail about the various
discussions.

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the team which was sent by the State Government to
in sporadic and immediate districts. I am happy that
arising from the review of the progress of the DPA
in which you have discussed at length various suggestions
I thank you for your letter of the 12th July 1976.

U.S.A.
1818 H Street, N.W. Washington, DC 20433
South Asia Projects Department.
Chief General Agriculture Division,
Mr. Dennis J. Parsons,

Dear Mr. Parsons,

Development Commission
Secretary to Government
Ministers, V.
Liaison



[Handwritten signature]

21st July 1976.

Ministry of Agriculture
Government of India

D.O. No. DPA/20433/1976

OFFICE MEMORANDUM

TO: Mr. Peter G. Nelson

DATE: July 30, 1976

FROM: P. Bagai

SUBJECT: India - DPAP Project

I have received the following message for you from
Mr. Arvind Pande, Deputy Secretary, Dept. of Economic Affairs:

"Reference your letter of 29th April regarding
establishment of Farmers Service Societies. Three
Farmers Service Societies in Project Districts of
Rajasthan have been set up. Fourth expected to be
set up by July 31, 1976 as required under Section 3.04(a)
of the Project agreement."



सत्यमेव जयते

✓ India-Credit 526

India IPAP IN526

D.O.No.PA/WBC/IPAP/RD/76

कृषि और सिंचाई मंत्रालय

ग्राम विकास विभाग

कृषि भवन, नई दिल्ली-110001

दिनांक

197

MINISTRY OF AGRICULTURE & IRRIGATION

DEPARTMENT OF RURAL DEVELOPMENT

KRISHI BHAVAN, NEW DELHI-110001.

Dated

July 30, 1976.

Dear Frank,

*— attached
slides*

I have enclosed six ~~dias~~ slides showing the water drilling in Nagaur district. Rather than sending the slides back to Australia for making prints I would pass them on to you and you could select the ones of which you want a copy for yourself. Please return them in due time.

In case you have not received a copy of my notes on pasture and sheep development in connection with the Review Mission through our IPAP Section, I have enclosed a further copy for your record.

I have been very busy with field trips and discussions with State Departments in Gujarat, Karnataka and will be off to Maharashtra and Bijapur in the next two weeks for finalising our possible sites for pasture and sheep development.

Best regards,

Yours sincerely,

Raf

(R.W. ALBRECHT)

World Bank Adviser (IPAP)

Mr. Frank Thornley,
World Bank
Washington DC (USA)

*76
Mr. Long/Wilson
Thornley o/v*

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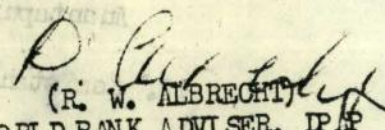
No.23(7)/76-IPAP
Government of India
Ministry of Agriculture & Irrigation
(Department of Rural Development)

Krishi Bhavan,
New Delhi-1, July 15, 1976

Subject: PASTURE AND SHEEP DEVELOPMENT IN WORLD BANK DISTRICTS
(Report by World Bank Review Mission, 17th
to 29th May, 1976).

During the visit of the Review Mission in May 1976 the districts of Jodhpur, Nagaur and Anantapur were visited and field projects inspected. Final discussions in Delhi included an assessment of the work in the remaining World Bank districts of Ahmednagar, Solapur and Bijapur.

The major points which were discussed and which require action to be taken at the State Government or Project Director's level are summarised hereunder. Not all points are relevant to all districts but they may, nevertheless, be of interest to each Project Director and IPAP State Government officials.


(R. W. ALBRECHT)
WORLD BANK ADVISER, IPAP

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20. Mr. A.C. Robinson, ^{Sr.} Pasture Agronomist, Pasture Development
Research Programme, All India Coordinated Research Project
for Dryland Agriculture (ICAR) 2-2-58/60 Amberpet, Hyderabad.

A. PASTURE ESTABLISHMENT

1. Watershed Planning:

The pasture development programme within DPAP should be fitted in a general plan for overall watershed development. At the initial stage only broad surveys on land capability classes together with some details on soil types is needed for pasture establishment projects. In general, too much detailed work has gone into initial watershed surveys. This seems to be a waste of time as the detailed technical information presented is not immediately needed for pasture establishment.

The main information needed at the planning and early implementation stage is -

- (a) Land capability classes (a broad outline only)
- (b) present land ownership; and
- (c) present land use pattern.

This information can be supplemented by basic soil information such as broad descriptions of individual soil types and their textures. There is no need at the early stage to give undue emphasis to chemical soil analysis P^H determinations and other detailed soil analytical data.

The main aim which should be kept in mind for pasture establishment work is simply a decision on the general suitability of the type and class of land together with a broad topographic survey.

Regarding topographic surveys it was found again too much detail is attempted in the field. There is certainly no need to draw first detailed maps showing contour lines of the proposed pasture sites. A much more practical approach would be to mark the contour lines directly on the ground immediately following the survey in the field.

2. Selection of Pasture Development Blocks

In the three Deccan plateau districts of Ahmednagar, Sholapur and Bijapur difficulties were experienced to find sufficient land suitable for pasture development within the watersheds originally selected for development. In these cases where there is a genuine shortage of land acceptable for technically sound pasture improvement, land outside these watersheds should be taken up in order to fulfil the targets. These matters should be finalised during the forthcoming 1976 monsoon period.

3. Soil Conservation Works

In many cases of the proposed pasture development a certain amount of soil conservation measures must be incorporated. Usually the selected sites for pasture development are degraded lands in need of additional protective measures. Without soil conservation works such as absorption banks, absorption trenches, gully checks, diversion banks etc. etc. the pasture development work could not be safely undertaken.

4. Fencing

The matter of what type of fence should or could be used in the pasture development programme has been thoroughly discussed from every aspect during recent months. The basic concept of the pasture improvement programme is that any type of fence is acceptable as long as it serves the purpose for which it is intended.

A fence which is normally recommended for our pasture development plots is of the barbed and plain wire type supported by angle iron posts. However, there is no reason why other types of fences cannot be satisfactorily used in certain localities. These are the conventional ditch-cum-mound type supported by thorny hedges or live plants or stone wall fencing has been successfully adopted in the Anantapur district and in parts of Jodhpur. If suitable rocky material is within easy reach of approximately 300 m of the site, this type of fence is recommended. Alternatively, any combination or part-combination of these types can be adopted.

The main considerations in selecting a suitable type of fence are -

- (a) suitability of soil texture for ditch fencing
- (b) availability of materials
- (c) availability of labour
- (d) sufficient finances.

From field inspections it appeared existing wire fences have to be reinforced. In particular corner and gate posts have to be supported by stronger and longer stays. The use of threaded eye bolts for wire straining may not be altogether satisfactory. These eye-bolts will not give sufficient length for taking up slack wires.

5. Pasture Establishment Techniques

The size of pasture furrows will depend mainly on the topography and, to a lesser extent, on the soil texture of the selected site. The recommended technique in the Appraisal Report

is a system of contour furrows which will collect run-off and store water in the soil at selected sites through suitable structural improvements.

There is scope for refining the techniques in actual lay-out of pasture furrows. Whilst pasture furrows can be dug by hand, considerable cost savings are achieved by the use of a tractor or bullock ploughing. A mistake which has still been widely observed was to make pasture furrows too long or they were designed as a continuous furrow. Another mistake frequently observed was too much deviation from the contour.

Seeding rates used last year were rather on the heavy side. This could be due to inaccurate calculation of the actual areas sown and therefore of an application of heavier seeding rates than originally intended.

On practically level land no contour furrows are needed. Under these conditions pasture improvement can be implemented under a system of closer row sowings similarly as is being done for field crops. Alternatively, a system of spiral or checker board furrows can be tried out on level land. The main aim of such a system is to trap water anywhere within the furrows thereby improving soil moisture relationships for the benefit of increased herbage production. An added advantage of a spiral system is that no surveying is needed in the field. In areas inspected in the Jodhpur and Nagaur districts these techniques should be tried.

6. Tree Planting

In the original plans no provision was made for tree plantings within our pasture development programme in Rajasthan. According to local research work at the CAZRI in Jodhpur tree planting should be part and parcel of pasture and rangeland development. Approximately 25 to 35 trees per ha should be aimed for.

Management difficulties can be experienced if trees are planted spread all over the pasture development plots. Field discussions in the various districts pointed out it may be an advantage to plant trees in smaller selected areas scattered within the 100 ha pasture development blocks. Such individual plantings could be more easily managed and could be better protected from being grazed during the early years following establishment.

It is emphasised that in the drier districts of Nagaur and Jodhpur some kind of mini-water catchments should be provided for tree planting. It is not sufficient just to plant a tree, keeping it regularly watered for two years and replace any dying trees thereafter. The basic principle of water harvesting is equally applicable to tree planting as it is to pasture establishment.

7. Thinning of Trees

Repeated emphasis has been given to the need of timely thinning out of young seedlings of fodder trees sown within the pasture development blocks. The earlier such a thinning is carried out, the better are the chances of survival of trees in average or below average rainfall years. The Mission noted that this required thinning out of sown tree species has not yet been practiced in some districts or it is carried out too late.

8. Seed Increase

It was noted seed increase plots have been established in the various districts or plans are well in hand for the establishment of seed multiplication farms. These efforts are very commendable.

Seed increase should be intensified wherever and whenever possible as in due time all DPAP districts must become completely self-sufficient in seed supplies. The main pasture species to be seed increased are the various Cenchrus species but native grasses and, to a limited extent, native legumes should also be incorporated in an intensified seed multiplication scheme.

9. Supervision of Field Work

In various districts the Mission noted pasture establishment work was carried out in a somewhat haphazard manner or not according to the agreed techniques. The Mission felt this is in no small way due to lack of supervision of field workers during the implementation stage. It is very essential that lower grade field officers and labourers are clearly instructed and receive sufficient supervision in order to carry out the programme in agreement with accepted recommendations.

10. Combined Pasture and Field Crop Development

The Mission noted with interest a suggestion made in the Nagaur district to use pastures and field crops in combination. In this case it was planned to have strips of pastures (Cenchrus spp.) established with alternative strips of field crops such as pulses or bajra. In order to make predominantly crop-minded farmers more agreeable to incorporate pastures in their cropping programme, such a combination as was suggested in Nagaur could also be tried in other districts. A mixed pasture and field crop development programme could be a forerunner in our scheme for developing pastures on private farming lands.

B. SHEEP DEVELOPMENT

1. Formation of Sheep Farmers' Societies

The formation of sheep farmers' societies should be synchronised with other field development work. It was noted some societies were founded almost two years ago but little development has since occurred. In these cases it is difficult to keep the interest of sheep farmers alive. It is necessary to plan for simultaneous development i.e. pasture development should follow the formation of these societies within the shortest possible time.

2. Appointment of Unit Managers

Unit Managers are to be in charge of three pasture development blocks. In many instances these unit managers have not yet been appointed. State Governments should do their utmost to speed up the appointments of unit managers in the interest of a rapid and complete development of the sheep and pasture programme.

Opinions varied as to whether unit managers should be supplied by the Animal Husbandry or by the Forestry Department. From a practical point of view staff of the Animal Husbandry Departments should be appointed.

3. Water Supply for Livestock

The Mission noted in some cases the provision of drinking water for sheep near or within the pasture development plots has not yet been adequately planned. Spearhead Team leaders should concentrate on finalising the plans for water supply for livestock and implement stock water supply schemes without further delay in those districts where sheep grazing is about to commence.

Supplies of drinking water for livestock could come from either tubewells, surface water tanks or tankas. In the latter case more accurate run-off calculations are needed to safeguard an adequate supply in the storage tanks. Field officers responsible for planning water supplies should obtain run-off data from their nearest research station and consult the local engineer in the Spearhead Team for more accurate calculations on water harvesting and storage possibilities.

4. Sheep Grazing

The Mission noted with interest that sheep grazing in the Anantapur district had commenced. Plans are also well under way for sheep grazing to commence later during the monsoon in the Nagaur district.

The question came up when sheep grazing should commence. In many cases, especially in the Anantapur district, sheep development plots have been protected for a number of years. Whilst this

serves basically the purpose of a rapid and thorough revegetation of the areas concerned, it may not be in the best interest in improving pasture quality. Rank pasture growth which has accumulated for several years, will suppress fresh pasture growth early in the monsoon season. For this reason a heavy grazing prior to the commencement of the monsoon, is recommended.

Follow-up grazing during the monsoon and during the remaining dry season should be based on the principle of "proper use". Information on correct grazing management has recently been circulated to all IPAP districts.

Regarding grazing techniques it is necessary to adopt some type of rotational grazing system. This will require internal fencing within the 100 ha pasture plots. The possible use of electric fencing for this purpose should not be ruled out.

In view of the long dry season some type of fodder conservation is a must in the sheep development programme. Hay making appears to be the best solution and suitable areas should be selected within the pasture blocks for hay making during the mid to late monsoon season.

5. Sheep Shelters

In some IPAP districts difficulties were experienced with sheep farmers who were initially reluctant to leave sheep overnight in the pasture development blocks. The Mission noticed in the case of Anantapur temporary sheep shelters had been established near the grazing areas and that this arrangement proved acceptable to farmers who were earlier rather reluctant to leave sheep away from villages overnight.

The example of Anantapur could be successfully copied in other districts. As a general rule sheep should not have to walk more than approx. 2-3 km from their usual grazing grounds to shelters and watering places.

6. Marketing Aspects

After the establishment of sheep farmers' co-operative societies has been completed in several districts, it will now be necessary to investigate and take advance action for marketing of wool and lambs. The Mission noted this aspect has not yet been fully understood by Spearhead Teams. It should be noted under the society by-laws a provision exists for payment of fixed amounts to each shareholder. Funds for these pay-outs will be raised through proper and organized sales of produce.

C. PROJECT EVALUATION & ADMINISTRATION

1. Cost Calculations

The Mission noted that costs for development activities within the pasture and sheep programme varied from district to district. In some cases records kept for cost calculations were somewhat difficult to analyse. It is suggested Project Directors assisted by Project Economists, should make a specific effort to bring all cost calculations for the various activities up to date. It was noticed in one particular case costs for a 100 ha pasture development plot were calculated on the basis that only 60 ha of pastures were actually developed. Obviously in this case costs are greatly deflated. In view of the need for overall cost savings and diversion of funds from one particular activity to other development activities, it is necessary to keep accurate records and obtain a clear picture on actual costs incurred. These should be clearly differentiated in material and labour components.

2. Project Monitoring

The Mission noticed that monitoring of progress with various activities in the pasture development programme, but also in other programmes, has not yet commenced on a full scale. Project Economists should, therefore, give immediate attention to this aspect and commence collecting and analysing field data from the various activities. Without accurate monitoring of our IPAP activities it is not possible to make a final economic assessment of the various components and it is difficult to assess progress achieved from year to year.

3. Continuity of Staff

It came to the Mission's notice that technical field staff responsible for implementing the various project activities - and this includes other than pasture and sheep development - are transferred somewhat too frequently. State Governments should recognize the need and importance for IPAP staff to stay in their respective positions as long as possible in the interest of a speedy and efficient execution of all programmes. Continuity of staff during anyone project is essential for achieving a long term impact, for fostering a team spirit and for the moral of the team.

D. EXPERIMENTAL WORK NEEDED

During field inspections the Mission confirmed that it is necessary for each district team to conduct their own small scale experimental work in order to refine pasture establishment techniques and to guide sound long term development plans.

Particular fields where experimental work is needed are -

1. Pasture Production Estimates

In a recent training note issued to all IPAP districts this subject was thoroughly discussed. Collection of field data should now be implemented without any further delay. If we lack production data, we cannot accurately determine stock carrying capacities of the pastures.

2. Fertilizer Evaluations

Again, in a recent training note this subject has been dealt with. It is necessary to do our own evaluations in the field as suggested in the training note. In the absence of reliable information on the use of phosphatic and, perhaps nitrogenous fertilizers, no general recommendation for fertilizer use in the pasture development programme can be made.

Spearhead Team leaders should make immediate arrangements to initiate the small scale field testing programme as suggested.

3. Sowing Techniques

There is scope for exploring different techniques of sowing of pasture species in the field. Particular aspects which should be further explored are: Thinning of pasture and tree species early during the growth stage; use of one or two rows of species on each pasture furrow; various shapes and dimensions of pasture furrows or pasture trenches; and the spacing between furrows or pasture trenches.

Whilst a general working knowledge exists how to go about with pasture establishment, field officers should aim for refinement of the techniques in due course. This can only be achieved by conducting small scale experimental work right in the field.

The newly appointed IPAP Pasture Research Agronomist, now stationed at Hyderabad, and his team of pasture agronomists will closely co-operate in this proposed field experimental work covering all World Bank districts.



Balakhany

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Cables : Balakhany Salisbury Wilts

Our ref : BB/D1

10th August, 1976

The World Bank,
1818 'H' Street
N.W. Washington D.C.
U.S.A.

Dear Sirs,

We understand that the State Government of Uttar Pradesh in India, is planning to carry out, with the financial assistance of your organisation, a land irrigation programme in the drought areas, and supplement existing water supplies with the construction of 30.000 tubewells, for agricultural purposes.

For nearly thirty years our Company has executed and successfully completed similar tubewell-drilling contracts in Africa, where the geological conditions are similar to those in the State of Uttar Pradesh. We take the liberty of writing to you to enquire, therefore, about this irrigation scheme and more particularly about the sinking of 30.000 tubewells in that State, and we would be most grateful if you would send us any relevant information or advice related to this scheme.

Hoping to hear from you soon, and thanking you in anticipation for your kind assistance.

Yours faithfully,
BALAKHANY (OVERSEAS) LIMITED

B. Barbic
B. Barbic
Projects Manager

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13 AUG 1976
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July 29, 1976

Mr. J. P. Sharma
IPAP
Under Secretary to the Government of India
Ministry of Agriculture and Irrigation
Department of Rural Development
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Sharma:

We have now had the time to review the four banking plans for the six IPAP districts under the IDA project and I would like to share with you our impressions. I think the best way to do so is to present our thinking on these plans successively for each State. I would like, however, to start with some general comments which, I think, are applicable to the four State plans.

I first have to emphasize that we have been favorably impressed by the quality of the plans. They give a comprehensive picture of the institutional credit in each district, and, more importantly, make valuable suggestions to improve the flow of credit to DPAP activities. This, we think, is the main purpose of the banking plans. District-wide estimates of credit requirements are certainly useful, but we should not let this aspect of the plans overshadow their operational aspect, namely the proposals to improve the credit situation.

In this respect, I note that a detailed timetable has not been drawn up for the implementation of the recommendations of these banking plans. As you well know, there has in the past been many instances of excellent recommendations, made by Center or State Committees, which have not been followed through. Institutional credit is not an exception. The four banking plans often endorse past recommendations of the Agricultural Credit Studies by the Reserve Bank of India; but the reason these recommendations still remain valid is that no action has been taken to implement them. To avoid this, I would thus propose that DPAP authorities, at the State and district levels, draw up a detailed timetable for implementing the recommendations of the banking plans.

I would now like to turn to more specific points concerning each of the four State plans.

July 29, 1976

Maharashtra

For command area development, the proposal of the banking plan is to have the works executed by the Maharashtra Land Development Corporation (MLDC) and their financing ensured by various existing credit institutions. It is proposed that loans would be extended by those credit institutions to MLDC which, in turn, will recover the investment cost from the farmers over a ten or fifteen year period. This triangular arrangement appears unduly complicated, since, in fact, MLDC passes on the credit it receives from the credit institution to the farmers. MLDC, however, bears the totality of the risk of a possible default on the part of the farmers, while the credit institutions do not seem to take any risk since GOM would guarantee the repayment of their loans to MLDC. Since it is proposed that the credit institutions appraise the farmers repaying capacity and collect their repayments on behalf of MLDC, the credit institutions would have to execute all the tasks involved in loan processing and administering. Only the risk would be left with another agency, i.e. MLDC, whose normal function is not to be a banking institution. It appears thus simpler and more logical to leave to the credit institutions all the aspects of lending, including the taking of risk, and have them lend directly to the farmers instead of MLDC. Such an arrangement could well be compatible with a possible direct payment of the amount of the loan by the credit institutions to MLDC.

We were disappointed not to find the distribution of the primary cooperatives among the various DPAP watersheds in the banking plan. Such a survey appears a prerequisite to any appraisal of the cooperative system's capacity to service the needs of DPAP and, as such, should have been an important step in a banking plan. Only when these primary cooperatives have been identified and their financial situation ascertained will it be possible to determine whether they can service the farmers of the area and whether a take-over from commercial banks is both desirable and feasible. I would therefore suggest that this survey be carried out as a matter of priority.

Rajasthan

Various recommendations of studies by the Reserve Bank of India, the Agricultural Refinance and Development Corporation and the Rajasthan Government on the cooperative system are listed in the banking plan, but only in passing and without further elaboration. Several of these recommendations appear excellent and certainly it would have been worth studying their applicability in the cases of Jodhpur and Nagaur districts. It is somewhat disappointing therefore that the report only states that "some of (these) recommendations are likely to be adopted". I would urge that the relevance of each of them be carefully ascertained and action be taken in consequence.

July 29, 1976

The banking plan does not give much attention to the possibility of having primary cooperatives taken over by commercial banks, this possibility is only mentioned briefly. Eventhough such a takeover is certainly not a panacea, it has apparently brought about some improvement of the credit situation in other states and may be worth further study in our two districts.

Finally, it is stated that the distribution of the villages among the commercial banks has not been done in the banking plan, because it was felt that this would be more appropriately done by the District Credit Co-ordination Committees (DCCCs). I would have thought that this would have been handled by both the banking plans team and the DCCCs in the course of the preparation of this plan. I hope, at any rate, that such a distribution will now be worked out as a priority item.

Andhra Pradesh

The cooperative credit structure appears particularly weak in this State and its improvement should receive the first priority. The banking plans makes several good suggestions to this effect, but it is very disappointing to see that most of these had already been made by previous studies and had not been implemented. A case in point is the reorganization of the primary cooperatives: as the banking plan points out, hardly any progress has been made on the proposed program of amalgamation, merger or liquidation. We would thus strongly urge that a timetable be drawn up for such a program and vigorous steps be taken for its execution.

In the same vein, we are also concerned that the Government of Andhra Pradesh has not yet enacted the draft legislation proposed by the Talwar Committee for encouraging the agricultural activities of the commercial banks. It appears to us that, in this State, the problem may be not so much to devise a strategy for the credit institutions than to implement previous recommendations that have remained unheeded.

Karnataka

I have few comments on the banking plan for this State. We fully agree with the recommendations made for improving the credit situation, in particular the proposal to draw up a timetable for their execution. The Banking plan, however, requests that IDA modifies its present policy on various issues related to credit. The first is IDA's position on reimbursement of loans to farmers benefitting from subsidies under SFDA/MFAL. The second concerns the recovery performance of State and District Cooperatives required for eligibility to ARDC refinancing under the ARDC line of credit.

Mr. J. P. Sharma

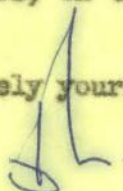
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July 29, 1976

The third is related to the ceiling on loans from ARDC to State Co-operatives under the same line of credit. As you well understand, these three points raise general policy questions, which have to be discussed in a countrywide context of the whole country and not on a case by case basis. We would thus propose that these questions be left for discussion with ARDC by the IDA mission, which will appraise the proposed second ARDC line of credit. Since this mission is scheduled before the end of this year, we should be able to resolve these issues expeditiously.

I have taken the liberty of sending copies of this letter to the four State Governments for their information. I would be very grateful if you could let me have your comments, and theirs, on the various issues discussed in my letter.

Sincerely yours,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. V. Subramanian, Government of Maharashtra
Mr. Bhanot, Government of Rajasthan
Mr. Rupla Naik, Government of Karnataka
Mr. Gangopadhyay, Government of Andhra Pradesh

cc and cleared: Mr. Upadhyay
cc: Mr. Rowe (NDO)
Mr. Headworth — clear
Mr. Veraart

JLoup:pt

July 29, 1976

Mr. D. Aurora
Director
Drought Prone Area Program
Ministry of Agriculture & Irrigation
Department of Rural Development
Krishi Bhavan
New Delhi-110001
India

INDIA - Drought Prone Areas Project (CR526-IN)
Your letter D.C. No. 23(2)/76-DPAP

Dear Mr. Aurora:

We have now had the time to review the masterplan for a minor irrigation scheme at Ghatshiras and the tender documents for two other schemes at Dhond Pargaon and Sakur in Ahmednagar district. Unfortunately we received these documents after the construction had been started. In fact, they were received accompanied by reimbursement claims for the works already executed. The action taken is in direct contravention to the Project Agreement between the Government of Maharashtra and IDA which provides that, for each district, one masterplan must be submitted to IDA before starting construction of the first tank.

We have serious difficulties with this masterplan. You will find, appended to this letter, a list of various comments concerning technical aspects of the project. I would like, however, to deal here only with the main weakness of this masterplan as I see it, namely, the absence of any proposal for command area development.

You will remember that the main purpose of this masterplan, as envisaged in our appraisal report (Annex 5, Para 21) and repeatedly discussed by our successive missions with the project participants, is to bring about a development of the command area, carefully prepared ahead of time and phased in step with the construction of the tank. We are thus especially disappointed by this particular shortcoming of the masterplan. I fully agree with the directive you gave the project authorities for preparing a proposal for command area development, as explained in your letter to me. I think that, in the interest of the project, it will now be preferable to wait until this masterplan has been suitably modified to incorporate your comments and ours before reimbursing the expenditures incurred so far and I therefore return your Withdrawal Application No. 15 herewith.

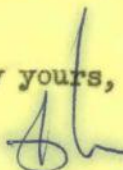
Mr. D. Aurora

-2-

July 29, 1976

I append to my letter a list of other comments concerning various aspects of the masterplan. Since the works have already started, it may now be too late for incorporating them, particularly those concerning various engineering or design aspects. We can only regret that we did not receive the plan in time for our comments to be taken into account. Also appended to my letter, you will find a copy of an outline for a masterplan. This outline was already appended to my July 16 letter to Mr. Naidu; you may find it useful as a guidance for modifying this masterplan and preparing others.

Sincerely yours,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

Attachments

cc: Mr. Arvind Pande, Deputy Director, Dept. of Economic Affairs
Ministry of Finance, Government of India

cc: and cleared: Messrs. Kanchanalak
J. P. Upadhyay
Awunyo
von Busse

cc: Mrs. Robbin o/r
Mr. Rowe (NID)
Mr. Thornley
Mr. Veraart

JLoup:pt

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

Comments on the Masterplan for a Minor Irrigation Tank at Ghatshiras
Ahmednagar District (Maharashtra)

Engineering

1. The estimated runoff yield (obtained by Strange's Tables) appears questionable. It should possibly be checked with the actual rainfall-runoff correlation. (See Appraisal Report Annex 5, Para 18.)
2. The maximum design flood for spillway based on Inglis Formula should be checked by the unit hydrograph technique.
3. The estimate of siltation in the tank is based on a coefficient of 0.35 ac ft/mi² of catchment. This coefficient should be verified by actual observations of similar situations.

Design

4. In calculating the tank storage capacity, it has been assumed without supporting evidence that, during kharif, 80% of water requirement would be met by direct river flow and 20% by release from storage. This assumption should be verified and substantiated by existing data.
5. It has been assumed that the whole silt pocket would be situated in the dead storage. It appears likely, however, that a bigger quantity of silt will accumulate in the live storage. This should be taken into account when determining the storage capacity.
6. In designing the tank spillway, the size should be determined on the basis of a 50-year flood at least, and possibly more depending on the size of the tank and the extent of the potential damage to be incurred.
7. The duties of irrigation water used are not supported by any data. This duty should be established on the basis of the expected crop water requirements, the effective rainfall, the seepage losses through the soils of the command areas and the expected efficiency of the distribution system.
8. There is no reservoir operation study in the masterplan. Such a study should be made using the computed water requirements and the river inflow data over the last ten years. Only so, would it be possible to establish whether the tank will have the capacity to serve the proposed command area.

Command Area Development

9. This question is not treated at all. There is no data on soil and water quality nor on existing and proposed crop production. Only the dam and the main canals are presented in the masterplan and the attached maps.

Economic Justification

10. The only criterion used in the economic justification is the cost per million cubic feet of water stored in the tank (to which an upper limit of Rs 40,000 is imposed). This is obviously totally unsatisfactory since it does not take account of the acreage of the command area, the cropping pattern and the expected increase in yields. Also it is not clear whether this unit cost takes account the cost of command area development.

11. The only possible methodology for economic justification is, after the completion of a plan for command area development, to compare total cost and incremental benefits of the project by the method of the discounted cash flow or economic rate of return.

INDIADROUGHT PRONE AREAS PROJECT (526-IN)General Outline of Proposed Minor Tank Irrigation Project Report

1. An outline of the proposed tank irrigation project report is given as a guideline. Much of the information required to be reported is of the type GOI will be recording for its own internal use. The report should consist of five sections dealing briefly with I - Project Area, II - The Project, III - Organization and Management, IV - Agricultural Production, and V - Benefits and Justification.

Project Area

2. Present a brief description of the project's location and sizes both irrigated and submerged, climate, existing conditions - size of farm units, land tenure, agricultural activities both in the area to be submerged by the reservoir and that to be irrigated - and major constraints on agricultural development to be corrected by the project.

The Project

3. This section is designed to report on the adequacy of the technical aspect of this project. The report should describe briefly the following:

- (i) The project main features and project work;
- (ii) The project hydrology including the assessment of the water demand, adequacies of the project water supply and its quality, assessment of the spillway design flood and in particular, the reliability of the hydrologic basic data used;
- (iii) Status of engineering designs (preliminary or final) and adequacy of the engineering investigations;
- (iv) The project soils and crops and adequacy of land classification;
- (v) The project cost estimates including operation and maintenance; and

- (vi) The schedule of construction and expenses not only for the civil work but also for the command area development component.

4. The project data should also be illustrated as shown in Attachment 1, which is self-explanatory. The report should present project maps of suitable scales:

- (i) showing the catchment, proposed reservoir area, damsite and the irrigated area (preferable 1:50,000 scale); and
- (ii) showing distribution system and Command Area Development (preferable 1:5,000 - 10,000 scale).

In addition, the Command Area Development plan - which includes water courses, farm channels, land leveling, farm bunds, drains and farm roads - should be illustrated diagrammatically as shown, for example, in Attachment 2.

Organization and Management

5. Briefly describe the proposals for the project authorities to be in charge of engineering works and agricultural development, and their capabilities. It should also mention the existing and proposed arrangements for extension, credit, marketing and any other features such as land consolidation, relocation of the people in the area to be submerged, roads, etc. A description of operation and maintenance proposals and water charge policy should also be included under this section.

Agriculture

6. Describe, quantitatively the without and with project farm systems - use model farm budgets. Give crop areas, cropping intensity, yields, and input requirements. (See appraisal report for examples.)

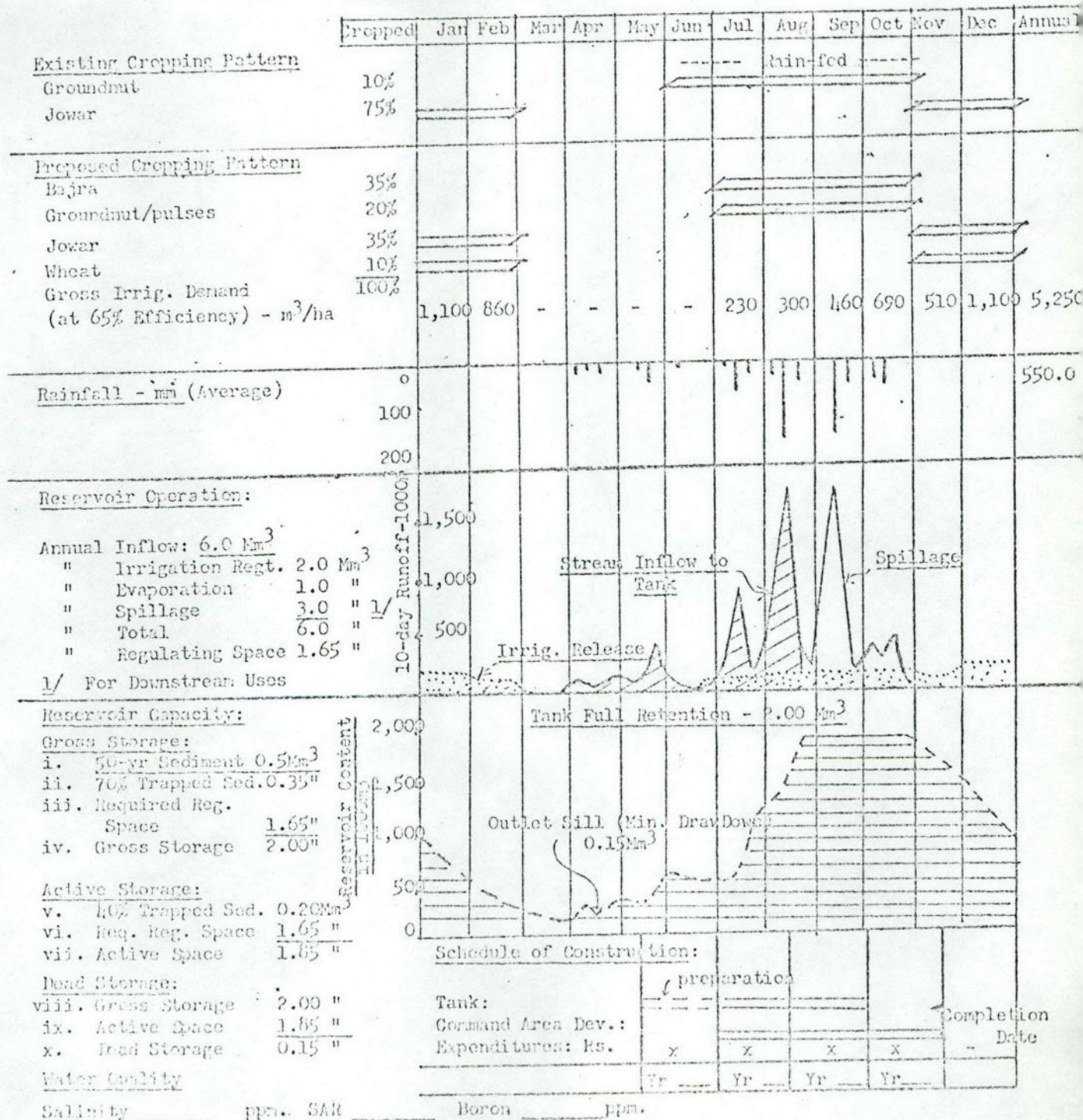
Benefits and Justification

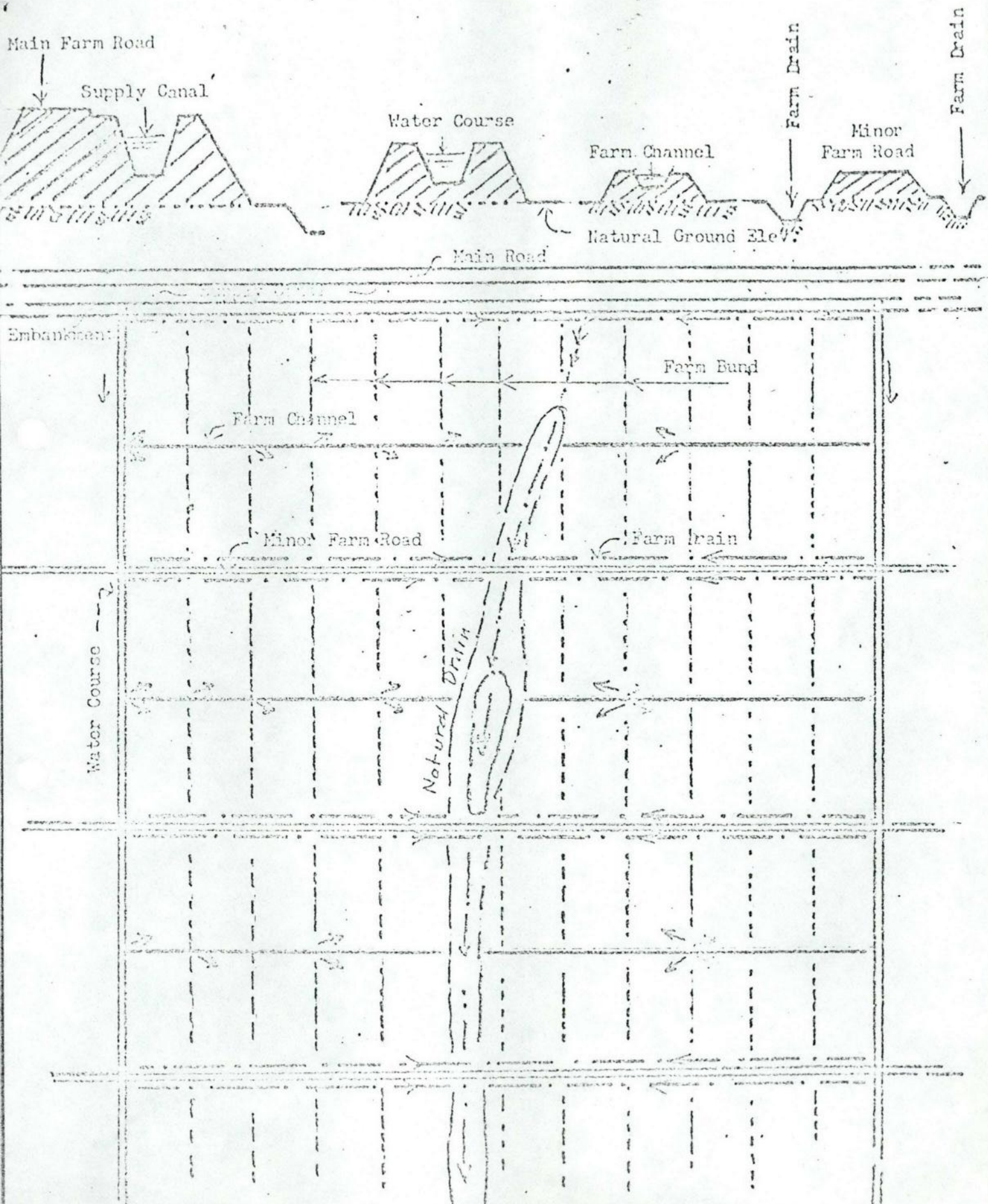
7. Show farm level profitability - use the model farm budgets and apply the appropriate taxes, levies, O & M charges and loan repayments.

8. Demonstrate project economic justification. In addition to standard Government methods calculate the internal rate of return. Guidance will be found in the appraisal report.

INDIA - DROUGHT PRONE AREA PROJECT
ILLUSTRATION OF PROJECT DATA FOR MINOR TANK SCHEME

Name of Scheme: xxx Serving: 400 ha (net)
Location: District xxx Stream xxx Catchment 75 km²





NOTE: The Diagram to be presented in the project report should be drawn according to a suitable scale and the necessary dimensions should be specified.



ASIA FILES

INDIA - Drought Prone Areas

D.O. No.23(1)/76-DPAP

J.P. SHARMA
DEPUTY SECRETARY

Project
526-114

India Credit 526

सचिव
कृषि और सिंचाई मंत्रालय
ग्राम विकास विभाग
कृषि भवन, नई दिल्ली-१

~~XXXXXXXXXX~~
Ministry of Agriculture & Irrigation
Department of Rural Development
Krishi Bhawan

New Delhi-1 July 27,
28,

1976..

Dear Mr. Parsons,

Kindly refer to the comments of the IDA in their letter dated 24th February, 1976 to Mr. B.C. Gangopadhyaya, Secretary, Forest and Rural Development Department, Hyderabad on the proposal for sericulture development in Anantapur district under the credit agreement for DPAP. Considering the suggestions made by the IDA on the excessive public outlay on the programme, the State Government has since revised the project outlay and submitted a revised Master plan. I am enclosing a copy of the revised Master Plan for consideration of the Association. It is hoped that the suggestions made by the IDA in their letter dated the 24th February, 1976 have been met in the revised Master Plan for agriculture development. Concurrence of IDA for including sericulture development in Anantapur project may please be given early.

*not attached
with regards*

Yours sincerely,

(J.P. SHARMA)

Mr. D.J. Parson,
Chief General Agriculture Division,
South-Asia Project Department,
IDA, 1818, H. Street,
N.W. Washington D.C.-20433,
U.S.A.

RECEIVED
JUL 28 1976
MINISTRY OF AGRICULTURE
DEPARTMENT OF RURAL DEVELOPMENT
KRISHI BHAWAN

Am L.../...
7/28/76

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Record Removal Notice



File Title Drought Prone Areas Project - India - Credit 0526 - P009692 - Correspondence - Volume 6		Barcode No. 30305779		
Document Date July 26, 1976	Document Type CV / Resumé			
Correspondents / Participants				
Subject / Title CV of John Leslie Gordon				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date June 15, 2017</td></tr></table>	Withdrawn by Ann May	Date June 15, 2017
Withdrawn by Ann May	Date June 15, 2017			

✓ India cr 526-1N ✓
✓ India cr 428-1N ✓
✓ India cr 521-1N ✓
✓ India cr 522-1N ✓
Mr. R. Picciotto, Director, ASP

✓ India cr 482
D. J. Parsons (Thru R. E. Rowe), Chief, ASPGA

July 20, 1976

INDIA: Disbursements (DPAP & Dairy)

1. Mr. Blobel's memo of June 25, regarding India Disbursements expressed concern about the slow disbursements under agriculture projects. Our analysis of the disbursement on India DPAP and Dairy Projects is given in the attached table. It shows that:

a) All projects, except Karnataka, do in fact have some disbursements at the end of the first disbursement year (Table attached to Mr. Blobel's memo shows none).

b) In addition to slow implementation, preparation of disbursement requests by the institutions concerned are the prime reasons for slow disbursements.

c) Appraisal estimates were not realistic since they had not taken into account delays in loan processing (DPAP almost 9 months) and delays in meeting effectiveness/or disbursement conditions, although the deletion of some fast moving components (like livestock imports) since appraisal (because of Danida assistance being made available subsequently) has also affected the Rajasthan Dairy disbursements.

"Additionality"

2. Karnataka Dairy situation is peculiar. Expenditures eligible for disbursement have been incurred (about \$100,000). However, the Dairy Corporation and GOK have not made any effort to prepare disbursement requests because they are annoyed over having been "misled" (by GOI) over "additionality" of IDA funds, which they still claim should be coming directly to KDDC. Although in other projects, the situation in this regard is much better, the basic issue remains that the project implementation agencies, which are also responsible for preparing disbursement requests (since they originate the essential documentation) have no incentive to do a timely and thorough job, because IDA disbursements do not in any manner affect the flow of local funds to them. A link between the effectiveness of these agencies in preparing IDA disbursement requests, and the flow of local funds to them is desirable. Alternatively, book-keeping procedures of project implementation agencies could be so adjusted as to "interlock" disbursement requests with routine budgeting and payments. We have suggested the latter approach to Madhya Pradesh Dairy Corporation who are likely to implement it. During July-August mission, I am asking Mr. Seth to discuss these alternatives with GOI and the Dairy Corporations.

Startup Period

3. Most agriculture projects have an extended startup period during which new implementation agencies (like the dairy corporations) are being created or detailed implementation planning is being done. This period is at least one year during which expenditures are mainly of an operating cost type (salaries, transportation, etc.) and very little physical investment can be expected. Lending later in the cycle is not possible because (i) it is not possible to clearly define such needs before appraisal, and (ii) borrowers do not wish to take a major step such as the establishment of a new corporation without absolute certainty of Bank financing.

4. Startup expenditures whether staff salaries or operation of implementation agencies, etc., especially when related to the creation of a new implementation agency (which can only be finalized after negotiations) have been considered as "capital expenditure" and included in project costs. However, such investments are not always accepted as eligible for Bank disbursements in preference to other physical investments. In DPAP they were, but not in Karnataka Dairy and only partially in the other two dairy projects, which partly explains the faster disbursements under DPAP (where 20% of the Credit is for staff salaries). For agriculture projects, even when they are physical investments to disburse against, it should become as accepted and routine practice to disburse against these "startup investments". Only then can we expect disbursements in the first year.

AKSeth:tns

INDIA

DPAP & DAIRY PROJECT

Disbursements

	<u>DPAP</u> <u>526-IN</u>	<u>Karnataka</u>	<u>DAIRY</u> <u>Rajasthan</u>	<u>Madhya Pradesh</u>
Signed	January 24, 1975	June 9, 1974	Dec. 18, 1974	Oct. 18, 1974
Effective	June 9, 1975	Dec. 23, 1974	July 15, 1975	July 23, 1975
Disbursements: March '76	\$1.5 M	-	\$0.1 M	\$0.05 M
Appraisal Estimate	\$7.7 M	\$4.2 M	\$1.4 M	\$0.9 M
Disbursement Problems:				
a) Slow Implementation	X	X	-	<u>2/</u> X
b) Slow Requests <u>1/</u>	X	<u>1/</u> X	-	X
c) Estimates Unrealistic <u>4/</u>	X	X	X	X
d) Others	Disbursement conditions not met	<u>2/</u>	Fast Moving Components Dropped	<u>3/</u>

"Sub-appraisal" by ARDC/Banks has taken 6-8 months (without any substantive contribution) only on account of administrative procedures.

-
- 1/ Requests not being made because GOK is annoyed over being "misled" that IDA funds would flow to KDDC rather than stop at GOI (additionality);
- 2/ Items like training of project staff are not financed in Karnataka, (but this now being amended);
- 3/ Work could start in only 1 of the three project areas because of NDDB training constraint till March, 1976;
- 4/ Delays in loan processing to effectiveness (3-9 months) not reflected in estimates included in grey cover appraisal reports.

Indie Cr 526

July 19, 1976

Mr. V. Subramanian
Secretary, Planning Department and
Additional Development Commissioner
Government of Maharashtra
Sachivalaya, Bombay 400 032
India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Subramanian:

Thank you for your letter of May 7, 1976. As you know Frank Thornley has just returned from a mission to review DPAP progress. We very much appreciate your Government's contribution to the review by sending such a capable and well prepared team to New Delhi.

Mr. Sakthalkar told Mr. Thornley that there is a feeling among you that we are asking for too much information in support of the request to purchase milk tankers. Specifically Mr. Thornley understood him to suggest that the problem of milk handling and marketing in Ahmednagar and Solapur could be addressed in isolation without regard to interactions with other areas, and that we would receive a note on this basis to support tanker purchase. I would reiterate our earlier request, we would like to see a milk handling and marketing plan for the total milk flow of which milk from the two project districts forms part. This would seem to be your understanding as indicated in your May 7 letter.

You are no doubt aware that the pasture development program is constrained by lack of suitable land in project watersheds. I would point out that the targets for this program were geared to district wide activity. Being a previously neglected activity it was felt that there was a lot of leeway to be made up on the protection and development of upper catchment areas. While understanding your Government's reasons for initially restricting all activity to selected watersheds, I would ask that you reconsider implementing the pasture program on a district-wide basis from 1977/78.

The draft sheep society by-laws which we received are acceptable. Please keep us informed if society information is constrained by farmer reluctance to purchase shares in kind.

July 19, 1976

The effectiveness of the dry farming extension service is reportedly reduced because of lack of mobility of VEWs. Apparently it is Government policy not to supply bicycles but to offer loans to VEWs to purchase them; however, some VEWs decline to do so. May I suggest that since mobility is essential, and in view of your policy, that it also be policy only to use VEWs in the project who are prepared to purchase a bicycle. The balance would in any case lack the motivation to do a good job.

We have received the short-term credit survey for Sholapur. This is the best of the five reports we have received - Ahmednagar is still outstanding. It is well written, data are comprehensive and clearly presented - indeed the whole report is beautifully presented - and for the most part the recommendations are unexceptionable, deriving well from the data. Having said that I must express a major reservation, one common to all the reports. We believe credit needs have been exaggerated. Most of the district follows a traditional, rain-fed agricultural system. Little or no credit is needed to support this, indeed it is hardly a 'creditworthy' operation as I think you will agree if you compare crop credit norms (Table B8) and average yields (page 18). Overestimation of credit needs/benefits, and the consequent tendency to equate institutional success with loan volume, has resulted in unsound lending, low production impact and inability to repay. (The operational deficiencies referred to (para 7.30) are to be expected where borrowing is unrelated to a productive use.)

To suggest that too much credit has been supplied may seem to contradict our concern that lack of credit could constrain DPAP development, but this is not so. Credit is needed to enable new technology to be adopted and subsequently to support that technology. The flow of such development credit will be restricted if the overdues situation is not much improved.

The survey report makes several recommendations which, with minor modifications, we believe would do much to achieve this improvement (paras 7.30, 7.36, 7.38). We feel that a special cell should be established in the DCCB to examine all chronic cases of default, to identify wilful and involuntary default, and to propose remedies, particularly the action to be taken against wilful defaulters. The proposed remedies would be useless if present lending practices continue, this is borne out by the failure of the 1972/73 rescheduling exercise to have any lasting impact. We suggest therefore that future lending be less liberal and that lending policies be strictly adhered to (para 7.30). If 'welfare' lending cannot be avoided a separate channel should be used from that supplying production credit.

Mr. Subramanian

-3-

July 19, 1976

In conclusion, I should like to say again that this is a good report which has obviously required a good deal of effort to product. I hope therefore that you will hve it reviewed and acted upon where appropriate.

With best regards.

Yours sincerely,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu, Secretary, Rural Development Department, Government of India
Mr. Pande, Department of Economic Affairs, Government of India

cc and cleared in substance: Mr. Melder
cc: NDO

FThornley:pt

July 19, 1976

Mr. B. C. Gangopadhyay
Secretary, Forests and Rural
Development Department
Government of Andhra Pradesh
India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Gangopadhyay:

We have now reviewed Mr. Thornley's report on his recent mission and I would like to bring to your attention one or two issues arising from the report. Before so doing, however, I would like to thank you for the help and hospitality given to Mr. Thornley while he was in Andhra Pradesh.

General progress on the project has been quite good. However, we are concerned to hear that the Project Administrator is likely to be replaced soon. The project would thus have had three Administrators in its short life. This lack of continuity must inevitably have a deleterious affect on project management, particularly in the critical area of activity coordination. I would therefore urge that if a new Administrator is appointed he be allowed to remain in office for at least two years, preferably more.

Irrigation. I understand that a revised master plan for the Uravakanda tank should now be ready. We would like to receive it, along with the plans for the other three tanks, as soon as possible. None of the tanks is sited in a watershed where soil conservation work is to be executed under the project. Nevertheless the tank catchments should be protected. This was agreed with concerned staff and I would appreciate your assurance that arrangements will be made to carry out necessary conservation work in the catchments.

Soil Survey. To facilitate watershed planning a land capability classification should be developed on the basis of the existing reconnaissance soil survey maps. At the final mission meeting at Hyderabad concerned officials undertook to have this done.

Soil Conservation. Progress is rather disappointing. The main reason is that after eighteen months only two subdivisions have been staffed of the four included in the project. I understand that the problem of staffing the remaining subdivisions will be resolved soon. As this is an important constraint I would appreciate being informed of progress.

July 19, 1976

We are still concerned, as we have been since the time of appraisal, with the poor technical quality of bunding works. Bunds are normally constructed only on farm boundaries, with deviations from the contour which exceed GOAP approved norms. We believe that conservation staff too readily assume that farmers will only tolerate boundary bunding. Greater effort is needed on the preparation of technically sound plans, and on the persuasion of farmers to accept these plans with minimal modification. (We are aware that lack of a law to enforce plans approved by a majority of farmers is a constraint in Andhra Pradesh.) The bunding system should be planned around the safe disposal of surplus water - present disposal is random. This would necessitate the use and protection of natural drainage ways and the construction of artificial drainage ways.

Pasture and Sheep Development. The program is progressing well. To maintain progress, now that pastures are being stocked and societies are becoming operational, close supervision and support of society operations is essential. We do not believe that present staffing arrangements can provide this. The sheep program should be removed from the responsibility of the dairy spearhead team leader - his dairy duties are a sufficient load. Additional supervisory staff should be added to the sheep program, either as a Unit Service Center as envisaged at appraisal, or as a form of spearhead team. I would appreciate being informed of progress to strengthen the staffing of the sheep program.

We have reviewed the latest draft of sheep society by-laws and have two concerns. The first is lack of provision in the by-laws for services to be made available to non-member villagers. During discussions in the field it was agreed that this provision could be made but that non-members should pay higher charges than members. The second concern relates to the position of Unit Managers. These will be employees of the Animal Husbandry Department (by-laws, para. 22), there will be one per three societies. Given the foregoing they cannot be (nor were they intended to be) full time employees of a society (by-laws, para. 2 (7)). If the by-laws are redrafted to accommodate these comments they would be acceptable to us.

Forestry. Mr. Rowe from the Bank's New Delhi office accompanied Mr. Thornley to Anantapur. He is a forester and will be sending a separate note giving his views of the forestry program. I would, however, like to emphasize what I know will be the main thrust of his remarks. Technical information in the dry areas is lacking and greater efforts should be made to remedy this under the program. Growth rates should be closely monitored to provide a better base for yield estimates; simple trials should test spacing, land preparation methods, etc.

July 19, 1976

Dry Farming. We have in the past expressed concern that staff did not fully understand the proposed approach to this program, the extension packages were too complex, the management and training system for the extension personnel was indeterminate. We are very pleased therefore that there has been a marked improvement, as evidenced by the Deputy Director of Agriculture's description of his proposals for the coming season, and by the revised 1976-77 plan for the dryland program. However, the plans cannot be implemented without staff. As with soil conservation the dry farming program remains unstaffed eighteen months after the project started. This is a serious deficiency in a pilot program which was expected to serve as a guide for expansion in later phases of DPAP. I hope that you will take all necessary steps to have the program staffed without further delay. I would appreciate being kept informed of progress in this regard.

I would also reiterate a suggestion of the previous mission, endorsed by project staff, that a dry farming specialist be added to the Project Administrator's staff. The key to the success of the program is a fixed schedule of field work for all staff and intensive in-service training. The additional manpower is necessary to provide capacity for the proposed field supervision and training programs.

While the proposed technical content of the program is much improved there are nevertheless changes we would like to suggest. Most important, and as previously pointed out, the extension program must be aimed at all the farmers in the selected watersheds. They are the target group. The number of participants given in the appraisal report is an estimate of the buildup of farmers responding to the extension effort, they are not the target. If the target group is restricted, as for example by confining activity to banded areas, participation will be reduced.

Second, the program should be expanded to include adaptive trials. These would be designed with the help of research station staff. They should adapt research station findings, to provide location specific recommendations geared to farm level management and resources.

Third, the demonstration program must be flexible. Each demonstration must be planted in accordance with prevailing weather conditions, not according to a pre-determined schedule/

Dairying. Lack of coordination between DPAP and the Dairy Corporation has resulted in 16 primary societies being unable to sell milk because no collection arrangements have been made. This problem should be resolved without delay; future coordination should be improved.

Progress on society organization and registration has been good. However, the major tasks remain, namely expansion of memberships, improvement of yields and increase of milch animals. To fulfill these tasks we believe that spearhead teams will have to spend more time working in the villages. They will also require strengthening by the addition of extension workers to the teams. I understand that a revised complement for spearhead team staffing has been agreed with GOI's DPAP unit, this should be adopted. We would recommend that there be a period to consolidate the operations of present societies before embarking on the second phase of organization and registration.

July 19, 1976

Sericulture. Mr. Thornley was not able to discuss this program since concerned staff were not available. However, I understand that a revised plan is almost ready; we would like to receive this as soon as possible.

Credit. Credit activity is going well. However, I would like to comment briefly on the short-term credit survey which we received recently, First, a general point. Surveys such as this are an exercise in futility if not followed by action. May I, therefore, suggest that appropriate State level staff review the report, with DPAP staff and concerned district officials, and that acceptable recommendations be acted upon.

Perhaps the most important weakness of the report is the gross over-estimation of credit needs. (This is a drought prone district and the traditional agricultural system, which will be slow to change, can be practiced without production credit.) This is a common fault. It is indicative of an attitude of mind likely to aggravate credit problems. Exaggeration of the credit shortfall leads to concern for more liberal lending and for additional injections of Government funds as share capital. The need is probably the reverse. Large overdues indicate bad lending and a need for tighter procedures and for stern measures against defaulters. This, together with conservative rescheduling, should alleviate the need for increased Government funding. We would suggest, for your consideration, creation of a special cell in the Central Coop Bank to continue the effort of analysing overdues, to take measures against wilful defaulters, and to prepare (conservative) rescheduling proposals.

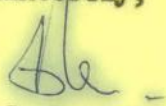
The report questions the effectiveness of the government subsidized society secretaries. A program of in-service training and more effective supervision would appear warranted.

Although the point is not made in the report there would appear to be too many societies for each to be financially viable. Consideration should be given to consolidation.

Notwithstanding the number of issues I have raised you should know that we are greatly encouraged by the progress of DPAP, we hope it will continue. I look forward to receiving your response to these issues as soon as possible.

With best regards,

Yours sincerely,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu, Secretary, Rural Development Department, Government of India
Mr. Pande, Department of Economic Affairs, Government of India

cc and cleared in substance: Mr. Melder

cc: NDO

FThornley:pt

Indie cr 526

July 19, 1976

Mr. Rupla Naik
Secretary to Government
Rural Development and
Co-operation Department
Government of Karnataka
Vidhan Soudha
Bangalore
India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Rupla Naik:

We very much appreciate your meeting Mr. Thornley personally and briefing him on DPAP progress in Bijapur. I would like to bring to your attention one or two issues arising from our review of Mr. Thornley's mission report.

First, a further word of appreciation, for your decisive action in dissolving the Governing Council and increasing the powers of the Development Authority. We are confident that this will improve program coordination and implementation.

You again raised the question of including the completion of unfinished bunds in the project. We accept the importance of finishing these works. In principle we are agreeable to them being included in the project. However, before we can reach any final agreement on this issue I am sure you will understand we must know exactly what is required. We have twice asked for the necessary information, in our letters of August 18, 1975 and February 3, 1976 written after the last two review missions. I would again ask you to let us know the area covered by unfinished works and the estimated cost of completion. In project watersheds we also need to know the areas which require new works and their estimated cost, so that we can see the total financing required to complete conservation in the watersheds. When the old works are completed, irrespective of source of funds, they should be brought up to satisfactory design standards; often works undertaken hurriedly, in famine relief programs, are of technically poor quality.

In the letters referred to above we also asked for a detailed plan for the development of milk collection, processing and marketing in the district. I understand that you assured Mr. Thornley we would soon receive the plan and we look forward to doing so.

July 19, 1976

We are not sure whether we have the latest draft of the proposed, sheep society by-laws. However I am commenting on the draft that we have to expedite agreement on the by-laws. (Since the draft is undated I am attaching copies of the first two pages as an aid to identification.) Our comments are:

- (i) Provision should be made for the society to provide services to non-member villagers - charges could slightly exceed those to members;
- (ii) The Unit Manager should be a Government nominated member of the Managing Committee, he could be the member-secretary; and
- (iii) Provision should be made for a guaranteed income along the lines suggested in the Appraisal Report.

If the by-laws are amended to incorporate these changes they would be acceptable to.

Although not an issue arising from the review mission I would like to take this opportunity to comment on the short-term credit survey. The study team is to be commended for having addressed issues to the extent they have. We are also glad to see that the Cooperative Department has already commented on the report. In order to reap full benefit from the survey teams work we hope you will have the report further reviewed and acceptable recommendations implemented.

Based on our limited knowledge the recommendations, to improve staffing of primary societies' managements, and to more closely monitor the overdues situation, seem well founded. With regard to the latter it might be worth considering strengthening the Central Coop Bank management so that overdues can be constantly monitored. This is essential to identify wilful defaulters - a prerequisite to any action by Sales Officers - and to make rescheduling proposals for non wilful default. Regarding the latter we agree that this should not be constrained for want of conventional medium term loan security.

We believe that this report, and all the others we have received, has an important fault. The need for short-term credit is exaggerated. The traditional technology of the drought prone areas requires little, if any, production credit to support it. Such credit is needed to enable a shift to, and to support, a higher technology. It will be some time before higher technology can be spread through the drought prone areas. Meanwhile exaggerating credit requirements leads to unsound lending and the inevitable large overdues. These then block the credit channel when it is legitimately needed to facilitate the uptake of new technology. We would suggest that you have production credit requirements reexamined and if necessary, -have lending procedures tightened. (If you look at the average crop yield given on page 10 of the report - 125 kg/acre - I think you would agree it is inadequate security.)

Model Byelaws of Primary Sheep Growers Co-operative Society Ltd.,

1) Name of the Society:

The name of the society shall be called as the
 Primary Sheep Growers Coop. Society Ltd.,

2) Address:

The address of the society shall be:

The registered office of the society shall be located
 at and any change in this address shall
 be intimated to the ^{Assistant-}Registrar of Coop. Societies within 30 days
 from the date of such change.

3) Jurisdiction:

The jurisdiction of the society shall extend to.

4) Objects:

The objects of the society shall be:

- (i) to develop and manage pasture lands sold, leased or
 ceded to the society for the benefit of the members;
- (ii) to establish and manage a sheep flock on such lands;
- (iii) Purchase and sale of sheep and sheep products;
- (iv) application of good husbandry practices;
- and (v) to engage ⁱⁿ such other activities as may be required to
 encourage the spirit and practice of thrift, mutual
 help, self help and cooperation among members.

5) Definitions:

In these byelaws unless the context otherwise requires,

- (i) Live stock specified for the purpose of equity contributions;
 means:

A female sheep of breedable age and of sound health and
 frame as shall be determined by a qualified Inspector appointed by
 the Managing Committee;

- (ii) 'Unit Manager' means: A full time employee of the Depart-
 ment of Animal Husbandry, who shall under the supervision of the
 District (Animal Husbandry) Officer render technical and managerial
 assistance to Primary sheep Growers Coop. society;

- (iii) 'Year' means: The year which begins on 1st July of each
 year and ends with 30th June of the succeeding year and the 'month'
 shall be calendar month.

6. The liability of the members shall be limited to the value

of shares subscribed by them.

7) The membership shall consist of two classes, classified as 'A' & 'B' classes.

'A' class membership is open to individuals, residing within the jurisdiction of the society, 'B' class membership is open to Government.

8) Authorised share capital:-

The authorised share capital of the Society shall be Rs.1,00,000/- made up of 1,200 'A' Class shares of Rs.50/- each and 400 'B' class shares of Rs.100/- each.

The payment of value of each share shall be as follows:

Payment shall be made in cash or specified Live stock in which case the value ~~weight~~ per Kg. shall be fixed by the Managing Committee (such price shall be approximately the highest seasonal level price of the locality). The amount of share capital of 'A' class members shall not ~~xxx~~ exceed the value of 400 mature sheep Unit necessary to fully stock the society's Pasture land at full development divided into equal share with a face value of Rs.50/-. The rate at which subscriptions to the said capital shall not exceed the anticipated build up rate in the carrying capacity of Pasture lands managed by the Society, as determined by the Managing Committee on the advice of the Unit Manager.

9. Funds: The funds of the society may be ^{raised} ~~obtained~~:

- (i) By issue of shares;
- (ii) By receiving deposits from members at such rate of interest as may be fixed by the Committee from time to time.
- (iii) By receiving loans from Govt., or any financing institution;
- (iv) By donation; and
- (v) By admission fees.

10) Borrowing Power: The committee of Management may raise loans to such an extent, in such a manner and under such terms as may have been approved by the Committee from time to time. The amount of loan so raised inclusive of the deposits received shall not together exceed at any time 10 times the paid up share capital, Reserve fund and Building fund minus accumulated losses.

11) Membership:

Any ^{individual} ~~person~~ who is above the age of 18 years and is legally capable of entering into a contract, may be admitted as a member of the society provided:

OFFICE MEMORANDUM

1273-16
Judie loc 1273
" " Cr-482
" " " 614
" " " 526

TO: Messrs. A. K. Seth, G. B. Hayes (IDA);
W. Bilbo and A. A. Chothani (Consultants)

FROM: D. J. Parsons

DATE: July 16, 1976

SUBJECT: INDIA -- National Seed Project (1273-IN): Ladhawal Farm Planning
-- Karnataka Dairy Development Project (482-IN): Supervision
-- Tarai Seed Project (614-IN): Supervision
-- DPAP Project (526-IN) Karnataka Component: Supervision
Terms of Reference

1. About July 29, you should arrive in India for roughly two weeks. (Mr. Chothani would join Mr. Seth for three days on August 4). Mr. Seth will lead the mission and coordinate its activities. You should maintain close contact with the New Delhi office.

National Seed Project:

2. From July 29 to August 13, you would assist GOI in the large farm planning component, specifically:

a) Assist SFCI in finalizing the farm development proposals for Ladhawal farm, including evaluation of all technical alternatives, finalization of machinery lists, associated civil works, and cash flows;

b) Prepare a brief report to be sent to Agricultural Universities and other SFCI farms along with the Ladhawal proposal, as a guide to preparing their own farm development reports;

c) Review the Government of Punjab request at negotiations for investments in irrigation canal lining in the Mukstar area and for potato stores.

3. Messrs. Hayes and Bilbo would spend about a week at the SFCI farm, Ladhawal, accompanied by SFCI technical staff; and, with Mr. Seth, hold a final wrap up meeting on August 13 in New Delhi to discuss the final farm development proposals with SFCI staff.

4. While in Delhi, Mr. Seth will discuss with the DEA and the Ministry of Finance, the slow pace of disbursements under the Dairy and DPAP projects.

Karnataka Dairy Development Project:

5. During the period August 2-7, Mr. Seth would proceed to Anand and Bangalore, where Mr. Chothani would join him, to review the progress of this project. Specifically they would:

a) Review the implementation of the action program agreed during the April 1976 mission; and

b) Discuss the dairy extension and cooperative supervision (DECS) proposals with GOK and KDDC with a view to initiating the DECS program.

Drought Prone Areas Project:

6. While in Bangalore, Messrs. Seth and Chothani would also discuss the progress of the dairy component in Bijapur district, specifically the development of the proposed dairy development plan.

Tarai Seed Project:

7. Mr. Seth would spend August 9-11 at Pantnagar reviewing the progress of the project, paying special attention to:

a) Justification for extension of the closing date to June 31, 1977; and for the requested reallocation of \$2.25 million to Category A (imported fertilizer); and

b) TDC marketing arrangements and proposals vis a vis the National Seed Program.

8. Upon return to Washington, about August 18 you would prepare BFO reports for India Seed and DPAP projects, and full supervision reports for Karnataka Dairy and Tarai Seed Projects.

Cleared with and cc: Messrs. Slade/Melder

Distribution:

Messrs. van der Tak (2)
Yudelman
Bowron
Awunyo
Elliott

Messrs. Rowe
Street
Blobel
Alisbah
Pranich
Lee
Asia Files

AKSeth:tns

Indie er 526

July 16, 1976

Mr. Naidu
Secretary
Rural Development Department
Government of India
Krishi Bhawan
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Naidu:

We have now reviewed Mr. Thornley's report on his recent mission to review DPAP progress. I have written to the responsible Secretaries in the four States on issues arising from the report. Copies of these letters are enclosed. Some of the points raised, I would particularly like to draw to your attention.

We have one general issue concerning your DPAP staff. I understand that you are in the process of clearing a proposal for DPAP staff reorganization. It would be useful for us to have details of this scheme finally approved. I also understand that Mr. Anandarao is leaving DPAP and may be followed shortly, by Mr. Aurora. The dedication of these two officers to the DPAP project has been a major factor in its progress. We would appreciate being kept informed of progress to replace Mr. Anandarao and on any decision affecting Mr. Aurora's position. Finally, I would like to make one point regarding the selection of a replacement for Mr. Sangwan. You would agree that your staff are most likely to influence DPAP execution through their personal qualities and technical competence rather than any hold on DPAP purse strings. I would urge therefore that you select a strong candidate to replace Mr. Sangwan, at the cost of some delay if necessary. In this regard is it too late - reorganization wise - to suggest an upgrading of your technical specialist posts in order to attract strong candidates?

I would also like to stress our concern at the staffing shortcomings in Anantapur; lack of continuity in the post of Project Administrator and failure to fully staff the soil conservation and dry farming programs. Anything you can do to improve the situation would be appreciated.

July 16, 1976

Irrigation

Lack of electrification continues to constrain groundwater development in Rajasthan despite considerable funding from DPAP. We would appreciate hearing the outcome of your further discussions with GOR on means to mitigate this problem. 8

We are agreeable in principle to GOR's proposal, which I understand you accepted, to include incremental staff engaged in groundwater development as a project implementation cost. We would like to receive Mr. Chopra's promised note giving staff details before formalizing this. X

The quality of planning for minor irrigation tanks continues to leave much to be desired. I understand that you now have a good plan, from Tamil Nadu, which will be circulated to planners as an example. The attached outline for a report, prepared by Mr. Kanchanalak who appraised the irrigation component, may also help.

Soil Survey

Please keep us informed of progress on the review of soil survey methodology and the possibility of using aerial photography to facilitate soil survey work.

Dairy Development

The recent upsurge of dairy development, of which DPAP is but part, must produce competing demands for good milch animals. Problems of procurement have already surfaced in some DPAP districts. We would endorse Mr. Thornley's suggestion that GOI's Animal Husbandry Department be asked to carry out a survey to locate areas with surplus animals. The Department could also probably act as a clearing house, to match sources of demand and supply, and thus minimize unnecessary competition.

Small Farmer Definition

Please keep us informed of developments regarding the definition of "small" farmers. As you know we believe the definition should be rationalized using an income base. We are also concerned, and Mr. Thornley repeatedly stressed the point, that a changed definition should not obscure the objective of maximizing the number of beneficiaries under the various schemes.

Monitoring

In Mr. Pillai's absence Mr. Thornley had little opportunity to discuss monitoring and evaluation. However, our impression is that progress in this area is slow. We would urge that it be given greater attention. This is essential if we are to learn sufficient from phase one activity before the need arises to start preparing a follow-up project.

Mr. Naidu

-3-

July 16, 1976

In closing I would like to say how encouraged we are by the continued progress of this complex project. I would also like to thank you for the assistance and hospitality given to Mr. Thornley by you and your colleagues.

With best regards.

Yours sincerely,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

Enclosures

cc: Mr. Arvind Pande, Department of Economic Affairs, Government of India

cc and cleared in substance: Mr. Melder

cc: NDO

FThornley:pt

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

General Outline of Proposed Minor Tank Irrigation Project Report

1. An outline of the proposed tank irrigation project report is given as a guideline. Much of the information required to be reported is of the type GOI will be recording for its own internal use. The report should consist of five sections dealing briefly with I - Project Area, II - The Project, III - Organization and Management, IV - Agricultural Production, and V - Benefits and Justification.

Project Area

2. Present a brief description of the project's location and sizes both irrigated and submerged, climate, existing conditions - size of farm units, land tenure, agricultural activities both in the area to be submerged by the reservoir and that to be irrigated - and major constraints on agricultural development to be corrected by the project.

The Project

3. This section is designed to report on the adequacy of the technical aspect of this project. The report should describe briefly the following:

- (i) The project main features and project work;
- (ii) The project hydrology including the assessment of the water demand, adequacies of the project water supply and its quality, assessment of the spillway design flood and in particular, the reliability of the hydrologic basic data used;
- (iii) Status of engineering designs (preliminary or final) and adequacy of the engineering investigations;
- (iv) The project soils and crops and adequacy of land classification;
- (v) The project cost estimates including operation and maintenance; and

- (vi) The schedule of construction and expenses not only for the civil work but also for the command area development component.

4. The project data should also be illustrated as shown in Attachment 1, which is self-explanatory. The report should present project maps of suitable scales:

- (i) showing the catchment, proposed reservoir area, damsite and the irrigated area (preferable 1:50,000 scale); and
- (ii) showing distribution system and Command Area Development (preferable 1:5,000 - 10,000 scale).

In addition, the Command Area Development plan - which includes water courses, farm channels, land leveling, farm bunds, drains and farm roads - should be illustrated diagrammatically as shown, for example, in Attachment 2.

Organization and Management

5. Briefly describe the proposals for the project authorities to be in charge of engineering works and agricultural development, and their capabilities. It should also mention the existing and proposed arrangements for extension, credit, marketing and any other features such as land consolidation, relocation of the people in the area to be submerged, roads, etc. A description of operation and maintenance proposals and water charge policy should also be included under this section.

Agriculture

6. Describe, quantitatively the without and with project farm systems - use model farm budgets. Give crop areas, cropping intensity, yields, and input requirements. (See appraisal report for examples.)

Benefits and Justification

7. Show farm level profitability - use the model farm budgets and apply the appropriate taxes, levies, O & M charges and loan repayments.

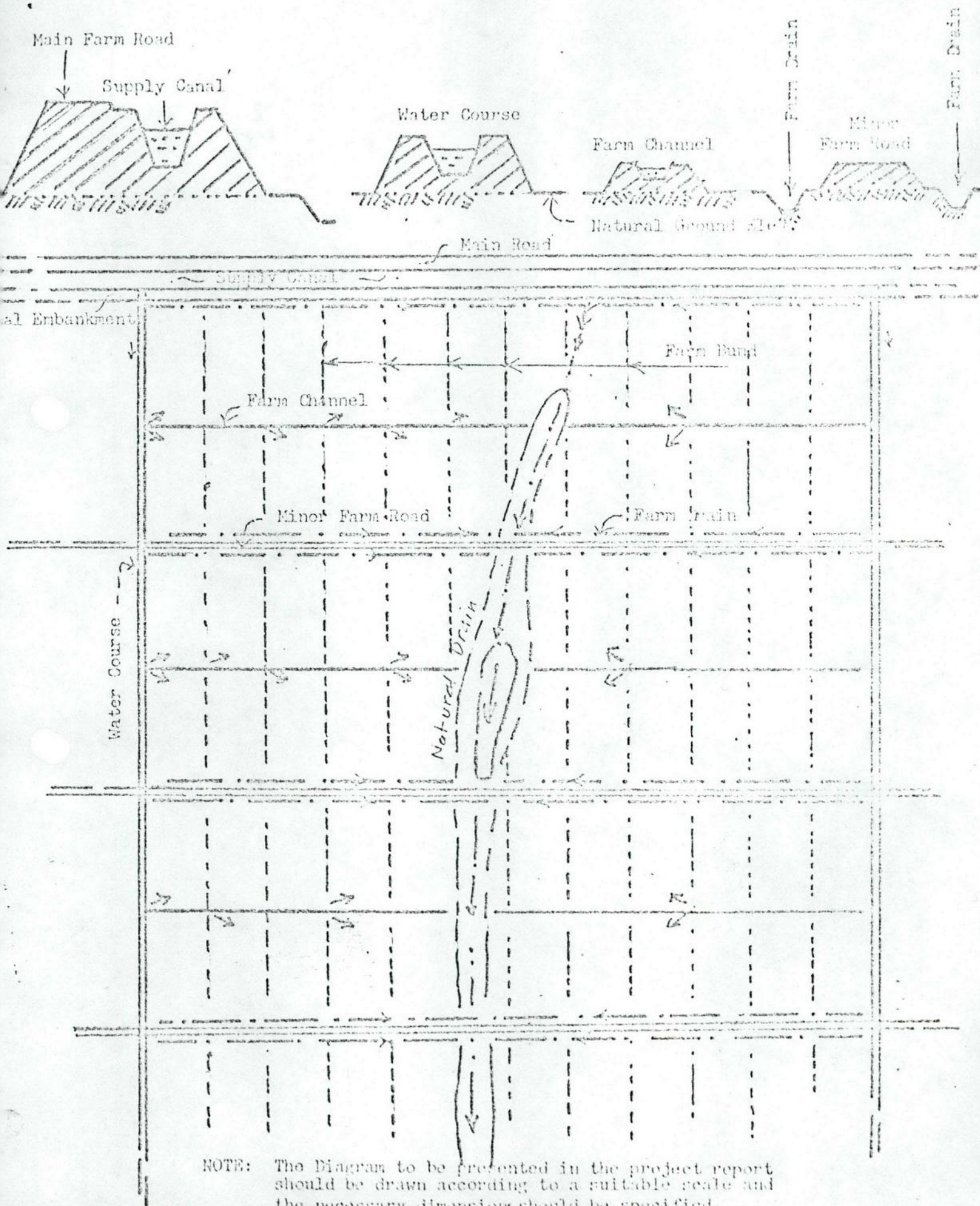
8. Demonstrate project economic justification. In addition to standard Government methods calculate the internal rate of return. Guidance will be found in the appraisal report.

Crop/Prod	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	
Existing Cropping Pattern														
Groundnut	10 %					← Rainfed →								
Jowar	75 %	=====									=====			
Proposed Cropping Pattern														
Rajra	35 %					=====								
Groundnut pulses	20 %					=====								
Jowar	35 %	=====									=====			
Wheat	10 %	=====									=====			
Gross Tule Demand	100 %													
(at 45 % efficiency) - m ³ /ha	1,100	860	-	-	-	-	230	300	460	690	510	1,100	5,250	

Q Boron ppm

INDIA - DPAP Project
Schematic Illustration of Command Area Development

Appendix
Attachment 2



July 16, 1976

Mr. Bhanot
Commissioner Special Schemes
Government of Rajasthan
Secretariat
Jaipur 302005
India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Bhanot:

Thank you for your letter of April 30, 1976 and Mr. Zutshi's letter (undated). I appreciate your clarification of points concerning the annual plans and of reasons for delays in creating Farmers Service Societies. Regarding the latter, and with reference to the last paragraph of Mr. Zutshi's letter, I must point out that we are well aware that FSS are experimental and not a panacea for credit problems. However, we are anxious that they be established quickly in order to learn as much as possible during the project period.

Mr. Thornley has now reported on his mission to review DPAP and I would like to bring a number of points arising from the report to your attention. First however I must thank you for the cooperation and hospitality extended to the mission; this was, as always, excellent.

Irrigation. The main constraint on ground water development remains the slow pace of electrification. This is particularly severe in Nagaur. We would appreciate hearing the outcome of your discussions with GOI on means to speed up electrification.

It seems likely that the small farmer definition will soon be changed to an income base. This should not be allowed to result in the neglect of the smallest farmers; staff should pursue the objective of maximizing the number of beneficiaries per unit of irrigation development.

Since there is little contiguity among small farmers it seems likely that groups of mixed farm size will have to be formed if small farmers are to benefit from tubewell development. Such heterogeneous groups will face greater management problems than would groups made up only of small farmers. We would therefore endorse Mr. Thornley's suggestion that management proposals be developed during group formation. Each group should be required to agree on a system of management before getting a well.

July 16, 1976

You asked whether disbursements could be made against the cost of incremental staff engaged on the ground water program. There is no problem in principle, however, before agreeing formally we would like to see a list of concerned staff giving designation and salary scale; Mr. Chopra agreed to send this.

Soil Survey and Soil Conservation. We feel that the soil survey being done for watershed planning is too detailed. I understand that GOI will assemble a group to review survey methodology and, in particular, to examine whether aerial photographs could be used to expedite the work. I hope that your staff will cooperate with the group. We look forward to hearing the outcome of the review. Even if aerial photographs cannot be used we believe that the methodology could be revised to reduce the survey detail. This should be the minimum necessary to meet the needs for watershed planning i.e. delineation of land classes. Delineation of soil types and phases is unnecessarily detailed since, in the foreseeable future, the extension program will not be able to use such information. For these reasons we believe that some of the effort going into the preparation of the shelf of works, particularly identification of elaborate cropping systems, for all soil types, and the estimation of hypothetical credit and input requirements, is wasted.

Having criticized the excess of detail in the watershed planning I should add that Mr. Thornley was most impressed by the quality of the watershed plan which he saw in Nagaur and by the enthusiasm and approach of the responsible staff.

I would like to make two points regarding the topographical survey work of the conservation staff. Survey of tubewell command areas should, where possible, precede drilling to optimize well location. Topographical survey of pasture blocks is not usually necessary; manpower would be saved if contour furrows were laid out direct on the ground.

Pasture and Sheep Development. Mr. Albrecht will write a separate note dealing with the technical issues arising from the mission's visit. I only wish to make two points. Firstly, we are very encouraged by the improved progress on this program. Secondly, I would record our understanding that Unit Managers will be appointed without delay. This is essential if the planned work program is to be adequately supervised. Lack of supervision in the past has been detrimental to work quality.

Dairy Development. continues to progress well. I would confirm that we accept the expanded number of societies at Jodhpur and Merta. In principle we are also agreeable to an expanded program based on Nagaur. In order to confirm our agreement please let us have the milkshed survey, cost estimates, and an indication of sources of savings to offset increased expenditures on dairying.

July 16, 1976

One of the major problems confronting the dairy program will be to locate an adequate supply of cows for purchase by participants. DPAP staff will need considerable State-wide support from the Animal Husbandry Department if sufficient cows are to be found.

Dry Farming. I would like to record our understanding that the program for this season will be confined to simple adaptive trials in the selected watersheds. These should establish the farm-level impact of various treatments and thus provide the basis for selecting a sound and practical package of technology for use in the full program to be launched next year.

Credit. Good progress has been made on medium term credit planning, particularly in Nagaur. The Project Director and his team, and the Collector, are to be congratulated on their initiative in holding the credit camps and for their success in involving the commercial banks in the credit program.

Although not arising from the review mission I should like to take this opportunity to comment on the short-term credit surveys which we received recently. I think this is worthwhile even though there may be some revisions arising from the State level review. Incidentally, we were very pleased to hear that this review had taken place. Often surveys of this sort are exercises in futility because of lack of follow-up.

The Nagaur report is much better than the Jodhpur one. The latter lacks specificity and is also somewhat platitudinous (para 6). Both appear dangerously to overestimate credit needs. These are drought prone districts, an extensive form of agriculture has been, and is, practiced and is unlikely to change much in the immediate future. This form of agriculture was, and can be, practiced without credit. The overestimation is dangerous because it reflects an attitude conducive to unsound lending which will aggravate the already bad overdues situation.

Both reports rightly emphasize the need to deal firmly with wilful defaulters. The Nagaur report recommends creation of a special team to do this. It also suggests strengthening the DCCB management. May I also suggest for your consideration a modification of the Nagaur proposal. Namely, that the DCCB management be improved as proposed but that a special investigation unit be created within DCCB with financial support from Government. The unit would investigate primary society overdues, identify wilful defaulters and take action against them, and prepare rescheduling proposals for non-wilful default. Improved discipline, together with restructuring of finances, are the keys to improved short-term credit flows in many areas.

Mr. Bhanot

-4-

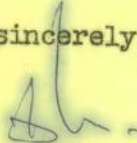
July 16, 1976

Other proposals in the Nagaur report, such as reducing the number of primary societies, and restructuring some societies around FSS, appear sound and worth pursuing. I would appreciate hearing your reaction to the survey reports and what follow-up action is proposed.

In closing may I say how pleased we were to hear of the good progress which the project continues to make.

With best regards.

Yours sincerely,



Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu, Secretary, Rural Development Department, Government of India
Mr. Pande, Department of Economic Affairs, Government of India

cc and cleared in substance: Mr. Melder

cc: NDO

FThornley:pt

Justice cr 526

July 15, 1976

Mr. Arvind Pande
Department of Economic Affairs
Ministry of Finance
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear Arvind:

We have now reviewed Frank Thornley's report on his recent DPAP mission. The issues arising were of an operational nature and I have raised them directly with Mr. Naidu and the four state governments. Copies of the letters are enclosed for your information.

Yours sincerely,


Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

Enclosures

cc and cleared with in substance: Mr. Melder
cc: NDO

FThornley:pt

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

India Credit 526

TO: AGRISEC
BANGALORE

BOOK OF TWO
D. AURORA
DPAP
AGRICULTURE MINISTRY
NEW DELHI
INDIA

DATE: JULY 14, 1976

ORIGINATOR'S EXT.: 3901

COUNTRY: INDIA

CLASS OF L/T
SERVICE: *lit*

CABLE NO. & TEXT:

WE
FOR NAIK COPY BALARAJ COPY AURORA STOP ~~SE~~ WOULD LIKE SETH WHEN IN
BANGALORE FOR DAIRY PROJECT TO SPEND ONE DAY POSSIBLY AUGUST 7 TO
DISCUSS DAIRY COMPONENT OF DPAP STOP IN PARTICULAR HE WOULD FOCUS
ON DAIRY PLAN REFERRED TO IN OUR LETTERS OF AUGUST 18, 1975 AND
FEBRUARY 3, 1976 AND WHICH MR. NAIK ASSURED THORNLEY WOULD BE
READY JUNE STOP IT WOULD BE USEFUL IF KEY DISTRICT STAFF CONCERNED
WITH DPAP DAIRY COMPONENT WOULD MEET SETH IN BANGALORE FOR DISCUSSIONS
STOP PLEASE ADVISE SUITABILITY SOONEST REGARDS

PARSONS

INDEVAS

NOT TO BE TRANSMITTED

REFERENCE:

IN-526

DRAFTED BY:

AKSeth:tns

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. R.D.H. Rowe (NDO)

cc. Bentzen

AUTHORIZED BY (Name):

D. J. Parsons, Chief, Genl. Agriculture Division

DEPARTMENT:

South Asia Projects

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

India - Credit 526
July 13, 1976

OFFICE MEMORANDUM

TO: Dennis J. Parsons, ASPGA

DATE: July 13, 1976

FROM: Frank Thornley, ASPGA

SUBJECT: INDIA - Drought Prone Areas Project (CR526-IN)

1. In accordance with my terms of reference of April 21, 1976 I spent the period of May 17 through May 29, 1976, in India reviewing the Drought Prone Areas Project. I visited Jodhpur and Nagaur Districts in Rajasthan and Anantapur District in Andhra Pradesh. I also discussed progress in the other three districts - Ahmednagar, Sholapur (Maharashtra) and Bijapur (Karnataka) - with district and state officials in New Delhi.

2. Attached is my combined back-to-office and full supervision report. The distribution is shown below.

3. Anyone requiring report annexes can get them from Mr. Thornley, Room B-510, Ext. 4120.

Attachment

Distribution list:

Full report: Messrs. Rowe (ND)
Upadhyay
Elkana
Seth
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Summary: Messrs. van der Tak (2)	Stern
Yudelman	Picciotto
Israel	Rowe
Bowron	Blobel
Elliott	Street
Awunyo	Perry
	Jansen
	Alisbah (3)

IBRD AND IDA - SUPERVISION SUMMARY

This summary is ☐ the initial summary
☐ part of a mission report
☐ a semi-annual update
☐ the completion summary

Regional Office: South Asia	Project Name: Drought Prone Areas	Project Code: 8INDA119	Loan ☐ Credit ☒ No.: 526-IN	L/C Amount (\$xx.xm): 35
Country: India	Borrower/Beneficiary: Government of India	Board Date: 12/5/74	Signing Date: 1/24/75	Effective Date: 6/9/75
Projects Dept./Div. Name: General Agriculture	Org. Code No.: 186-10	Projects Officer: F. Thornley	Loan Officer: J. P. Upadhyay	

SECTION 1: SUMMARY PROJECT DESCRIPTION

Support of the GOI Drought Prone Areas Program in six districts in Rajasthan, Maharashtra, Karnataka and Andhra Pradesh. The project aims at mitigating the impact of drought through public works and on-farm development in most agricultural sub-sectors, including minor irrigation, command area development, watershed management, dry farming and sheep and dairy development.

SECTION 2: PERFORMANCE RATING

STATUS: 1 - Problem-free or Minor Problems; 2 - Moderate Problems; 3 - Major Problems

TREND: 1 - Improving; 2 - Stationary; 3 - Deteriorating

TYPES OF PROBLEMS: F - Financial; M - Managerial; T - Technical; P - Political; O - Other (Explain in Section 5)

If more than one type of problem, enter most critical factor first.

Designated a "problem project" in most recent SVP review?

Y - Yes; N - No ☒

This Summary

Last Summary

1
2

1
2

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SECTION 3: PROJECT DATA

ESTIMATED/ACTUAL:			Total	of which:		Cumulative Disbursements
Project	Loan/Credit	Project	Foreign	Local	through most recent	
Completion	Closing	Cost	Currency	Currency	Quarter ended (6 / 30 / 76)	
(Mo./Yr.)	(Mo./Day/Yr.)	(\$xx.xm)	(\$xx.xm)	(\$xx.xm)	(\$xx.xm)	
Appraisal Est.	<u>6.80</u>	<u>6.30.80</u>	<u>102.7</u>	<u>5.0</u>	<u>97.2</u>	<u>4.55</u> (Est.)
Last Summary (12 / 9 / 75)	<u>6.80</u>	<u>6.30.80</u>	<u>102.7</u>	<u>5.0</u>	<u>97.2</u>	
Current	<u>6.80</u>	<u>6.30.80</u>	<u>102.7</u>	<u>5.0</u>	<u>97.2</u>	<u>1.5</u> (Actual)

SECTION 4: MISSION SCHEDULE

	No. of Staff on Mission	No. of Days in Country	Return to HQ (Mo./Day/Yr.)	Final Report Date (Mo./Day/Yr.)
Latest/Present Mission	1	13	6.2.76	7.13.76 (CS)*
Previous Mission	3	19	12.16.75	1.16.75 (FS)*
Next Mission Departure (Mo./Yr.) 10.76	Recommended interval between missions (Months) 4		End of period covered by latest progress report (Mo./Day/Yr.) 12.31.75	

* Type of Report: FS = Full Supervision; CS = Combined Full/B-T-O; C = Completion; A = Appraisal; O = Other (explain below)

SECTION 5: COMMENTS (Explain "other" in Section 2 and clarify, if necessary, data in Sections 3 and 4)

Mission Schedule. Mission visited three districts - Anantapur, Jodhpur and Nagaur - and had discussions in Delhi with officials dealing with remaining three.

SECTION 6: SUMMARY OF PROJECT STATUS, TREND, AND MAJOR PROBLEMS:

6.01 General. Overall progress is satisfactory. A concerted effort is now needed to speed implementation to make up for early delays occasioned mainly by slow staffing - now almost complete. In the center, the Director's assistant is about to leave DPAP, it is probable that he will be followed soon by the Director. These departures would set back program-wide coordination and planning and probably implementation also, unless replacements are of the high caliber of their predecessors. The Secretary responsible for DPAP is fully aware of the problem and, as a first step, is trying to have the Director promoted in situ to obviate the need for transfer. Arrangements for program monitoring are being made too slowly. The mission could not discuss this issue because the project economist was not available. It should be pursued by the next mission, and mentioned in the letter to GOI to be sent as a result of this mission.

6.02 Irrigation. Tank construction continues in Ahmednagar, Bijapur and Sholapur though master plans have yet to be submitted. A good plan, produced in a non-project district, has been circulated as an example to improve planning. More specific guidelines will also be sent from the Bank. The groundwater surveys required in Andhra Pradesh and Maharashtra are now underway being financed from state funds. Physical progress on well development is negligible;

Preparing Officer: F. Thornley

Initials:

Date: 7/13/76

in most areas credit schemes have only recently been cleared. The tubewell program in Rajasthan is constrained by the inappropriate small farmer definition and by lack of electrification. The former is likely to be amended soon. During mission meetings GOI and GOR officials agreed to meet to discuss means of removing the electrification constraint. Ahmednagar also suffers from lack of electrification, greater attention will be given to alternate power sources - including the traditional bullock.

6.03 Soil Survey and Soil Conservation. Soil survey work for watershed planning is too detailed. GOI and state officials agreed to review methodology, in particular to examine whether aerial photography could be used to expedite work. Progress on soil conservation is adequate but in Anantapur technical quality should be improved.

6.04. Pasture and Sheep Development are making improved progress. The adviser - seconded by the Bank - is doing an excellent job providing support and guidance to staff. He undertook to write a note outlining the missions comments on the program which would be sent direct to concerned staff.

6.05 Forestry was reviewed only in Anantapur where physical progress continues to be good. However steps should be taken to improve technical data through simple trials and growth monitoring. Mr. Rowe (NDO) who accompanied the mission will write direct to project staff with detailed suggestions.

6.06 Dry Farming. There has been further improvement in staff understanding of the proposed approach to the dry farming program. This is due mainly to a training program for project staff held at ICRISAT in February 1976. The program was organized by the All India Coordinated Research Project for Dryland Agriculture (AICRPDA), the Central Soil and Water Conservation Research and Training Institute (Dehra Dun) and ICRISAT. The program was regarded as very successful by organizers, DPAP senior staff and participants. For the present IDA assistance with dry farming training is not required.

6.07 Dairying. Progress is satisfactory. About 240 societies have been registered against an appraisal target of 360 by March 31, 1977 (project year 2). On most milk routes initial milk volumes are up to expectations. Commercial Banks have now been well involved in the planning of credit for cow purchases. However a shortage of suitable cows (or buffalo) is widely regarded by project staff as a probable constraint on future progress. At the final meeting in New Delhi it was agreed that GOI's Department of Animal Husbandry should be asked to carry out a survey to identify areas with surplus cows for sale. (In the dry areas cross breeding has limited potential because of lack of irrigation, hence green fodder.)

6.08 Research - Agro-Economics. The Senior Agricultural Economist (SAE) has still not been recruited. The mission was assured that the post would be filled within three months ie by end August. Meanwhile the duties of the SAE have been given to Mr. B. K. Rastogi, who is Production Economist of AICRPDA. Agricultural Economists and support staff have been appointed to 9 of 16 proposed centers (Akola, Anantapur, Bangalore, Bhubanaswar, Bijapur, Hissar, Kovilpatti, Rahuri (Ahmednagar), Sholapur). Interim staffing arrangements have been made with a University at Ranchi and a candidate had been selected, and should by now be in position, at Varanasi. At the remaining 5 centers no arrangements have been made yet. (Bellary, Hyderabad, Jodhpur, Nagaur, Rajkot). Outline proposals for the research program were given to the mission. Amplification will be necessary before detailed comment can be given. However an initial reaction has been made (Annex 8).

6.09 Research - Pasture. Pending appointment of the Senior Pasture Agronomist (see 6.11) there has been little progress. However two Pasture Specialists, out of the 5 proposed, have been appointed at Anantapur and Rahuri. The other proposed centers are Hyderabad, Jodhpur and Rajkot. It is questionable whether Jodhpur should be included since it has an ongoing pasture program. Best use of DPAP resources would probably be made by selecting another center and at the same time getting Jodhpur to participate in the trials program designed for DPAP. This has been proposed (Annex 8).

6.10 Credit. Short-term credit surveys have been completed in five districts, that from Ahmednagar is expected shortly. Those completed dwell excessively on, and exaggerate, credit requirements and the identification of institutions to meet these. They deal inadequately with constraints in the credit system and means to remove them. The mission was encouraged by progress on medium term credit planning in the districts; schemes have been cleared for most components. Commercial banks appeared to have been well integrated into project activity and to have already approved a fair number of loans, mainly for wells and cow purchase. All six banking plans are reported finished but have yet to be received. Farmers Service Societies have been established everywhere except in Rajasthan where establishment is expected soon. The next mission should visit FSS to review progress.

6.11 Consultants. Mr. Albrecht, Pasture and Sheep Adviser seconded by the Bank, has settled in well during his first six months in India. He has established good rapport with Indian officials and is doing an excellent job. Mr. Robinson, the Senior Pasture Agronomist approved by the Bank, arrived in India soon after the mission's departure. The CV of a candidate for the Agricultural Meteorology consultancy has recently been received and approved by the Bank. After the previous supervision mission Mr. Groenewold (FAO/CP) undertook to provide GOI with the names of possible candidates for the calf rearing and bagasse treatment consultancies. These have not been received. (Mr. Groenewold has been seriously ill in the interim). The issue will be raised again with Mr. Groenewold.

SECTION 7: Action Taken and Recommended

7.01 Draft letters to GOI and state governments, outlining mission findings, are at Annex 8. These also include comment on the short-term credit surveys which were received just prior to, and during, the mission. A copy of the letter to the Director AICRPDA commenting on research proposals is also attached.

7.02 The next mission should visit Karnataka and Maharashtra about October 1976. The mission should pay particular attention to project monitoring.

SECTION 8: Annexes Available on Request^{1/}

1. Review of Anantapur District
2. " " Jodhpur "
3. " " Nagaur "
4. " " Districts not visited
5. Schedule of disbursement
6. Paragraph for Presidents Report
7. Partial listing of officials met
8. Draft letters to GOI and state governments

^{1/} Key Indicators are omitted. The progress report for the period ending March 31, 1976, promised to the mission, has not been received.

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Review of Anantapur District

General. The Project Administrator is an IAS officer who is apparently to be given a Collectorship. He is more interested in obtaining the latter than he is with the affairs of DPAP. The Anantapur project therefore suffers from a lack of continuity in leadership - the impending change will bring in the third Administrator in one year - and the lack of deep commitment to project affairs to be found in Directors of other districts. The mission emphasized to GOAP and GOI the need for continuous and committed leadership. The appointment of very senior officers as Administrators, which GOAP has done, is not of itself an alternative.

Irrigation - Tanks. Work is in progress on the Uravakonda tank, an improved version of the masterplan is expected to be ready in about two weeks. Bid acceptance has just been cleared by GOAP for a second tank (Havaligi); bids were due June 1, 1976 for the third (Mallikethi) and technical clearance is due on the fourth (Pulletivanka). Reference was made in previous reports to the lack of integration in DPAP planning in Anantapur. This could not be fully remedied. One result is that the four tanks lie outside the project watersheds, where conservation works will be undertaken. The mission therefore emphasized that arrangements would have to be made for additional conservation works to protect the catchments of the four tanks. This was accepted.

Wells. Credit planning is complete and about 150 loans have been approved. Work has started on about 80 wells. GOAP has agreed to finance the semi-detailed ground water surveys and work has started. The mission emphasized the need to coordinate groundwater survey and loan approvals.

Soil Survey. The mission stressed the urgency of developing land capability classification maps from the existing reconnaissance soil survey maps.

Soil Conservation. Only two of the four approved subdivisions are staffed, consequently progress is slow. Failure to fully staff the soil conservation and dry farming components results from internal administrative and political issues not fully understood by the mission. However it seems that part of the problem was due to GOAP policy of not transferring staff across regional (ethnic) boundaries. As on all previous missions it was necessary to point out that the quality of soil conservation works was inadequate. Stress was placed on the need to plan technically sound works, based on safe water

disposal. Present practice is to assume that farmers will only accept boundary bunds, and to plan accordingly. Lack of legal power to impose a conservation plan, once accepted by a majority of farmers, makes the conservation task more difficult in Andhra Pradesh than in other states.

Pasture and Sheep Development have made good progress. Nine societies have been organized with the help of Development Block staff. However, if they are to be properly serviced in future adequate project staff must be provided. At present sheep operations are handled by one sheep husbandry officer and three unit managers who are supervised together with the dairy spearhead team. The latter is inadequately staffed for its own activities. For the sheep program the Unit Service Center (or a spearhead team) should be established. A grass seed farm site has been chosen and development of a ram multiplication farm has begun. The mission was given revised draft sheep society by-laws. With minor amendments (see draft letter to GOAP) they are satisfactory.

Forestry. Physical progress continues to be good. Mr. Rowe (NDO) accompanied the mission to Anantapur. He agreed to prepare a note outlining the missions views on forestry development which will be sent direct to concerned staff. Major points were the need to mount a monitoring and trials program in development blocks and to undertake species trials. Present technology - spacing, land preparation, etc - is not based on relevantly sited trials. Yield estimates are but guesstimates; data should be gathered by regular measurements of girth and height increase. Mr. Rowe was confident that species being grown were not the best.

Dry Farming. Project extension staff have not been appointed. (See Soil Conservation above). A DPAP training program on dryland farming was recently held at ICRISAT. The Deputy Director of Agriculture responsible for the dry farming program appeared to have benefited considerably from the course. He outlined a program for 76/77 that fitted well with appraisal proposals. This was the first exhibition of understanding of the dry farming program concept encountered in Anantapur. He also gave the mission a copy of the detailed 76/77 plan; comment is included in the draft letter to GOAP.

Dairying. The program is less advanced than in Rajasthan. The commitment of the spearhead teams is less and they spend insufficient time in the villages working with the new societies and their members. Without greater village level effort society memberships and milk sales will remain low. To facilitate extra village-level contact additional extension workers should be attached to the spearhead teams.

Out of 40 registered societies only 24 are delivering milk. The AP Dairy Corporation, which runs the Anantapur dairy, and which is now handling milk collection, refuses to collect from 16 societies claiming that to do so would be uneconomic. This is an indication of the failure of the sort of planning the DDA is meant to do. The Corporation should have been involved in milk route planning, and was not. Provision was made in the project to

subsidize transport initially because it was expected to be uneconomic. The subsidy is not being used. It could have been used by the DDA to arrange transport independent of the Corporation. As a result of mission discussion the problem should be overcome.

Dr. Madhavan, whose contribution to the mission was most useful, made a number of suggestions for improving dairy program performance, these were discussed with project staff who were also given a note outlining the suggestions.

Sericulture was not discussed since concerned staff were not available. The scheme is being re-drafted; a copy of Mr. Groenewold's comments on the earlier draft was left with project staff for review during the re-drafting process.

Credit. The banking plan and short-term credit survey have been completed. A good start has been made on up-dating land records. Two Farmers Service Societies have been established. At least one of these should be visited by the next mission when it will have gained some operational experience. Generally work on credit planning is encouraging, with good levels of loan approvals, by the LDB and commercial banks, for wells and dairy cows.

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Review of Jodhpur District

General. Overall progress is satisfactory. Staffing of Project Implementation Units has improved and is almost up to strength. Government of Rajasthan's commitment to continuity of sound management is reflected in the recent in situ promotion of the Project Director - a transfer would be normal practice.

Minor Irrigation - Tubewells. The new drilling rigs (one in Jodhpur the other in Nagaur) are performing well. Coordination with the State Electricity Board (SEB) has improved markedly over the past year. This should allow completion of the 76/77 target of 50 tubewells despite the (commendable) provision that wells are now only drilled after SEB certifies that they can be electrified without delay. However the slow pace of electrification remains the main constraint on the pace of well drilling. Great efforts have been made to identify small farmers as potential beneficiaries of the tubewell program but success is limited. The major problem is the lack of contiguity among small farms; this makes group formation difficult. It has been decided to attempt to form groups heterogenous as to farm size to get over this problem. This will probably increase the already considerable problems of management by group. The mission emphasized the need to explore and agree on management procedures during group formation and loan processing. The definition of small farmers has not yet been amended. However it seems probable that in the near future the DPAP program will adopt the income based definition now employed by ARDC. The mission emphasized that the definition issue should not be allowed to obscure the project objective. This is maximizing the number of small farmer beneficiaries per unit of irrigated area developed, not merely achieving some notional target number of beneficiaries - which would be made easier by shifting the definition.

Dug-cum-Bore Wells. The banking scheme for this component has just been completed, there is as yet no physical progress. However, the 76/77 target of 100 wells is expected to be achieved. The major constraint is again electrification.

While recognizing that in Rajasthan well development would be implemented by the Groundwater Board no provision was made for incremental staff in project costs (in other states implementation would be by contractor). Government of Rajasthan has employed extra staff for the project and, with the support of GOI, has requested that they be recognized as a Project

Implementation Unit so that their costs could be reimbursed from the Credit (DCA Section 1.02 (o) and Schedule 1). Subject to receipt of an acceptable staffing plan (promised by GOR), this should be accepted, there will be adequate savings in price contingencies since inflation is well below predicted levels.

Soil Survey. The establishment is almost up to strength - five out of six parties. However much of the recruitment is recent and two parties are still under training. Two parties are working on reconnaissance surveys and one on detailed surveys in selected watersheds, as a prelude to conservation planning. The mission expressed the view that the level of detail in the detailed survey was too great for the particular objective. This is a problem common to all districts and it was agreed in the final meeting in Delhi that survey methodology would be reviewed and that the possibility of using aerial photography to expedite survey work would be explored.

The survey work is presently constrained by lack of vehicles - hence mobility. However it was agreed that it would be premature to address this problem pending the review of methodology.

Soil Conservation is now fully staffed with 5 subdivisions, however training remains a bottleneck. GOR is studying a proposal to strengthen the agricultural training institute of Jodhpur to enable it to train conservation staff. Work has now started on the shelf of works planning on a watershed basis - 4,000 ha were reported completed during April, a satisfactory rate. In addition the conservation staff are surveying and planning tubewell command areas and are carrying out topographical surveys for pasture blocks. The mission raised two technical points on these efforts (1) where possible topographical survey should precede tubewell drilling to facilitate siting, (2) pasture blocks do not need a contour survey for development - the contour furrows should be marked out directly on the ground. Both points were accepted.

Pasture and Sheep Development is well in hand, in 76/77 16 pasture blocks will be added to the two completed last year. On the latter technical and managerial mistakes were made but have been well used as lessons. Arrangements have been made for grass seed multiplication. Upgrading of the local Marwari breed is in abeyance pending a determination as to the most suitable exotic breed for crossing. (The Marwari is reputed to be India's best wool sheep and is therefore not so easily improved by crossing as are many breeds). Development work quality has suffered for lack of supervision. One reason is failure of staff to spend adequate time in the field. However a major reason is shortage of staff. Unit managers - one per three blocks - have not been appointed. They were to have been appointed by the Forestry Department but there were no staff available. When the problem was raised by the mission, in Jaipur, Mr. Bhanot instructed that the posts be filled immediately from the Sheep and Wool Department. The mission confirmed to GOR that the proposed sheep society by-laws were acceptable to IDA (Mr. Parson's letter of April 14, 1976). The mission stressed the urgency of planning the development of water supplies.

Dairy Development is progressing well. Two spearhead teams are working and a third will be recruited this year. 80 societies have been registered and the 76/77 target is 60 more. This is 20 more than projected at appraisal but is acceptable given the progress on dairy development being made generally in Rajasthan. Price contingency savings will cover the small additional costs. Average milk collection per society at present is 235 L/day, somewhat higher than appraisal estimates. Arrangements are being made to start the dairy cow purchase program. The banking scheme is complete and surveys have been carried out to locate animals - in Barmer District (Rajasthan) for cows and in Gujarat for buffalo.

Credit. The banking plan and short-term credit survey have been completed. Arrangements for the registration of Farmers Service Societies are almost complete.

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Review of Nagaur District

General. Progress is satisfactory. Particularly encouraging is the work done on credit planning, especially the involvement of commercial banks.

Minor Irrigation. The position is similar to Jodhpur except that the electrification constraint is much more severe. To relieve the constraint GOI has already provided an additional R 50 M to Nagaur, from DPAP funds, for electrification. This met a GOR request and was expected to be adequate to meet electrification needs under DPAP. However GOR now claim that further funding is necessary to make up a shortfall in funding that the Rural Electrification Corporation (REC) had been expected to provide. GOR therefore requested that IDA reconsider the question of including electrification under the IDA financed project - it was eliminated during appraisal because SEB's financing proposals were not in accordance with terms agreed between the Bank and REC. However GOI did not support this request and it was agreed that further discussions would be held between GOI and GOR to explore means of dealing with the electrification problem.

Soil Survey and Soil Conservation. The position is similar to that in Jodhpur. An excellent watershed land use and conservation plan has been prepared. However, as in Jodhpur, the soil survey work was too detailed. In addition theoretically ideal cropping systems had been devised for each soil type or phase identified and estimates had been made of the quantum of inputs necessary to support these systems. The mission pointed out that the entire exercise was too sophisticated and theoretical, particularly since most of the planning was for the shelf of works with no immediate prospects of implementation. Even under the dry farming program the cropping systems planning would be too sophisticated for utility. The mission stressed the urgency of carrying out some conservation works, outside famine relief programs, to complement the dry farming program.

Pasture and Sheep Development is progressing well. As in Jodhpur much has been learned from last years experience. Supervision needs improvement and should be helped by appointment of Unit Managers. Water supply developments need more emphasis.

Dairy Development is making good progress. Most noteworthy is the progress on credit planning for the cow purchase program. Already a large number of loans have been sanctioned by commercial banks whose integration into the

project is excellent (see also Credit below). The Merta chilling plant is operational (it already has the traditional avian house guests to which attention was drawn). It is proposed to organize an additional 10 societies on the Merta based milk routes since the spearhead team believes that the societies will have a lower output than in Jodhpur. This, if not countered by more societies, would adversely effect milk route viability. Because of the success of the dairy program GOR wishes to expand this activity by developing a second (10,000 L) chilling center at Nagaur, together with additional societies and milk routes. The mission indicated that this would be acceptable to IDA provided that (1) the availability of surplus milk was confirmed by a milkshed survey and (2) detailed cost estimates were produced and sufficient savings were identified to cover these.

Dry Farming. It was proposed to the mission that this program be launched this year. However since no preparatory work had been done and with the onset of the monsoon (hopefully) imminent, the mission persuaded GOR that this would be unwise. Instead it was agreed that in the selected watersheds simple trials be carried out to help devise suitable technology for the start of the program next year. That this is necessary was amply demonstrated by the fact that present extension recommendations are still based on research station results. No allowance is made for the fact that average farm level yields would be lower, for given practices, because of poorer management.

Credit. The banking plan and short-term credit survey have been completed and arrangements for the registration of FSS are almost complete. Excellent work has been done on credit planning for the cow purchase program. Seven camps were held to which would-be borrowers were invited. All officials involved in the loan sanctioning process, including a representative of the concerned commercial bank, were in attendance. For the farmer this greatly simplified the process of obtaining a loan. Not least it obviated the need for bribery which is apparently a common need when officials are dealt with individually.

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Review of Districts Not Visited^{1/}

Soil Conservation - Ahmednagar. Farmers are showing little interest in the farm pond program, probably because most of the first few ponds were unsatisfactory because of poor planning and siting. Costs were higher than anticipated and water retention poorer. Work has been suspended pending an investigation of the problem. Assistance will be obtained from the Sholapur Research Station which has investigated farm pond development.

Bijapur. The issue of whether incomplete bunding works - begun pre-project as a famine relief operation - could be completed as part of DPAP was again discussed. The mission agreed this could be done. However it was pointed out that before final agreement could be given we would have to receive the data first asked for in June 1975 - namely the area involved, cost estimates and similar estimates for the areas needing bunding in project watersheds.

Irrigation - In all three districts. Tank cost estimates are at or above appraisal estimates including contingencies. The mission emphasized the need for continual balancing of funds among components. Master plans have yet to be received from all three districts. The Maharashtra plans are said to be on their way. A plan was sent from Bijapur but the particular work has been dropped and another plan is under preparation.

In Ahmednagar lack of electrification is a major constraint on the well program. Bullock power, for low discharge wells, and diesel engines, are being explored as alternatives.

Pasture Development - In Ahmednagar and Sholapur all project effort is at present focussed on selected watersheds. The pasture program can not be fully implemented on this basis for lack of suitable land. The mission pointed out that it had always been intended that pasture be tackled as a district-wide effort. State officials were asked to obtain clearance for pasture work to be taken up outside watersheds.

^{1/} Based on Delhi discussions.

Dry Farming - In the Maharashtra districts VEW mobility was reported inadequate. There is an impasse in that some VEWs have refused to take a loan for a bicycle, for which they would be given a use allowance; Government refuses to supply bicycles.

Dairying - Sholapur. Milk collection is held up for lack of cans. The Dairy Corporation, the normal supplier, is apparently temporarily unable to finance further can purchases because of the tremendous upsurge in milk marketing in Maharashtra hence demand for cans. At the meeting in Delhi it was agreed that cans be bought for Sholapur societies from transport subsidy funds. These exceed likely need since early indications are that milk sales volumes will exceed expectations.

Project Management - Bijapur. In direct response to the views of the previous mission (Mr. Nelson's letter to GOK of February 5, 1976) GOK has abolished the Governing Council (divisional level) and has delegated greatly increased powers to the Drought Prone Area Development Authority, at district level. This should do much to improve the efficiency of implementation.

INDIADROUGHT PRONE AREAS PROJECT (526-IN)MAY 1976 SUPERVISIONRevised Schedule of Disbursements

IDA Fiscal Year and Quarter	Cumulative Disbursements -----in US\$1,000-----		<u>Actual</u>
	<u>Appraisal Estimate</u>	<u>This/Last Supervision Estimate</u>	
FY 75			
1st	-	-	-
2nd	250	-	-
3rd	950	-	-
4th	2,350	-	-
FY 76			
1st	3,400	-	-
2nd	4,550	-	-
3rd	5,950	500	-
4th	7,700	1,500	1,492
FY 77			
1st	8,750	3,200	
2nd	10,500	4,500	
3rd	12,950	5,950	
4th	15,750	7,700	
FY 78			
1st	17,500	9,450	
2nd	19,250	10,500	
3rd	21,700	12,950	
4th	24,500	15,750	
FY 79			
1st	26,250	18,300	
2nd	28,000	20,000	
3rd	30,450	22,500	
4th	33,250	25,000	
FY 80			
1st	35,000	27,500	
2nd	-	30,000	
3rd	-	32,500	
4th	-	35,000	

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DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Paragraph for President's Report

The project has continued to make satisfactory progress. In particular the pace of dairy and sheep development and, to a lesser extent dry farming, have improved. An encouraging start has been made with credit planning, with commercial banks well integrated into credit activity; this is essential if problems with cooperative credit channels are to be circumvented. Also encouraging are signs that IDA involvement in DPAP is having a beneficial effect on the type and quality of programs in non-IDA DPAP districts.

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DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Partial Listing of Officials Met

GOI

Mr. Naidu, Secretary, Rural Development Department
Mr. Pande, Deputy Secretary Economic Affairs
Mr. Aurora, Director, DPAP
Mr. Albrecht, Pasture and Sheep Adviser, DPAP
Mr. Anandarao, DC DPAP
Mr. Bakshi, DC, Livestock, DPAP
Mr. Kathuria, DC Irrigation, DPAP
Mr. Sharma, US, DPAP

GOAP

Mr. Rama Rao, Deputy Secretary, Forestry and Rural Development
Mr. Rao, Director Agriculture
Mr. Chakravarthi, Collector, Anantapur
Mr. Babu, Project Administrator, Anantapur

GOK

Mr. Rupla Naik, Commissioner and Secretary to Government
Mr. Hosmani, Agronomist, Bijapur Research Station

GOM

Mr. Sakhalkar, Officer on Special Duty, Planning Department
Mr. Das Gupta, Executive Director, DPAP, Sholapur
Mr. Sinha, Executive Director, DPAP, Ahmednagar
Dr. Patil, Chief Scientist, Sholapur Research Station

GOR

Mr. Bhanot, Commissioner Special Schemes
Mr. Chopra, Deputy Secretary Special Schemes
Mr. Rangbir Singh, Director Agriculture
Dr. D.C. Sharma, Officer on Special Duty, Special Schemes
Dr. S.C. Sharma
Mr. Bherger, Project Director, Nagaur
Mr. L.N. Sharma, Project Director, Jodhpur

ICAR

Dr. Krishnamoorthy, Director, All India Coordinated Research Project
for Dryland Agriculture
Mr. Rastogi, Economist and Acting Senior Agricultural Economist
Dr. Bhumbra, ICAR, New Delhi

ICRISAT

Dr. Kampen, Farm Systems Research

ARDC

Mr. Chidambaram, Managing Director

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Draft Letter to GOI

Mr. Arvind Pande
Department of Economic Affairs
Ministry of Finance
New Delhi, India

INDIA: Drought Prone Areas Project (526-IN)

Dear Arvind:

We have now reviewed Frank Thornley's report on his recent DPAP mission. The issues arising were of an operational nature and I have raised them directly with Mr. Naidu and the four state governments. Copies of the letters are enclosed for your information.

With best regards.

Yours sincerely,

Dennis Parsons
Chief
General Agriculture Division
South Asia Projects Department

cc: NDO

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Draft Letter to Rural Development Department

Mr. Naidu
Secretary
Rural Development Department
Government of India
Krishi Bhawan
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Naidu:

We have now reviewed Mr. Thornley's report of his recent mission to review DPAP progress. I have written to the responsible Secretaries in the four States to raise issues arising from the report. Copies of these letters are enclosed. Some of the points raised, I would particularly like to draw to your attention.

We have one general issue concerning your DPAP staff. I understand that you are in the process of clearing a proposal for DPAP staff reorganization. Could you please let us have details when this is finalized in order to keep us fully informed? I also understand that Mr. Anandarao is leaving DPAP and may be followed, shortly, by Mr. Aurora. The dedication of these two officers has been a major factor in the progress of DPAP. We would appreciate being kept informed of progress to replace Mr. Anandarao and on Mr. Aurora's position. Finally on staff I would like to make one point regarding the selection of a replacement for Mr. Sangwan. I think you would agree that your staff are most likely to influence DPAP execution through their personal qualities and technical competence rather than any hold on DPAP purse strings. I would urge therefore that you select a strong candidate to replace Mr. Sangwan, at the cost of some delay if necessary. In this regard is it too late - reorganization wise - to suggest an upgrading of your technical specialist posts in order to attract strong candidates?

I would also like to stress our concern at the staffing shortcomings in Anantapur; lack of continuity of Project Administrator and failure to fully staff the soil conservation and dry farming programs. Anything you can do to improve the situation would be appreciated.

Irrigation

Lack of electrification continues to constrain groundwater development in Rajasthan despite considerable funding from DPAP. We would appreciate hearing the outcome of your further discussions with GOR on means to mitigate this problem.

We are agreeable in principle to GOR's proposal, which I understand you accepted, to include incremental staff engaged in groundwater development as a Project Implementation Unit. We would like to receive Mr. Chopra's promised note giving staff details before formalizing this.

The quality of planning for minor irrigation tanks continues to leave much to be desired. I understand that you now have a good plan, from Tamil Nadu, which will be circulated to planners as an example. The attached outline for a report, prepared by Mr. Kanchanalak who appraised the irrigation component, may also help.

Soil Survey

Please keep us informed of progress on the review of soil survey methodology and the possibility of using aerial photography to facilitate soil survey work.

Dairy Development

The recent upsurge of dairy development, of which DPAP is but part, must produce competing demands for good milch animals. Problems of procurement have already surfaced in some DPAP districts. We would endorse Mr. Thornley's suggestion that GOI's Animal Husbandry Department be asked to carry out a survey to locate areas with surplus animals. The Department could probably also act as a clearing house, to match sources of demand and supply, and thus minimize unnecessary competition.

Small Farmer Definition

Please keep us informed of developments regarding the definition of "small" farmers. As you know we believe the definition should be rationalized using an income base. We are also concerned, and Mr. Thornley repeatedly stressed the point, that a changed definition should not obscure the objective of maximizing the number of beneficiaries under the various schemes.

Monitoring

In Mr. Pillai's absence Mr. Thornley had little opportunity to discuss monitoring and evaluation. However our impression is that progress to get them underway is slow. We would urge that they be given greater attention. This is essential if we are to learn sufficient from phase one activity before the need arises to start preparing a follow-up project.

In closing I would like to say how encouraged we are by the continued progress of this complex project. I would also like to thank you for the assistance and hospitality given to Mr. Thornley by you and your colleagues.

With best regards.

Yours sincerely,

Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

Enclosures

cc: Mr. Arvind Pande, Department of Economic Affairs, Ministry of Finance
NDO

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

General Outline of Proposed Minor Tank Irrigation Project Report

1. An outline of the proposed tank irrigation project report is given as a guideline. Much of the information required to be reported is of the type GOI will be recording for its own internal use. The report should consist of five sections dealing briefly with I - Project Area, II - The Project, III - Organization and Management, IV - Agricultural Production, and V - Benefits and Justification.

Project Area

2. Present a brief description of the project's location and sizes both irrigated and submerged, climate, existing conditions - size of farm units, land tenure, agricultural activities both in the area to be submerged by the reservoir and that to be irrigated - and major constraints on agricultural development to be corrected by the project.

The Project

3. This section is designed to report on the adequacy of the technical aspect of this project. The report should describe briefly the following:

- (i) The project main features and project work;
- (ii) The project hydrology including the assessment of the water demand, adequacies of the project water supply and its quality, assessment of the spillway design flood and in particular, the reliability of the hydrologic basic data used;
- (iii) Status of engineering designs (preliminary or final) and adequacy of the engineering investigations;
- (iv) The project soils and crops and adequacy of land classification;
- (v) The project cost estimates including operation and maintenance; and

- (vi) The schedule of construction and expenses not only for the civil work but also for the command area development component.

4. The project data should also be illustrated as shown in Attachment 1, which is self-explanatory. The report should present project maps of suitable scales:

- (i) showing the catchment, proposed reservoir area, damsite and the irrigated area (preferable 1:50,000 scale); and
- (ii) showing distribution system and Command Area Development (preferable 1:5,000 - 10,000 scale).

In addition, the Command Area Development plan - which includes water courses, farm channels, land leveling, farm bunds, drains and farm roads - should be illustrated diagrammatically as shown, for example, in Attachment 2.

Organization and Management

5. Briefly describe the proposals for the project authorities to be in charge of engineering works and agricultural development, and their capabilities. It should also mention the existing and proposed arrangements for extension, credit, marketing and any other features such as land consolidation, relocation of the people in the area to be submerged, roads, etc. A description of operation and maintenance proposals and water charge policy should also be included under this section.

Agriculture

6. Describe, quantitatively the without and with project farm systems - use model farm budgets. Give crop areas, cropping intensity, yields, and input requirements. (See appraisal report for examples.)

Benefits and Justification

7. Show farm level profitability - use the model farm budgets and apply the appropriate taxes, levies, O & M charges and loan repayments.

8. Demonstrate project economic justification. In addition to standard Government methods calculate the internal rate of return. Guidance will be found in the appraisal report.

INDIA - DROUGHT PRONE AREA PROJECT
ILLUSTRATION OF PROJECT DATA FOR MINOR TANK SCHEME

Name of Scheme: xxx Serving: 400 ha (net)
Location: District xxx Stream xxx Catchment 75 km²

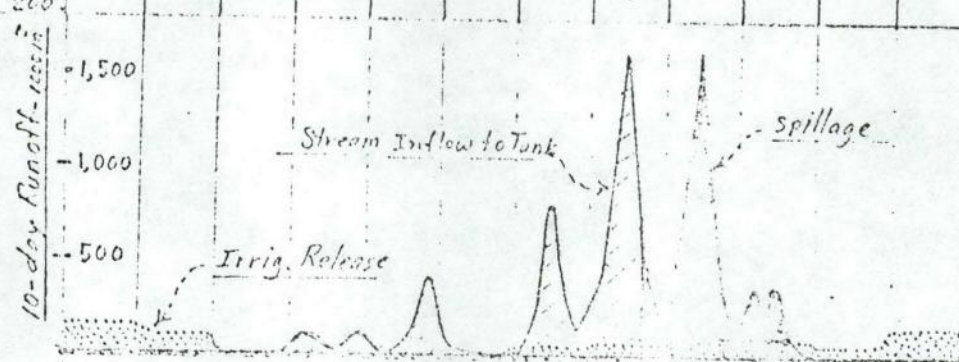
	Croppl	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Existing Cropping Pattern														
Groundnut	10 %													
Jowar	75 %													
Proposed Cropping Pattern														
Rajra	35 %													
Groundnut/Gulch	20 %													
Jowar	35 %													
Wheat	10 %													
Gross Irrig. Demand - 100 % (at 45 % efficiency) - m ³ /ha		1,100	860	-	-	-	-	230	300	460	690	510	1,100	5,250

Rainfall - mm (Average)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
												550.0

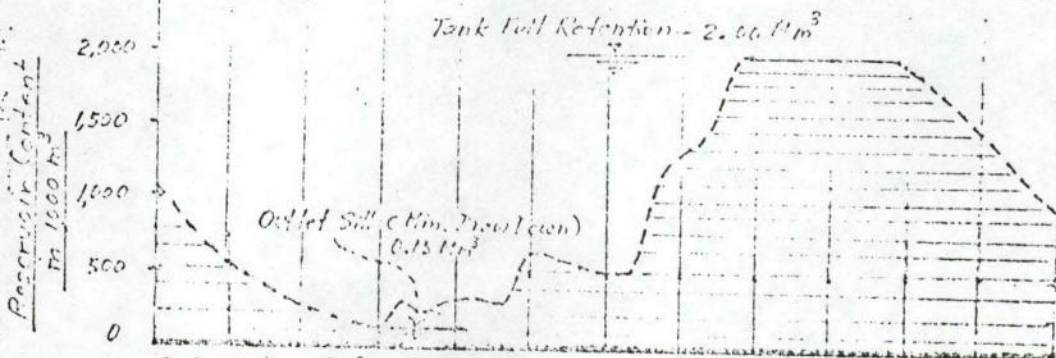
Reservoir Operation:

Annual Inflow: 6.0 Mm³
Ann. Irrig. Req. 2.0 Mm³
" Evaporation 1.0 "
" Spillage 3.0 "
Total 6.6 "
Regulating Space 1.5 "
For Downstream Uses



Reservoir Capacity:

Gross Storage:
1. 30% Sediment 0.51 Mm³
2. 70% Trapped Sed. 0.35 "
3. Residual Regulating Space 1.65 "
Gross Storage 2.41 "
Active Storage:
1. 40% Trapped Sed. 0.20 "
2. Reg. Res. Space 1.45 "
3. Active Space 1.45 "
Dead Storage: 0.15 "
Gross Storage 2.41 "
Active Storage 1.45 "
Dead Storage 0.15 "
Useful Capacity:
Salinity ppm, SAR Boron ppm

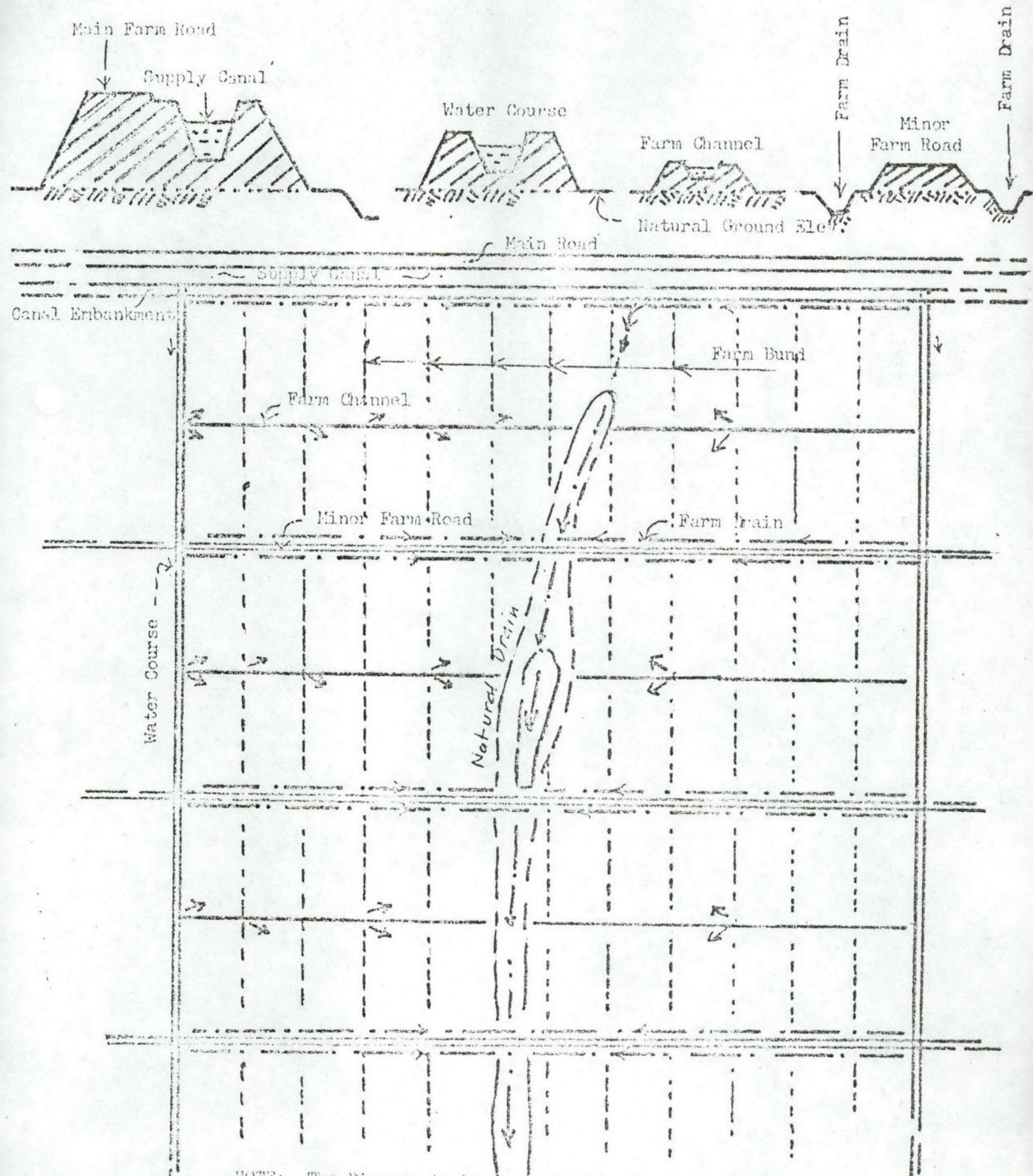


Schedule of Construction:

Tank:	Preparation	Completion Date
Command Area Devel.		
Expenditures: - Rs		
YEAR	YEAR	YEAR

INDIA - DPAP Project
Schematic Illustration of Command Area Development

ANNEX 8
Appendix 1
Attachment 2



NOTE: The Diagram to be presented in the project report should be drawn according to a suitable scale and the necessary dimensions should be specified.

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Draft Letter to Rajasthan Government

Mr. Bhanot
Commissioner Special Schemes
Government of Rajasthan
Secretariat
Jaipur 302005
India

Re: INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Bhanot:

Thank you for your letter of April 30, 1976 and Mr Zutshi's undated letter. I appreciate your clarification of points concerning the annual plans and of reasons for delays in creating Farmers Service Societies. Regarding the latter, and with reference to the last paragraph of Mr. Zutshi's letter, I must point out that we are well aware that FSS are experimental and not a panacea for credit problems. However we are anxious that they be established quickly in order to learn as much as possible during the project period.

Mr. Thornley has now reported on his mission to review DPAP and I would like to bring a number of points arising from the report to your attention. First however I must thank you for the cooperation and hospitality extended to the mission; this was, as always, excellent.

Irrigation. The main constraint on ground water development remains the pace of electrification. This is particularly severe in Naguar. We would appreciate hearing the outcome of your discussions with GOI on means to speed electrification.

It seems likely that the small farmer definition will soon be changed to an income base. This should not be allowed to result in the neglect of the smallest farmers; staff should pursue the objective of maximizing the number of beneficiaries per unit of irrigation development.

Since there is little contiguity among small farmers it seems likely that groups of mixed farm size will have to be formed if small farmers are to benefit from tubewell development. Such heterogeneous groups will face greater management problems than would groups made up only of small farmers. We would therefore endorse Mr. Thornley's suggestion that management proposals be developed during group formation. Each group should be required to agree on a system of management before getting a well.

You asked whether disbursements could be made against the cost of incremental staff engaged on the ground water program. There is no problem in principle, however, before agreeing formally we would like to see a list of concerned staff giving designation and salary scale; Mr. Chopra agreed to send this.

Soil Survey and Soil Conservation. We feel that the soil survey being done for watershed planning is too detailed. I understand that GOI will assemble a group to review survey methodology and, in particular, to examine whether aerial photographs could be used to expedite the work. I hope that your staff will cooperate in the group. We look forward to hearing the outcome of the review. Even if aerial photographs cannot be used we believe that the methodology could be revised to reduce the survey detail. This should be the minimum necessary to meet the needs for watershed planning i.e. delineation of land classes. Delineation of soil types and phases is unnecessarily detailed since, in the foreseeable future, the extension program will not be able to use such information. For these reasons we believe that some of the effort going into the preparation of the shelf of works, particularly identification of elaborate cropping systems, for all soil types, and the estimation of hypothetical credit and input requirements, is wasted.

Having criticised the excess of detail in the watershed planning I should add that Mr. Thornley was most impressed by the quality of the watershed plan which he saw in Nagaur and by the enthusiasm and approach of the responsible staff.

I would like to make two points regarding the topographical survey work of the conservation staff. Survey of tubewell command areas should, where possible, precede drilling to optimize well location. Topographical survey of pasture blocks is not usually necessary; manpower would be saved if contour furrows were laid out direct on the ground.

Pasture and Sheep Development. Mr. Albrecht will write a separate note dealing with the technical issues arising from the mission's visit. I only wish to make two points. Firstly we are very encouraged by the improved progress on this program. Secondly I would record our understanding that Unit Managers will be appointed without delay. This is essential if the planned work program is to be adequately supervised. Lack of supervision in the past has been detrimental to work quality.

Dairy Development continues to progress well. I would confirm that we accept the expanded number of societies at Jodhpur and Merta. In principle we are also agreeable to an expanded program based on Nagaur. In order to confirm our agreement please let us have the milkshed survey, cost estimates, and an indication of sources of savings to offset increased expenditures on dairying.

One of the major problems confronting the dairy program will be to locate an adequate supply of cows for purchase by participants. DPAP staff will need considerable State-wide support from the Animal Husbandry Department if sufficient cows are to be found.

Dry Farming. I would like to record our understanding that the program for this season will be confined to simple adaptive trials in the selected watersheds. These should establish the farm-level impact of various treatments and thus provide the basis for selecting a sound and practical package of technology for use in the full program to be launched next year.

Credit. Good progress has been made on medium term credit planning, particularly in Nagaur. The Project Director and his team, and the Collector, are to be congratulated on their initiative in holding the credit camps and for their success in involving the commercial banks in the credit program.

Although not arising from the review mission I should like to take this opportunity to comment on the short-term credit surveys which we received recently. I think this is worthwhile even though there may be some revisions arising from the State level review. Incidentally we were very pleased to hear that this review had taken place. So often surveys of this sort are exercises in futility because of lack of follow-up.

The Nagaur report is much better than the Jodhpur one. The latter lacks specificity and is also somewhat platitudinous (para. 6). Both appear dangerously to overestimate credit needs. These are drought prone districts, an extensive form of agriculture has been, and is, practiced and is unlikely to change much in the immediate future. This form of agriculture was, and can be, practiced without credit. The overestimation is dangerous because it reflects an attitude conducive to unsound lending which will aggravate the already bad overdues situation.

Both reports rightly emphasize the need to deal firmly with wilful defaulters. The Nagaur report recommends creation of a special team to do this. It also suggests strengthening the DCCB management. May I also suggest for your consideration a modification of the Nagaur proposal. Namely that the DCCB management be improved as proposed but that a special investigation unit be created within DCCB with financial support from Government. The unit would investigate primary society overdues, identify wilful defaulters and take action against them, and prepare rescheduling proposals for non-wilful default. Improved discipline, together with restructuring of finances, are the keys to improved short-term credit flows in many areas.

Other proposals in the Nagaur report, such as reducing the number of primary societies, and restructuring some societies around FSS, appear sound and worth pursuing. I would appreciate hearing your reaction to the survey reports and what follow-up action is proposed.

In closing may I say how pleased we were to hear of the good progress which the project continues to make.

With best regards.

Yours sincerely,

Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu
Mr. Pande
NDO

DRAFT LETTER TO THE GOVERNEMENT OF ANDHRA PRADESH

Mr. B.C. Gangopadhyay
Secr., Forests and Rural
Development Department
Government of Andhra Pradesh
India

Dear Mr. Gangopadhyay:

Re: INDIA - Drought Prone Areas Project (526-IN)

We have now reviewed Mr. Thornley's report on his recent mission and I would like to bring to your attention one or two issues arising from the report. Before so doing, however, I would like to thank you for the help and hospitality given to Mr. Thornley while he was in Andhra Pradesh.

General progress on the project has been quite good. However, we are concerned to hear that the Project Administrator is likely to be replaced soon. The project would thus have had three Administrators in its short life. This lack of continuity must inevitably have a deleterious affect on project management, particularly in the critical area of activity coordination. Appointment of very senior staff, which admittedly has been GOAP practice, is, of itself, no substitute for continuity. I would therefore urge that if a new Administrator is appointed he be allowed to remain in post for at least two years, preferably more.

Irrigation. I understand that a revised master plan for the Uravakanda tank should now be ready. We would like to receive it, and plans for the other three tanks, as soon as possible. None of the tanks is sited in a watershed where soil conservation work is to be executed under the project. Nevertheless the tank catchments should be protected. This was agreed with concerned staff and I would appreciate your assurance that arrangements will be made to carry out necessary conservation work in the catchments.

Soil Survey. To facilitate watershed planning a land capability classification should be developed on the basis of the existing reconnaissance soil survey maps. At the final mission meeting at Hyderabad concerned officials undertook to have this done.

Soil Conservation. Progress is rather disappointing. The main reason is that after eighteen months only two subdivisions have been staffed of the four included in the project. I understand that the problem of staffing the remaining subdivisions will be resolved soon. As this is an important constraint I would appreciate being informed of progress.

We are still concerned, as we have been since the time of appraisal, with the poor technical quality of bunding works. Bunds are normally constructed only on farm boundaries, with deviations from the contour which

exceed GOAP approved norms. We believe that conservation staff too readily assume that farmers will only tolerate boundary bunding. Greater effort is needed on the preparation of technically sound plans, and on the persuasion of farmers to accept these plans with minimal modification. (We are aware that lack of a law to enforce plans approved by a majority of farmers is a constraint in Andhra Pradesh.) The bunding system should be planned around the safe disposal of surplus water - present disposal is random. This would necessitate the use and protection of natural drainage ways and the construction of artificial drainage ways.

Pasture and Sheep Development. The program is progressing well. To maintain progress, now that pastures are being stocked and societies are becoming operational, close supervision and support of society operations is essential. We do not believe that present staffing arrangements can provide this. The sheep program should be removed from the responsibility of the dairy spearhead team leader - his dairy duties are a sufficient load. Additional supervisory staff should be added to the sheep program, either as a Unit Service Center as envisaged at appraisal, or as a form of spearhead team. I would appreciate being informed of progress to strengthen the staffing of the sheep program.

We have reviewed the latest draft of sheep society by-laws and have two concerns. The first is lack of provision in the by-laws for services to be made available to non-member villagers. During discussions in the field it was agreed that the provision could be made but that non-members should pay higher charges than members. The second concern relates to the position of Unit Managers. These will be employees of the Animal Husbandry Department (by-laws, para.22), there will be one per three societies. Given the foregoing they cannot be (nor were they intended to be) full time employees of a society (by-laws, para. 2(7)). If the by-laws are redrafted to accommodate these comments they are acceptable to us.

Forestry. Mr. Rowe from the Bank office in New Delhi accompanied Mr. Thornley to Anantapur. He is a forester and will be sending a separate note giving his views of the forestry program. I would, however, like to emphasize what I know will be the main thrust of his remarks. Technical information in the dry areas is lacking and greater efforts should be made to remedy this under the program. Growth rates should be closely monitored to provide a better base for yield estimates; simple trials should test spacing, land preparation methods, etc.

Dry Farming. We have in the past expressed concern that staff did not fully understand the proposed approach to this program, the extension packages were too complex, the management and training system for the extension personnel was indeterminate. We are very pleased therefore that there has been a marked improvement, as evidenced by the Deputy Director of Agriculture's description of his proposals for the coming season, and by the

revised 1976-77 plan for the dryland program. However, the plans cannot be implemented without staff. As with soil conservation the dry farming program remains unstaffed eighteen months after the project started. This is a serious deficiency in a pilot program from which we had expected to learn, to pave the way for expansion in later phases of DPAP. I hope that you will take all necessary steps to have the program staffed without further delay. I would appreciate being kept informed of progress in this regard.

I would also reiterate a suggestion of the previous mission, and endorsed by project staff, that a dry farming specialist be added to the Project Administrator's staff. The key to the success of the program is a fixed schedule of field work for all staff and intensive in-service training. The additional manpower is necessary to provide capacity for the proposed field supervision and training programs.

Whilst the proposed technical content of the program is much improved there are nevertheless changes we would like to suggest. Most important, and as previously pointed out, the extension program must be aimed at all the farmers in the selected watersheds. They are the target group. The number of participants given in the appraisal report is an estimate of the build up of farmers responding to the extension effort, they are not the target. If the target group is restricted, as for example by confining activity to banded areas, participation will be reduced.

Second, the program should be expanded to include adaptive trials. These would be designed with the help of research station staff. They should adapt research station findings, to provide location specific recommendations geared to farm level management and resources.

Third the demonstration program must be flexible. Each demonstration must be planted in accordance with prevailing weather conditions, not according to a pre-determined schedule.

Dairying. Lack of coordination between DPAP and the Dairy Corporation has resulted in 16 primary societies being unable to sell milk because no collection arrangements have been made. This problem should be resolved without delay; future coordination should be improved.

Progress on society organization and registration has been good. However, the major tasks remain, namely expansion of memberships, improvement of yields and increase of milch animals. To fulfill these tasks we believe that spearhead teams will have to spend more time working in the villages. They will also require strengthening by the addition of extension workers to the teams. I understand that a revised complement for spearhead team staffing has been agreed with GOI's DPAP unit, this should be adopted. We would recommend that there be a period to consolidate the operations of present societies before embarking on the second phase of organization and registration.

Sericulture. Mr. Thornley was not able to discuss this program since concerned staff were not available. However, I understand that a revised plan is almost ready; we would like to receive this as soon as possible.

Credit. Credit activity is going well. However, I would like to comment briefly on the short term credit survey which we received recently. First a general point. Surveys such as this are an exercise in futility if not followed by action. May I therefore suggest that appropriate State level staff review the report, with DPAP staff and concerned district officials, and that acceptable recommendations be acted upon.

Perhaps the most important weakness of the report is the gross over-estimation of credit needs. (This a drought prone district and the traditional agricultural system, which will be slow to change, can be practiced without production credit.) This is a common fault. It is indicative of an attitude of mind likely to aggravate credit problems. Exaggeration of the credit shortfall leads to concern for more liberal lending and for additional injections of Government funds as share capital. The need is probably the reverse. Large overdues indicate bad lending and a need for tighter procedures and for stern measures against defaulters. This, together with conservative rescheduling, should alleviate the need for increased Government funding. We would suggest, for your consideration, creation of a special cell in the Central Coop Bank to continue the effort of analysing overdues, to take measures against wilful defaulters, and to prepare (conservative) rescheduling proposals.

The report questions the effectiveness of the government subsidized society secretaries. A program of in-service training and more effective supervision would appear warranted.

Although the point is not made in the report there would appear to be too many societies for each to be financially viable. Consideration should be given to consolidation, with elimination of the weakest.

Notwithstanding the number of issues I have raised you should know that we are greatly encouraged by the progress of DPAP, we hope it will continue. I look forward to receiving your response to these issues as soon as possible.

With best regards,

Yours sincerely,

Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu
Mr. Pande
NDO

Mr. V. Subramanian
Secretary, Planning Department and
Additional Development Commissioner
Government of Maharashtra
Sachivalaya, Bombay, 400 032
India

Ref. INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Subramanian:

Thank you for your letter of May 7, 1976. As you know Frank Thornley has just returned from a mission to review DPAP progress. We very much appreciate your Government's contribution to the review by sending such a capable and well prepared team to New Delhi.

Mr. Sakhalkar told Mr. Thornley that there is a feeling among you that we are asking for too much information in support of the request to purchase milk tankers. Specifically Mr. Thornley understood him to suggest that the problem of milk handling and marketing in Ahmednagar and Sholapur could be addressed in isolation without regard to interactions with other areas, and that we would receive a note on this basis to support tanker purchase. I would reiterate our earlier request, we would like to see a milk handling and marketing plan for the total milk flow of which milk from the two project districts forms part. This would seem to be your understanding as indicated in your May 7 letter.

You are no doubt aware that the pasture development program is constrained by lack of suitable land in project watersheds. I would point out that the targets for this program were geared to district wide activity. Being a previously neglected activity it was felt that there was a lot of leeway to be made up on the protection and development of upper catchment areas. While understanding your Government's reasons for initially restricting all activity to selected watersheds, I would ask that you reconsider implementing the pasture program on a district-wide basis from 1977/78.

The effectiveness of the dry farming extension service is reportedly reduced because of lack of mobility of VEWs. Apparently it is Government policy not to supply bicycles but to offer loans to VEWs to purchase them; however, some VEWs decline to do so. May I suggest that since mobility is essential, and in view of your policy, that it also be policy only to use VEWs in the project who are prepared to purchase a bicycle. The balance would in any case lack the motivation to do a good job.

We have received the short-term credit survey for Sholapur. This is the best of the five reports we have received - Ahmednagar is still outstanding. It is well written, data are comprehensive and clearly presented - indeed the whole report is beautifully presented - and for the most part the recommendations are unexceptionable, deriving well from the data. Having

said that I must express a major reservation, one common to all the reports. We believe credit needs have been exaggerated. Most of the district follows a traditional, rain-fed agricultural system. Little or no credit is needed to support this, indeed it is hardly a 'creditworthy' operation as I think you will agree if you compare crop credit norms (Table B8) and average yields (page 18). Overestimation of credit needs/benefits, and the consequent tendency to equate institutional success with loan volume, has resulted in unsound lending, low production impact and inability to repay. (The operational deficiencies referred to (para 7.30) are to be expected where borrowing is unrelated to a productive use.)

To suggest that too much credit has been supplied may seem to contradict our concern that lack of credit could constrain DPAP development, but this is not so. Credit is needed to enable new technology to be adopted and subsequently to support that technology. The flow of such development credit will be restricted if the overdues situation is not much improved.

The survey report makes several recommendations which, with minor modifications, we believe would do much to achieve this improvement (paras 7.30, 7.36, 7.38). We feel that a special cell should be established in the DCCB to examine all chronic cases of default, to identify wilful and involuntary default, and to propose remedies, particularly the action to be taken against wilful defaulters. The proposed remedies would be useless if present lending practices continue, this is borne out by the failure of the 1972/73 rescheduling exercise to have any lasting impact. We suggest therefore that future lending be less liberal and that lending policies be strictly adhered to (para 7.30). If 'welfare' lending cannot be avoided a separate channel should be used from that supplying production credit.

In conclusion I should like to say again that this is a good report which has obviously required a good deal of effort to produce. I hope therefore that it will not be treated merely as an exercise to satisfy IDA but that you will have it reviewed and acted upon where appropriate.

With best regards.

Yours sincerely,

Dennis J. Parsons
Division Chief
General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu
Mr. Pande
NDO

INDIA

DROUGHT PRONE AREAS PROJECT (526-IN)

MAY 1976 SUPERVISION

Draft Letter to Government of Karnataka

Mr. Rupla Naik
Secretary to Government
Rural Development and
Co-operation Department
Government of Karnataka
Vidhan Soudha
Bangalore
India

526-IN - Drought Prone Areas Project

Dear Mr. Rupla Naik:

We very much appreciate your meeting Mr. Thornley personally and briefing him on DPAP progress in Bijapur. I would like to bring to your attention one or two issues arising from our review of Mr. Thornley's mission report.

First a further word of appreciation, for your decisive action in dissolving the Governing Council and increasing the powers of the Development Authority. We are confident that this will improve program coordination and implementation.

You again raised the question of including the completion of unfinished bunds in the project. We accept the importance of finishing these works. In principle we are agreeable to them being included in the project. However before we can reach any final agreement on this issue I am sure you will understand we must know exactly what is required. We have twice asked for the necessary information, in our letters of Aug. 18, 1975 and Feb. 3, 1976 written after the last two review missions. I would again ask you to let us know the area covered by unfinished works and the estimated cost of completion. In project watersheds we also need to know the areas which require new works and their estimated cost, so that we can see the total financing required to complete conservation in the watersheds. When the old works are completed, irrespective of source of funds, they should be brought up to satisfactory design standards; often works undertaken hurriedly, in famine relief programs are of technically poor quality.

In the letters referred to above we also asked for a detailed plan for the development of milk collection, processing and marketing in the

district. I understand that you assured Mr. Thornley we would soon receive the plan and we look forward to doing so.

Although not an issue arising from the review mission I would like to take this opportunity to comment on the short-term credit survey. The study team is to be commended for having addressed issues to the extent they have. We are also glad to see that the Cooperative Department has already commented on the report. In order to reap full benefit from the survey teams work we hope you will have the report further reviewed and acceptable recommendations implemented.

Based on our limited knowledge the recommendations, to improve staffing of primary societies' managements, and to more closely monitor the overdues situation, seem well founded. With regard to the latter it might be worth considering strengthening the Central Coop Bank management so that overdues can be constantly monitored. This is essential to identify wilful defaulters - a prerequisite to any action by Sales Officers - and to make rescheduling proposals for non wilful default. Regarding the latter we agree that this should not be constrained for want of conventional medium term loan security.

We believe that this report, and all the others we have received, has an important fault. The need for short-term credit is exaggerated. The traditional technology of the drought prone areas requires little, if any, production credit to support it. Such credit is needed to enable a shift to, and to support, a higher technology. It will be some time before higher technology can be spread through the drought prone areas. Meanwhile exaggerating credit requirements leads to unsound lending and the inevitable large overdues. These then block the credit channel when it is legitimately needed to facilitate the uptake of new technology. We would suggest that you have production credit requirements reexamined and if necessary - as we suspect, have lending procedures tightened. (If you look at the average crop yield given on page 10 of the report - 125 kg/acre - I think you would agree it is inadequate security).

In conclusion may I repeat our request for the conservation and dairy information as soon as possible, in order that we can agree on a sound implementation program.

With best regards.

Yours sincerely,

Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Mr. Naidu
Mr. NDO Pande

Dr. Ch. Krishnamoorthy
Director
AICRPDA
2-2-58/60 Amberpet
Hyderabad 500013
India

Ref: INDIA - Drought Prone Areas Project (526-IN)

Dear Dr. Krishnamoorthy:

It was good to meet you again and to get an up-date on AICRPDA progress, albeit too brief - my fault not yours.

I would like to comment briefly on your note on the two DPAP financed research projects. Turning first to the five agro-economic studies. Am I right in thinking that the farm structure studies would address the whole range of questions: what are farmers doing and why, within what ecological social and economic constraints and with what resources? I would hope these would be broad ranging studies. A broad understanding of farmer behavior is essential if technological packages are to be devised to help him. So often one hears of farmers being given impractical advice for want of such understanding. (I have never been able to get consistent and satisfactory explanations why Deccan farmers plant jowar "late").

I am somewhat confused by the title of the third study - formulation and development of farm plans. If the intention is to examine the major farm systems of different regions and, having regard to production cost, price and technology trends, to determine the enterprises on which extension effort should focus, this will meet a need. However, if the intention is to attempt to develop model farm plans, as the basis for an individual farm planning service by extension personnel, I think this would be wrong. Individual farm planning is too sophisticated and time consuming for present conditions. I would appreciate your clarification on this.

I hope that the fourth study, on the adoption and diffusion of new technology, would monitor and evaluate the impact of new technology in DPAP watersheds and other areas within the ambit of projects with well defined scope and objectives. This would give information of practical value. I am sure there is no lack of this type of study but of general scope - HYV adoption rate etc.

Judging from its title I would have thought the fifth study area overlapped with the second. Is this so?

Just one observation with regard to the pasture program. Jodhpur has ongoing pasture work. In view of this would it not be possible to get agreement that all, or major elements, of the DPAP pasture research program be undertaken at Jodhpur using existing resources? DPAP resources could then be used for a sixth center in another region.

I look forward to your reaction to these comments. It would also be helpful to have the detailed terms of reference for the agro-economic studies and for the pasture studies once these have been developed.

With best regards.

Yours sincerely,

Frank Thornley

cc: Mr. Aurora, Director DPAP
Rowe (NDO)
Loup

July 12, 1976

Mr. Heye Groenewold
FAO/World Bank Cooperative Programme
VIA Delle Terme DiCaracalla
00100 Rome, Italy

INDIA - Drought Prone Areas Project

Dear Heye:

Hope that you are now fully fit and back onto mission work. I was sorry you couldn't join me on the last DPAP trip, it would have been a great help.

DPAP is making good progress. The dairy component has got off to a really good start, particularly in Rajasthan. Sheep and pasture development are also making better progress under Albrecht's guidance.

Not such good news is that it seems likely that Aurora will leave soon, and Anandarao has already gone. They will be sorely missed.

Despite the considerable concern expressed about dairy training after the last supervision mission - you, Jacques et al - I was unable to pin down any specifics this trip. Certainly during the relatively brief sessions I had with Aurora he didn't express any particular concerns. (I think much of his general concern about technical training had been relieved by a recent, successful course for dry farming held at ICRISAT).

Whatever the reasons I think that given the loss of Anandarao and the likely loss of Aurora, who between them looked after training, we should keep the question of Bank/CP assistance on dairy training open through the next supervision. This should be in October/November. I will keep you posted since you may be available to join according to Jones cable of May 7 to me in New Delhi.

One final point, have you had any luck locating possible consultants for calf rearing centers and bagasse treatment plants? The Maharashtra people are particularly anxious to get on with bagasse treatment. Please let us know the latest position.

All the best.

Yours,

Frank Thornley

2
FThornley:pt

Dennis J. Parsons, ASPGA

July 12, 1976

Frank Thornley, ASPGA

INDIA - Drought Prone Areas Project (CR526-IN)

1. In accordance with my terms of reference of April 21, 1976 I spent the period of May 17 through May 29, 1976, in India reviewing the Drought Prone Areas Project. I visited Jodhpur and Nagaur Districts in Rajasthan and Anantapur District in Andhra Pradesh. I also discussed progress in the other three districts - Ahmednagar, Sholapur (Maharashtra) and Bijapur (Karnataka) - with district and state officials in New Delhi.
2. Attached is my combined back-to-office and full supervision report. The distribution is shown below.
3. Anyone requiring report annexes can get them from Mr. Thornley, Room B-510, Ext. 4120.

Attachment

Distribution list:

Full report: Messrs. Rowe (NDO) ✓

Upadhyay ✓

Elkana ✓

Seth ✓

Loup ✓

Asia Files ✓

Travel BK
BLK BOOK

Summary: Messrs. van der Tak (2) ✓

Yudelman ✓

Israel ✓

Bowron ✓

Elliott ✓

Awunyo ✓

Stern ✓

Picciotto ✓

Rowe ✓

Blobel ✓

Street ✓

Perry ✓

Jansen ✓

Alisbah (3) ✓

FThornley:pt



D. AURORA
DIRECTOR(DPAP)

AIR MAIL

India-Credit 526

D.O.No.23(2)/76-DPAP

कृषि और सिंचाई मंत्रालय

2nd - DPAP

ग्राम विकास विभाग

कृषि भवन

नई दिल्ली-110001

197 .

MINISTRY OF AGRICULTURE & IRRIGATION

DEPARTMENT OF RURAL DEVELOPMENT

KRISHI BHAVAN

NEW DELHI-110001

21 9/77

1976.

Dear Shri Parsons,

Please refer to this office letter No.23(2)/76-DPAP dated 24th March, 1976, with which a project report(in two Volumes) giving details of technical designs and phasing for both the tank and command area works in respect of Ghatshiras Project in Ahmednagar district was forwarded to you for appraisal.

The cost of the tank and canals comes to Rs.10.74 lakhs and the land development works would cost another Rs.1.84 lakhs. Canal excavation and earth dam in the flank portion have been completed. The work on gorge filling and cross drainage structures is planned to be taken up by the State Government immediately after the current monsoons are over. The construction of the tank and canal system is expected to be completed in all respects by June, 1977. It is now intended to present the scheme for command area development to the credit institutions in the district for financing on-farm works and the actual work is proposed to be started from November, 1976 so that this phase of the project is also completed simultaneously with the completion of the tank and canal system. I may add here for your information that the design of the on-farm works is based on the specifications laid down by the Maharashtra Land Development Corporation. We have advised the project authorities to work out the details required for water management of the project and prepare a note giving details of the crop period, monthly water requirements of various crops, irrigation schedules, method of operation of the distribution system, number of irrigation and depth of water to be applied per irrigation, peak period requirements and design capacity at different outlet points, etc. as these details have not been discussed in the Master Plan sent to you. The project authorities have also been advised to modify the phasing of the construction programme and carry out land levelling and grading before field channels and drains are constructed. Please let me know if the IDA has any comments or suggestions on the Master Plan so that they are incorporated in the project before implementation of the scheme.

Am Long.
for action pl.
Did Frank review?
[Signature]

Regards,

Yours sincerely,

[Signature]

Shri Dennis J. Parsons,
Chief General,
Agriculture Division,
South Asia Project Department,
IDA 1818 H. Street,
N.W. Washington, D.C. 20433, USA.

RECEIVED

RECEIVED

1976 JUL 16 PM 2:07

Min. of Agriculture, D.O. 50432, Agr.
INCOMING MAIL UNIT
SOUTH AFRICAN BUREAU OF AGRICULTURE
VALUATION DIVISION
CHIEF OFFICER
SOUTH AFRICA 1. BUREAU

[Handwritten signature]

AGRICULTURE

The enclosed in the project before implementation of the scheme
and comments of suggestions on the matter then so that they
concerns and status are considered. Please let me know if the IDV
broadening and still on the project and also before they
have also been advised to modify the project of the construction
discussed in the matter then sent to you. The project envisages
of different outlet boxes, etc. as these details have not been
submitted by the IDV, but before implementation and design of the
distribution system, number of the IDV and design of water to be
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estimated was forwarded to you for approval.

and comments are made in respect of IDV, the IDV, the IDV,
stating details of IDV, the IDV, the IDV, the IDV, the IDV,
5th March, 1976, with IDV, the IDV, the IDV, the IDV, the IDV,
Please refer to this office letter no. 52(5)/76-DBV dated

[Handwritten signature]

NEW DELHI-110001
KISHI BHAVAN
DEPARTMENT OF RURAL DEVELOPMENT
MINISTRY OF AGRICULTURE & IRRIGATION
44 (444)-110001

DIRECTOR (DBV)
D. VADOKA

D.O. No. 52(5)/76-DBV

Asia Records
INDIA Thought Probe
Asia Project
Asia 526-1N

India C. 526

Mr. Lamp
See p. 3.

No. 23(7)/76-DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)

New Delhi dated the 5th July, 1976.

Subject:-

Minutes of the Inter-Ministerial meeting held on 29.5.76 at 11.00 A.M. in the Committee Room No. 49 Krishi Bhavan New Delhi to review the progress of IDA financed projects under DPAP during the visit of 3rd world Bank Review mission.

A copy of the minutes of the above meeting is sent herewith for information and necessary action.

(J.P. Sharma)

Under Secretary to the Govt. of India

Distribution

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- 1) P.S. to Secretary (RD)
- 2) J.S. (RD)
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- 4) Director (Credit)
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- 6) Dy. Secy. (DPAP)
- 7) D.C. (MI)/(LS)
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- 2) J.S. (I)

- 3) J.S. (L)
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- 7) Shri Ved Prakash.
Director, foreign Acad.
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- 9) Director, Dry farming
- 10) Sh. M.N.Khan J.C.(DD)
- 11) Dy. I.G.F.
- 12) Shri. K.G. Mohindru. Dy.Com (Wpp)
- 13) Shri. C.R. Mohapatra Asstt.I.G.F.
- 14) Shri P.K. Ghosh U.S.(Fert II)

Ministry of Finance

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- 3) Sh. Baldev Singh (AFA)
Agri. Refinance & Dev.corporation Bombay.
- 4) Sh. M.A. Chidambaram,
Managing Director,

(ICAR)

- 1) Dr. Bhambala
Dy. Dir. General
- 2) Sh. N.PatNaik,
Asstt. Dir. General.

Directorate of Economics & Statistics.

Sh. B.N. Kap.re
Addl. E.S.A.

World Bank Review Mission

Sh. Frank Thornley,
World Bank, 1818 H-Street N.W.
WASHINGTON DC.20433, U.S.A.

State Govt.

Govt. of Rajasthan

- 1) B.K.Zutshi, Special Secy.(Agri.)
special scheme organisation.
Jaipur, (3 copies)

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Dy. Secy. (Agri) S.S.O.
Jaipur.

3) Sh. M.L. Arora,
Project Officer, S.S.O.
Jaipur.

4) Sh. Sushil Sharma,
Project Officer, S.S.O.
Soil Conservation.

5) Sh. L. Sharma,
Project Dir. DPAP Jodhpur,
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Director, DPAP Sholapur,

4) Sh. A.P. Sinha, Executive
Director (DPAP)
Ahmednagar.

5) Sh. N.D. Patil,
Chief Scientist, Dryland
Research project
Sholapur.

Govt. of Karnataka

1) Sh. Rupla Naik, Special Secy.
S.E.P. & Secretary
Rural Development &
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Commissioner, Bangalore.

3) Dr. K. Buttaswamiah,
Dir, DPAP, Planning Deptt.
Karnataka Govt. Secretariat,
Multistoreyed Building,
Vidhana Veedhi Bangalore.

1) Shri. S.A. Hosmani,
Agronomist, All India
Coordinated Research
Project for Dryland Agri
Agri, Research Station
Bijapur.

Govt. of A.P.

1) Sh. P.L. Shivram,
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Administrator, DPAP
Anantapur, (3 copies)

Department of Rural Development

Proceedings of the Inter-Ministerial meeting
held at 11a.m. on 29-5-1976, New Delhi to
review the progress of IDA projects under DPAP.

The meeting of the Inter departmental Coordination Committee on DPAP was held on 29th May, 1976 to review the progress of the programme in the IDA funded districts. The meeting was specifically called to get the reaction of the World Bank Mission which toured the country from 17 to 29th May, 1976. The meeting was presided over by the Secretary, Department of Rural Development. The names of the Officers who attended the meeting are given in Annex.

1. The Chairman requested Mr. Frank Thornely, member of the Review Mission, to give impressions of field visits and the discussions held at the Project and the State Level. Mr. Thornely expressed his satisfaction on the implementation of the programme, which he felt, was possible only due to the interest taken by the State Govts. and the District Organisations. There were, however, a few points on which further action needed to be taken.

(i) Too much emphasis was being placed upon detailed survey of the Watersheds. He felt that detailed survey may be necessary only in places where Dryland Farming programme was being taken up. In others, reconnaissance survey would suffice. He also suggested that ariel photograph, if available in the suitable scale, could be used for land survey. It was decided that a small group consisting of experts from ICAR, Survey of India and Agriculture Ministry would be constituted to go into the details of the types of soil surveys to be conducted in these districts.

(ii) As per agreement into IDA, Command Area Development planed for one irrigation scheme have been sent to the World Bank, but it was felt by the Mission that these were not upto the mark. It was informed that Tamil Nadu Govt. had sent a Command Area Plan which was being circulated to the other State as a Model. Deputy Commissioner(MI) would also go to Karnataka and Maharashtra to discuss with the State Govt, officials on preparing another plan of action.

(iii) Dryland Farming programme would probably be taken up on an intensive scale for the first time in coming Kharif Season. The discussions at Anantapur were very satisfactory in the sense that the proper plan of action had been prepared by the District Authorities, which gave a complete package of practices to be adopted by the Farmers. It was pointed out that in Maharashtra and Karnataka, demonstrations had been taken up in 1975 Kharif also and the results are being tabulated. These will be sent to IDA for information.

(iv) Dairy Development Programme in Rajasthan was proceeding extremely well, however, the same could not be said of Anantapur, where a different pattern other than suggested by the Appraisal Report, is being adopted. Mr. Thornely felt that greater coordination between the Spear Head Teams and the Dairy Development Corporation is required. This matter will be taken up with the State Govt.

(v) The position regarding the appointment of Staff has improved since the Mission visited last in November. The Anantapur Soil Conservation Staff has still not joined. It was explained that the non-posting of the Staff was due to the administrative problems, which would be sorted out by the State Govt. very soon and the staff will be in position very shortly.

GENERAL POINTS:-

(i) Secretary, Special Schemes, Rajasthan requested for a further provision of about 2.14 crores for Rural Electrification to be funded out of the DPAP funds for Jodhpur and Nagaur. Non-availability of power was one of the constraints mentioned in the implementation of the Ground Water programme. Since the State Govt. have already been provided with 4.59 crores out of the over-all DPAP funds, for the entire state, further sanction of funds for Rural Electrification will be considered separately after the proposal is received from the State Govt. analysing the requirements and the funds which are to be met by the R.E.C.

(ii) Rajasthan representative again repeated the question of definition of Small Farmers. It was clarified that the matter will be taken through c.c.c. after which a final decisions will be taken. M.D., ARDC, however, suggested that the definition of income adopted by them can be adopted in the DPAP areas. The Chairman decided that this matter will have to be looked into and final decision taken.

(iii) Secretary, Special Schemes, Rajasthan requested that the staff for the State Ground Water should be reimbursed by the Project. The request was accepted.

(iv) Maharashtra representative suggested that the percolation tanks should be included in the programme. It was pointed out that unless the State Govt. send the study on economic evaluation of the percolation tanks, it may be difficult to do so.

(v) Pasture Development programme in Maharashtra is restricted on account of non-availability of govt. land for pasture and afforestation in the selected watersheds.

The State Govt. were asked to explore the possibility of extension of programme to other watersheds in the districts so that the total targets laid-down in the Appraisal Report are fully met.

(vi) The project visualises a large supply of animals to the farmers in these districts, whereas availability of animals is an important constraint. A general request was made that the Ministry may explore the possibility of providing animals from the other parts of the country to these six districts.

(vii) In view of the fact that the expected price escalation has not taken place in these two years, the State Governments would have to prepare an additional programme either within the same sectors or new schemes, for financing. This exercise may be taken up early, so that the programme of expansion additional schemes may be grounded early next year.

(viii) Under the project, there are two Consultants, one for Bagasse treatment and the other for Calf Rearing. Mr. Thornely was requested to take the matter up for early deputation of these two consultants. In the meanwhile, it was also decided that efforts may be made to find a suitable persons for calf-rearing within the country itself in consultation with the National Dairy Development Board.

The meeting concluded with the vote of thanks by the Chairman.

P.K.

25/6/76

List of officers who have participated in the Inter-Ministerial meeting to review the progress of IDA projects under DPAP at 11.00A.M. on 29.5.76 in the committee Room No.49 Krishi Bhavan, New Delhi.

Govt. Of India

Ministry of Agri& Irrigation

- 1) Shri I.J.Naidu, Secy. (RD) (chairman)
- 2) Shri R.N.Azad, J.S. (RD)
- 3) Shri J.K.Jain, Chief Engineer (MI).
- 4) Shri D.R. Bhumbra Dy. Dire General (ICAR)
- 5) Shri ARW. Albrecht. Sr. Pasture & Sheep consultant.
- 6) Shri R.M. Bhargava, Dir. (IF)
- 7) Shri Hit. Prakash, Director Deptt. of Agri.
- 8) Shri D. Aurora, Dir. (DPAP)
- 9) Shri K.N. Syngal, J.C. (Project)
- 10) M.N. Khan, J.C. (DD)
- 11) Shri V. Anandaram, Dy. Secy. (DPAP)
- 12) Shri K.G. Mahindru, Dy. Commissioner (DPAP)
- 13) Shri K.C. Kathuria, DC (MI)
- 14) Shri S.N. Bakshi, DC (LS)
- 15) Shri J.P. Sharma (US) DPAP
- 16) Shri P.K. Ghosh, U.S. (Fert II)
- 17) Shri C.R. Mohapatra (Asstt. I. & F)
- 18) Shri M.K. Mathur, Dy. Dir. (DF)
- 19) Shri Harmohinder Singh, (AD) DPAP.

Ministry of Finance

- 1) Shri K.P.A. Menon J.S. Banking.
- 2) Arvind Pande, Dy. Secy. Deptt. of Eco. Affairs.
- 3) Shri Baldev Singh (AFA) (RD)

World Bank Review Mission

- 1) Mr. Thornley

Govt. of Rajasthan

1. Shri B.K. Butshi, Special Secy. (Agr.) (Specied Scheme org.)
2. Shri Pawan Chopra Dy. Secy. (Agri) (Species schemes organisation)
- 3) Shri M.L. Aroxa, Project Officer,
- 4) Shri Sushil Sharma Project Officer, (Soil Conservation)
- 5) Shri M.A. Chidambarn., Managing Director, Agri. Refinance Corp. Bombay Govt. of Maharashtra.

- 1) Shri S.M. Athalye, Dy. Secy. Planning Deptt. Govt. of Maharashtra.
- 2) Shri V.H. Sawhalkar, O.S.D. Planning Deptt.
- 3) Shri N.D. Bhat, Chief Scientist, Dryland research project Sholapur.
- 4) Shri A. Das Gupta, Executive Director, DPAP Sholapur.
- 5) Shri A.P. Sinha, Executive Director, DPAP Ahmednagar.

Govt. of Karnataka

- 1) Shri Rupla Naik, Commissioner for SEP & secy. Rural Dev. & Corp.
- 2) Shri D.J. Balraj, Devel Commissioner.
- 3) Shri S.A. Hasmani, Agronomist, coordinated research project for dryland Agri. Research station. Bijapur.

OFFICE MEMORANDUM

TO: Note to files

DATE: July 9, 1976

FROM: Frank Thornley, ASFGA

SUBJECT: INDIA - Drought Prone Areas Project (CR526-IN)

- Doc #140,382
1. Attached is training material sent for information that accompanied ~~Sharma~~ (GOI) letter 22(6)/75 of March 8, 1976.

Thank,
I have to apologize,
I didn't get the time to
get around to look at this
document -
sorry to pass the buck.

India - Cr. 526 -
Mr. Lomp
Mr. Shorley
Revised + for
Comment to me
Sh.

No.23(2)/76-DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)

New Delhi dated the 7th July, 1976.

To

Mr. D.J.Parsons,
Chief General Agriculture Division,
South Asia Project Department,
International Development Association,
1818, H.Street N.W. Washington DC20433 USA.

Sub: Credit Agreement No.526 - IN - Drought Prone Areas
Programme (India).

Dear Sir,

Doc #141, 200

I am enclosing a copy of the short-term credit survey
report for Ahmednagar district being financed with I.D.A.
assistance under Credit Agreement No.526 IN for the Drought
Prone Areas Programme.

Doc #141, 201

2. The Government of Rajasthan have also formulated the
revised short-term credit survey report for the IDA district
of Nagaur. A copy of the revised credit survey report for this
district is also sent herewith for the information of the
association.

Yours faithfully

J.P.

(J.P.Sharma)

Under Secretary to the Govt. of India

Copy for information to:-

- 1) Department of Economic Affairs (Shri Arvind Pandey, Deputy Secretary).
- 2) Department of Agriculture (Shri Sadanand, Deputy Commissioner).
- 3) Shri Pawan Chopra, Deputy Secretary.

sd-

(J.P.Sharma)

Under Secretary to the Govt. of India

Under Secretary to the Govt. of India
(I.B. Sharma)

3) RECEIVED
1926 JUL 28 AM 11 28
1926 JUL 28 AM 11 28
GOVERNMENT OF INDIA
DEPARTMENT OF AGRICULTURE (Joint Secretary, Deputy Commissioner).
DEPARTMENT OF ECONOMIC AFFAIRS (Joint Secretary, Deputy
Commissioner for information to:-

Under Secretary to the Govt. of India
(I.B. Sharma)

Joint Secretary

Association.

Director is also sent herewith for the information of the
of the related credit and the report for the
credit and the report for the IDA district
of Rajasthan have also formulated the

me.
edit Agreement No. 250 in for the present
at district being financed with I.D.A.
& a copy of the short-term credit and the

Under Secretary to the Govt. of India
Agreement No. 250 - in - present alone area

at M.M. Washington DG50433 NGA.
Development Association,
Joint Secretary,
Agriculture Division,
India.

New Delhi dated the 1st July, 1956.

(Department of Joint Development)
Ministry of Agriculture and Irrigation
Government of India
No. 52(S)/Ae-DVAB

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: INTBAFRAD
NEW DELHI

DATE: July 6, 1976

ORIGINATOR'S EXT.: 4120

WV

COUNTRY: INDIA

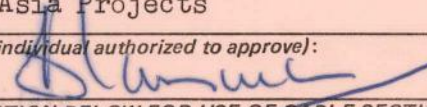
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SERVICE: TELEX

CABLE NO. & TEXT:

768

FOR ROWE RE DPAP AND URCAB 623 NO OBJECTION TO SEED PURCHASE,
REIMBURSEMENT SHOULD BE REQUESTED FROM CATEGORY FOUR REGARDS PARSONS

NOT TO BE TRANSMITTED

REFERENCE:	INDIA- DPAP (IN526)	AUTHORIZED BY (Name): Dennis J. Parsons
DRAFTED BY:	FThornley:pt	DEPARTMENT: South Asia Projects
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REIMBURSEMENT SHOULD BE REQUESTED FROM CUSTOMER FOR REVENUE PAYMENT
 FOR HOME IN DEVB AND ABOVE Q53 NO OBJECTION TO SEND MESSAGE

CABLE NO. & TEXT:

COUNTRY:

INDIV

SERVICE: TELETYPE
 CLASS OF:

ORIGINATOR'S EXT: 1750

TO:

NEW DEINI
 TELPUBND

DATE: JUL 6 1976

(TELEGRAM/CABLE/TELEX)
 OUTGOING MESSAGE FORM
 WORLD BANK / IFC

FROM: NEW DELHI
July 5 1976

INCOMING TELEX

India Credit 526

623 FOR PARSONS ARVIND PANDE ON BEHALF DPAP HAS REQUESTED
PERMISSION USE DISTRICT CORE OR CONTINGENCY FUNDS TO PURCHASE
1200KG SEMI TROPICAL COMMA TROPICAL AND ARID GRASS AND LEGUMINOUS
SEED FROM ARTHUR YATES COMPANY QUEENSLAND AUSTRALIA FOR URGENTLY
NEEDED PASTURE DEVELOPMENT RESEARCH AND FIELD TRIALS STOP SUITABLE
X++ SEED NOT AVAILABLE LOCALLY. COST INCLUDING FREIGHT ESTIMATED AT
US DLRS 10,000. NDO SUPPORTS REQUEST AND SEEKS CONTROLLERS CONCURRENCE
TO FOREIGN EXCHANGE EXPENDITURE REGARDS

ROWE

Mr. Parsons.
No objection

[Signature]

DISTRIBUTION:

~~Mr. Parsons~~ ✓
~~Mr. Alishah~~

1976 JUL -5 AM 11:30
COMMUNICATIONS
SECTION

RECEIVED

440098 WORLD BANK

IBRD ND3150

July 1, 1976

Mr. J. P. Sharma
Under Secretary
to the Government of India
Ministry of Agriculture and Irrigation
Department of Rural Development
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear Mr. Sharma:

Thank you for your letters of April 2 and June 7, 1976, forwarding draft bye-laws for sheep societies in the DPAP districts of Karnataka and Maharashtra. The Maharashtra bye-laws are acceptable to the Association. We have the following comments on the Karnataka draft which we would ask you to take-up with the Government.

- (i) Objectives. Provision should be made for the society to provide relevant services to non-member villagers, at a higher charge if necessary. In particular, disease control cannot be effective unless the entire village flock is covered.
- (ii) Managing Committee. One of the government nominees should be the Unit Manager.
- (iii) Distribution of Profits. There should be provision for guaranteed income. It seems unlikely that this is impossible within the framework of the Act since the other three states have made the provision.

If the Karnataka bye-laws are re-drafted to take account of these comments they will be acceptable to the Association.

With best regards.

Yours sincerely,

Dennis J. Parsons
Chief, General Agriculture Division
South Asia Projects Department

cc: Messrs. Upadhyay, Loup
NDO

FThornley:pt

India Credit 526

July 1, 1976

Mr. J. P. Sharma
Under Secretary
to the Government of India
Ministry of Agriculture and Irrigation
Department of Rural Development
New Delhi, India

INDIA - Drought Prone Areas Project (526-IN)

Dear J. P.,

I wish to acknowledge your letters of April 21 and June 14, 1976, and the accompanying banking plans. We shall comment on these as soon as possible.

On behalf of Jacques Loup I should also like to thank you for the training information which came under cover of your letter of March 8, 1976.

I enjoyed my recent mission, not least because of the good company I was in, I look forward to meeting again soon.

Best regards to you and your colleagues.

Yours sincerely,

Frank Thornley

P.S. Hope the March 31, quarterly report is on its way, I need the data.

FThornley:pt

OFFICE MEMORANDUM

TO: Note to files

DATE: July 1, 1976

FROM: Frank Thornley

SUBJECT: INDIA - Drought Prone Areas Project (526-IN)

1. The following documents are attached:

- Doc #140,350 Doc #140,354*
- (i) Five year plans for Anantapur and Sholapur districts. These were prepared post-appraisal. They are a useful record to monitor project evolution *Doc #140,340 Doc #140,352 Doc #140,355*
- (ii) 1975-76 plans for Ahmednagar, Bijapur and Sholapur and for the forestry and pasture components in Anantapur. Again these will be useful to monitor progress. *Doc #140,344*

2. All documents were obtained during the June 1975 supervision mission.

cc: Messrs. Loup
Upadhyay

OFFICE MEMORANDUM

TO: Note to files

DATE: July 1, 1976

FROM: Frank Thornley

SUBJECT: INDIA - Drought Prone Areas Project - Dairy Development (526-IN)

1. The attached note summarises points raised by Dr. Madhavan of NDDB, who accompanied the May 1976 supervision mission to Anantapur. The points were discussed with project staff.

cc: Messrs. Loup
Upadhyay

M. L. Chavhan

POINTS FOR DISCUSSION:

- 1) Bye-laws of the societies: The Bye-laws adopted by the D.P.A.P. societies differ from the AMUL - type Bye-laws. These Bye-laws may be re-drafted.
- 2) Registers and other proformas: The registers and other proformas maintained by the societies are those of the traditional milk supply societies. AMUL - type records may be introduced.
- 3) Secretary of the Society: A Veterinary Compounder, who is a departmental official, is the secretary of the society. Instead, a local person may be appointed and given training in AI & First-aid.
- 4) Payment for the members: The price chart should be worked out on a 'slab basis' and given to all the societies for making payment to the members. At present payment is at fortnightly intervals. This may be changed to weekly intervals.
- 5) Payment to the societies from the dairy plant: The dairy is making payment to the societies at fortnightly intervals. This may be changed to weekly intervals.
- 6) Milk measuring sets: At present the societies are provided with only 1000 ml. and 500 ml. measuring sets. 200 ml. and 100 ml. sets should be provided.

IMP

Paid by Society.

=/2/=

Animal Health Route - would need compounder more effectively

am to replace traditional

- 7) Technical input programmes: The Veterinary Compounder should attend to only first-aid work and therefore, only such medicines may be supplied to him.
- 8) Balanced cattle feed: Supply of balanced cattle feed should be taken up in all the societies.
- 9) Co-ordination between the D.P.A.P. Staff and the A.P. Dairy Development Corporation Staff (Dairy Plant):
The A.P. Dairy Development Corporation staff should be actively involved in D.P.A.P., particularly in the organisation of societies, formation of milk routes and milk transport arrangements.
- 10) Registration of the District Milk Producers' Union:
Forty societies are now registered. With these forty societies, the Union may be registered immediately.
- 11) Marketing of milk in Anantapur Town: The sale of milk in Anantapur Town should be increased. This may be done jointly by the Spear Head Team Leader and the Dairy Manager. The possibility of organising a milk consumers' society in Anantapur town to market the milk may also be explored.
- 12) Additional remuneration to Spear Head Team Staff:
Since the work is of a very special nature, wherein, the Spear Head Team members have to spend most of their time in the villages, the question of some extra remuneration may be considered.

India Credit 526

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Note to files

DATE: July 1, 1976

FROM: Frank Thornley

SUBJECT: INDIA - Drought Prone Areas Project (526-IN)

1. The attached letters were obtained during the May 1976 supervision mission. They cover:

- (i) GOI's recommendation regarding staffing of spearhead teams for dairy development; and
- (ii) agenda and briefing notes for the Inter-Ministerial meeting to review DPAP progress (held May 29, 1976).

cc: Messrs. Loup
Upadhyay

No.23-3/75-DPAP
Government of India
Ministry of Agriculture & Irrigation
(Deptt. of Rural Development)

Krishi Bhavan, New Delhi
Dated the 18th May, 1976

To

1. The Secretary, Forest, R.D. & Coop. Deptt., Government of Andhra Pradesh, Hyderabad.
2. The Secretary, Planning Deptt., Sachivalaya, Bombay.
3. The Secretary, Development, Housing, P. Raj & Coop., Govt. of Karnataka, Bangalore.
4. The Secretary, Dairy Development & Special Schemes Organisation, Govt. of Rajasthan, Jaipur.

Sir,

Cattle and dairy development programmes in drought prone districts are envisaged to be pursued on Amul pattern. Under this pattern the major activity of the project centres around the work of spear-head teams who undertake formation of producers' Cooperative societies, their registration and subsequently provide them technical inputs. The appraisal report had suggested 16 functionaries in the team including the NDDB official and two drivers. The report envisaged continuation of one full-fledged team for every 40 societies. The staff for artificial insemination centre and mobile van was in addition to the team. The ultimate aim was the formation of a union at the district level. At the time of giving this recommendation it could not be projected as to how the union will be self-supporting in the matter of providing technical inputs but it was clear that ultimately after a period of time this responsibility would have to be shouldered by the unions (Jodhpur union in the State of Rajasthan has already taken steps to take up financial responsibility of providing inputs by the end of Fifth Plan). After the registration of the cooperative societies the duties of spear head team are reduced to provision of technical inputs only and at that stage the team needs to be trimmed to suit the routine requirements.

Keeping in view the Amul pattern, the recommendations contained in appraisal report and other relevant factors the following strength of initial spear-head team and the subsequent team for providing technical inputs in DPAP districts has been considered advisable and the States are requested to take action accordingly:-

Spear-head team for the district with AI centre

Sl. No.	Functionary	First year spear-head team	Second & subsequent years team for technical inputs
1.	Leader	1	1
2.	Animal Husbandry Extn. officer	1	1
3.	Dairy Extension Officer	1	1
4.	Fodder Development Officer	1	1
5.	Artificial Insemination Officer	1	1
6.	Cooperative Inspectors	2	1
7.	Cooperative Extension Workers or Stockmen	8	4
8.	Manager AI centre	1	1
9.	Veterinarian for AI centre	1	1
10.	Veterinary Officer for mobile van	1	1
11.	Stockman	1	1
		<u>19</u>	<u>14</u>

In the district where more than 40 societies are to be established a leader will not be provided for the second team and the Animal Husbandry Extension Officer will function as Assistant Leader. Further, as only one artificial insemination centre is contemplated in one district the second team will not have one Manager, AI centre, one Veterinarian for AI centre and one Stockman. This will reduce the number of functionaries to 15 in the first year and 10 in the second and subsequent years. Similarly the districts where artificial insemination centre is not to be established these 3 officers will not be included in the first year spear-head team and the strength of the said team during the first year will be 16 and during the subsequent year 11.

It is requested that the above guidelines may kindly be kept in view in composition of the spear-head teams for dairy.

I am also enclosing herewith a copy of the minutes of the meeting held at Jaipur in this connection which will further elucidate the matter.

Yours faithfully,

(D. Aurora)
Director(DPAP)

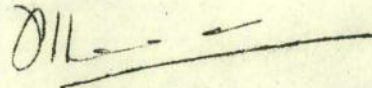
No.23(7)/76 DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)
D.P.A.P.

26/4

New Delhi dated the/May,76.

Subject:- Inter-Ministerial meeting to review the progress
of IDA projects under DPAP.

This is in continuation of this Department's note
of even number dated 14th May 1976 on the above subject.
Notes for the meeting to be taken by Secretary (RD) at 11A.M.
on 29th May 1976 in Committee room No. 49 (ground floor,
Krishi Bhavan) are enclosed.



(J.P.Sharma)
under Secretary to the Govt. of India

Distribution:

Planning Commission:

Shri U.S. Kang, Chief (Agriculture)
Department of Agriculture:

1. Agricultural Commissioner
2. JS(L)
3. JS(L)
4. AHC
5. Director, Foreign Aid
6. Dy.I.G.F
7. J.C.(Project)
8. Director, Dry Farming

Ministry of Finance:

- (1) AFA (Shri Baldev Singh)
- (2) Shri Menon, J.S. Deptt. of Banking.
- (3) Shri Arvind Pandey. Dy. Secy, Deptt. of Economic
Affairs.

Department of Rural Development:

- (1) Director (IF)
- (2) Director (Credit)

Agricultural Refinance and Development Corporation:
Bombay

Managing Director.

ICAR

1. Shri N.Patnaik, Assistant Director (General)

Directorate of Economics & Statistics:
Shri B.N.Kapre, Additional E.S.A.

Copy for information to :

1. P.S. to Secretary(RD)
J.S.(RD)
Director(DPAP)
Sheep and Pasture Consultant, Dr. Albracht.
DC(DPAP)
DC(MI)/DC(Live stock)

May 1976

DEPARTMENT OF RURAL DEVELOPMENT
DPAP DIVISION

Note on world Bank aided DPAP districts

Programme Performance:-

Coverage: Six DPAP districts viz. Anantapur in Andhra Pradesh, Bijapur in Karnataka, Ahmednagar and Sholapur in Maharashtra and Jodhpur and Nagaur in Rajasthan are covered by the IDA project. Development credit Agreement with the international Development Association was signed on 24th January, 1975.

Project Cost: Of the total project cost of Rs. 82.14 crores, Rs 28.00 crores would be received from International Development Association, Rs 29.70 crores would be contributed by Central and State Governments and Rs 24.44 crores would come from Institutional Finance. The Project-cost includes a price contingency of 69%.

Field Implementation:

Although the credit agreement was signed in January 1975, the programme implementation made a beginning from the financial year 1975-76. Two World Bank Missions have visited the country, one in June 1975 and the other in November 1975 and the third Mission is currently visiting the project areas in Andhra Pradesh and Rajasthan. The first two Missions were satisfied with the Programme performance but nevertheless made a number of observations for improving performance. The programme progress in various sectors in the IDA districts is summarised as under. This is based on the notes received from Anantapur/Bijapur. Review in case of Jodhpur, Nagaur, Ahmednagar has been made on the basis of quarterly reports received for the period ended March, 76. The review in case of sholapur has been done on the basis of quarterly return received till the end of Dec., 75.

It may be noted that the targets are only indicative. There is enough flexibility in the project to alter the targets or cost norms for valid reasons. The review below should be considered in this light.

(1) Semi-detailed ground water survey:

A semi-detailed ground water survey is to be carried out in the districts of Anantapur(AP) and Ahmednagar/Sholapur(Maharashtra) according to the terms of the credit agreement. Grid survey to assess best possible location has been conducted in areas of 2 watersheds in Anantapur. From 1976-77, the State Ground water

Department has initiated a programme of surveying the ground water potential and was able to complete investigation in 6 villages during April, 1976.

A final decision is yet to be taken by Maharashtra Government for undertaking the detailed ground water survey in Ahmednagar/Sholapur.

(2) Ground water Development:

Except Bijapur, the programme would be taken up in the other 5 IDA districts.

In all 375 dug wells are to be taken up in Anantapur during the project period. A programme of 127 wells was taken up but actual disbursement could be done for 84 wells. In April 1976 an additional programme of 22 wells was sanctioned out of the total target of 200 wells proposed to be achieved during 1976-77.

The programme would fund 263 dug-cum-blast wells in Ahmednagar during the plan period. In addition 133 electrical pumps and 132 diesel pumps would be provided for dug wells. Only 2 diesel pumps sets have been installed.

A programme of 220 dug-cum-blast wells and 238 electrically operated and 237 diesel operated wells would be financed in Sholapur. No work was completed during 1975-76. However 5 cases for renovation of dug-wells and 78 cases for construction of new wells were processed for assisting the beneficiaries in securing loans from L.D. Bank/ Commercial Bank till December, 1975.

During the project period 113 tube-wells in Jodhpur and 59 in Nagaur; 100 and 200 electrically and diesel operated dug-cum-bore wells in Jodhpur and 63 and 62 respectively in Nagaur; 88 electrically operated and 87 diesel operated dug-cum-blast wells in Nagaur will be taken up. 7 tube wells (by air hammer rig) and 25 dug-cum-blast wells were completed in Nagaur during 1975-76. 13 private tube wells completed in Jodhpur. Non-availability of power is the main constraint in implementation of this programme element.

(3) Surface Irrigation:

4 tank schemes (900 hect) in Ahmednagar, 9 tanks (2470 hect.) in Sholapur, 12 tanks (5000 hect.) in Bijapur and 4 tanks (570 hect.) in Anantapur will be taken up.

No work was taken up in Anantapur. However clearance has been given for 3 schemes.

Work on 4 minor Irrigation Schemes and 4 barage works have been started in Bijapur.

Work on all the 4 Schemes has commenced in Ahmednagar.

Two tanks are technically sanctioned and work started in January, 76 in Sholapur. Plans and estimates of three tanks are submitted for administrative approval and technical sanction. Preliminary investigations for 3 more tanks are completed and plans and estimates for them are under preparation.

(4) Soil Survey:

Except the district of Anantapur, where a reconnaissance soil survey has been carried out, soil survey work would be taken up in the remaining 5 districts to the extent of the following targets

S.No.	Distt.	Areas to be covered(hect)
1.	Bijapur	17.60Lakhs
2.	Sholapur	15.02Lakhs
3.	Ahmednagar	17.04Lakhs
4.	Jodhpur	22.50Lakhs
5.	Nagaur	17.67Lakhs

Soil survey work has been completed over an area of 0.37 lakh hect. in Bijapur.

Although the entire districts of Ahmednagar and Sholapur were to be covered under the Soil survey as per terms of agreement, the state has decided to carry out the survey over an area of 4.5 lakh hect in each of the districts. The area covered in Ahmednagar was 0.73 lakh hect. during 75-76. In Sholapur, survey and mapping could be completed over an area of nearly 0.20 lakh hect till Dec. 75.

In Nagaur, an area of 1.50 lakh under reconnaissance survey, 3166 hect. under detailed survey and 3611/under agro- /hect /cover-economic survey was / during 1975-76. The corresponding achievements in Jodhpur are 2.50 lakh hect., 0.20 lakh hect and 0.05 lakh hect respectively.

Soil Conservation:

The project would finance the construction of conservation works on 2.30lakhs hect. in six districts and repair of bunds on 1.35 lakh/ in Ahmednagar/Shopapur /hect distts. The district wise targets are as follow:

Distt	Target for conservation Works (hect,)	Target for repair of bunds (hect.)
1. Jodhpur	0.15Lakh	--
2. Nagaur	0.15Lakh	--
3. Ahmednagar	0.40Lakh	0.60Lakh
4. Sholapur	0.50Lakh	0.75Lakh
5. Bijapur	0.30Lakh	--
6. Anantapur	0.30Lakh	--
	2.30Lakh	1.35Lakh

There is no progress in Jodhpur/Nagaur. However selection of 137 catchments(0.63lakh hect), topographical survey in 35 catchments(0.19lakh hect); planning & plotting in 26 catchment(0.12lakh hect); designing over an area of 602 hect, Shelf of work over an area of 541 hect. was done in Nagaur during 75-76. Selection of 36 watersheds (0.44lakh hect) was completed in Jodhpur. Survey works in progress in 15 selected watersheds(0.14lakh hect.)

Contour bunding, repair and maintenance of old bunds was completed over an area of 3735hect. and 7331hect. respectively in Ahmednagar. The 5 year targets for bunds have been reduced to 30,000hect. in this distt.

An area of 2093hect under bunding and 6116 hect. under repair of bunds was covered in Sholapur. In this distt also, the state has reduced the project targets for bunds to 20,000hect.

5126hect. was treated with soil conservation measures in Bijapur.

1140 hect. was covered under bunding, 455 hect. under stone terracing and 79 check dams were constructed under gully control works during 75-76 in Anantapur.

(6) Water Harresting:

The project would finance 350 farm ponds in each of the district of Sholapur, Ahmednagar and Bijapur. Nalla bunds were also agreed upon in the I.D.A. distts of Maharashtra although the number of the projects to be taken up were not specified. 1000 hect. of sand dune are to be stabilized in Nagaur distt.

No work was completed in Bijapur, However survey and fixing of strategic points were undertaken for 10 ponds. 8 farm ponds were in progress in Ahmednagar. 65 nalla bunds completed and 134 were in progress.

One farm pond was completed in Sholapur and work on another 47 ponds was in progress. 24 nalla bunds were completed and work on 41 schemes was in progress.

There is no progress in sand dune stabilization in Nagaur.

(7) Dry-farming:

Dry-farming development would be undertaken on a pilot scale only. In the project districts of the Deccan plateau, (average where the holding size is between 4 and 5 hect., 2-3 watersheds embracing about 7500 holding would be taken. For more difficult environment of Rajasthan, the initial effort would be confined to blocks in Nagaur distt. where rainfall is somewhat more reliable. Here again watersheds holdings containing around 7,500 would be taken up.

Dry farming is yet to make a beginning in Nagaur.

In Ahmednagar, 50 large demonstrations, 399 small demonstrations, 400 training visits were arranged

In Sholapur, 49 large demonstrations, 358 small demonstrations, 5 training visits and addl. area of nearly 500 hect. were covered under dry farming. The number of watershed proposed to be taken up in Ahmednagar/Sholapur is 5 against the project target of 3 in each district.

11 large demonstrations, 160 small demonstrations, 6 training visits were arranged in Bijapur. 160 progressive farmers were also covered.

There is no progress in the sector in Anantapur.

(8) Afforestation:

The forestry component of the proposed project would have three main elements. Tree plantation in conjunction with pasture development in upper catchment, Small plantation on govt. land in more favourable environment, and social forestry. About 2000 hect. in 4 of land suitable for trees would be planted in the upper catchment of Ahmednagar, Sholapur, Bijapur and Anantapur. Small plantation covering about 2000 hect would be planted in better areas of govt. land. Social forestry would involve establishment of 500 hect. of woodlot on village common land. 5 hect of additional nursery capacity would be developed to provide the necessary seedlings. Wind-break over an area of 300 km. would be taken up in each of the distt. The progress achieved is as under:-

Element	Bijapur	Anantapur	Sholapur (in hect)	Ahmednagar
i) Small plantation	1418	215 plus advance	--	PLN 440 PMW 500
ii) Plantation in conjunction with pasture	161	0.80 lakhs seed distr- ibuted free of cost	440 PMW	
iii) Woodlot	42	106	44	50 PLN 60 PMW
iv) Windbreak	70 km	30 km	40	123 PLN 4 PMW
v) Seed nursery	--	--	--	3

9. Pasture development

Pasture improvement would be carried out on about 0.90 lakh hect in six districts. Provision has also been made for 4 seed multiplication farm, each of 400 hect. to provide seed of dry-land pasture species for the reseeding work. The achievements reported are as under:

(in 1-1)

Distt.	Target	Achievement
Jodhpur	5,000	22 Plots have been selected. Fencing and seeding have been done on the plots. 18 plots will be fenced by the end of the year.
Nagaur	16,000	Fencing and seeding is done on the 100 Hect. plots. Fencing is completed in 3 more plots and is in progress in 2 plots. 9 more plots will be fenced this year.
Ahmednagar	20,000	100 PLN 1035 premonsoon works
Sholapur	15,000	190
Anantapur	18,000	i) 1500 for sheep/earth work) ii) 500 for cattle & work on 2000 hect. in progress.
Bijapur	15,000	241

10 hect. was covered for grass seed production in Sholapur.

100 hect. was developed for grass seed production in Ahmednagar.

In Anantapur, grass seed multiplication was taken up over an area of 220 hect.

Grass seed multiplication farm was completed in 18.50 hect. in Bijapur.

10. Dairy Development:

The development of dairy would be done through the establishment of producers cooperatives and milk collection systems. 120 such cooperatives will be set up in Jodhpur, 40 in Nagaur and 80 each in the remaining 4 distts. Estt. and staffing of one mobile Vety. Unit for every 40 cooperatives would be provided. The project would finance the construction or expansion of 5 AI Centres, one in Rajasthan and one in each of the other four districts. Nine Calf-rearing Centres, one in Rajasthan and two in each of the other four districts would be established. The project would also finance a pioneer phase of pressure-heat treatment for bagasse by establishing one treatment unit at an existing cooperative sugar mill in the district of Ahmednagar.

The progress so far achieved is indicated in the table below.--

Element	Jodhpur	Nagaur	Sholapur	Ahmednagar	Anantapur	Bijapur
Milk Prod- coop.	79	81	Progress not reported	28	40	15
ii) Average qty. of milk produced per day(000Lt)	17	5	Not reported	1	1	(From 24 societies)
iii) Supply of concentrate (tones)	--	9	Not reported	Arrangement made but not quantified	not reported	
v) Setting up of spearhead teams	2	1	1	1	1	
v) additional cow.(on subsidy)	--	--	88	205	not reported	
vi) Mobile Vety unit	--	--	1	Expected to be set up very shortly	1	
vii) A.I. Centre--	--	--	Work in progress	Work in progress	Work in progress	
viii) Milk chilling plant	--	1	Work in progress	Not reported	Not reported	

ff. Sheep Development:

The project would finance the development of blocks of degraded communal grazing land, which would be not less than 100 hect. each, forty five-100 hect. units on Govt. or community common land and fifty -ten hect. private unit in each of the district would be set up. In addition ninety-nine, 100 hect. units on govt. and community common land and one hundred and ten, 10 hect., privately owned plots in other districts of Rajasthan to support the programme would also be financed. One service Centre catering to the need of forty 100 hect. units will be provided in each of the district. Rajasthan will be provided 3 additional centres, for programme in other districts. The project would also develop in each state one ram multiplication farm on an existing Govt. sheep station.

The progress so far achieved as reported by the states in these districts is given in the table below:

Elements	Jodhpur	Nagaur	Sholapur	Ahmednag r	Anantapur	Bijapur
(i) No. of plots developed	(No) ²	2	Not reported	9	9	2 of 100 hec 8 of 10 hec
(ii) Area covered (hect)	200	200	-do-	Not reported	900	280
(iii) Sheep treated (No)	1440	4280	-do-	--	--	--
(iv) Sheep vaccinated (no)	9960	8622	-do-	--	--	--
(v) Sheep drenched (no)	2390	7571	-do-	--	--	--
(vi) Coop Societies (No)	--	4	-do-	9	9	4
(vii) Service Centre (No)	--	--	-do-	1	1	--
(viii) Ray multi-plication Centre (No)	--	--	-do-	--	--	1

The project would also finance a few diversified programmes of fisheries, horticulture and sericulture development. The first two programmes are exclusively for Bijapur distt. while sericulture development will be taken up in Bijapur and Anantapur. The progress is indicated as under:

(1) Fisheries

The erection of breeders ponds, two stock ponds have been completed and construction work of 8 nursery ponds is in progress. 36 lakh fish seeds have been purchased and stocked at 28 tanks. 102 youth have been trained in fish culture and 309 persons benefitted.

(2) Horticulture

beneficiaries 27348 Plants have been distributed to 814
/ which 95/ covering an area of over 458 acres out of
/ beneficiaries belong to scheduled castes/Tribes.
...9/

(3) Sericulture:

7 acres of land has been planted under mulberry and silk worm rearing demonstration has been taken up in an area of 2 acres in Bijapur. 50 farmers have been trained in sericulture activities.

The programme in Anantapur could not make any progress because of late clearance of the proposal by the IDA.

The financial progress against the allocations approved during 1975-76 are indicated in the table below.

Sector	Jodhpur	Nagaur	Ahmednagar	Sholapur	Bijapur	Anantapur
(1) Agri. dev.	14.60 (19.34)	14.28 (6.88)	38.16 (37.25)	53.30 (28.04)	37.30 (26.23)	23.00 (7.88)
(2) Irri. including Groundwater dev.	44.60 (45.40)	43.38 (39.84)	17.96 (13.39)	18.15 (4.60)	50.00 (30.51)	23.51 (6.99)
(3) Cattle/ Dairy (not reported)	15.47 (not reported)	6.59 (not reported)	50.46 (23.69)	16.41 (0.42)	16.76 (8.71)	24.99 (12.41)
(4) Sheep Dev.	11.46 (5.58)	11.34 (3.42)	2.64 (-)	2.25 (0.62)		
(5) Afforestation/ pas.	0.49 (0.42)	0.86 (not reported)	-- (21.36)	19.89 (15.34)	17.22 (31.23)	18.61 (9.42)
(6) O&M	2.25 (2.71)	2.25 (2.35)	2.24 (1.67)	2.50 (1.68)	7.14 (1.47)	-- (2.84)
(7) Land records	(1.00) (--)	1.00 (--)	-- (--)	-- (--)	-- (--)	-- (0.05)
(8) Horticulture	--	--	--	--	12.27 (2.25)	-- (--)
(9) Fisheries	--	--	--	--	16.83 (14.51)	-- (+)
(10) Sericulture	--	--	--	--	2.48 (1.11)	4.76 (0.20)
	89.37 (73.45)	79.70 (52.49)	111.46 (97.36)	102.50 (50.70)	150.00 (116.02)	94.87 (39.79)

Note: Figures in bracket represent the expenditure against the allocation approved.

(III) General Issues:

(1) Short-term credit survey:

Short-term credit Reports of all the districts except Ahmednagar have been sent to IDA.

(2) Banking plan

AR&DC was entrusted for preparation of banking plans for these districts under the term of agreement. The banking plans for Sholapur/Ahmednagar were received and passed on to IDA for comments. Similar plans for other districts are awaited from AR&DC.

(3) Formation of not less than 2 Farmer Service Societies.

Except the Govt. of Rajasthan, the required number of farmer societies were set up as per terms of credit agreement. Extension in the time limit for the fulfilment of this requirement has been allowed by IDA till the end of July, 76 in case of Rajasthan.

(4) Updating of land records in Ardhra Pradesh & Rajasthan.

Although this requirement was fulfilled according to the terms of agreement, the Govt. of Rajasthan has not reported as yet the time schedule for completion of the work. In Anantapur work has been taken up in 5 taluks. Out of the total of 9526 cases, 5537 cases have been enquired and final orders have been passed in 5406 cases.

(5) Preparation of Master plan for command area of Irrigation tank.

The master plan formulated by the Govts of Karnataka, Maharashtra and Andhra Pradesh for tank schemes in Bijapur, Ahmednagar and Anantapur have been sent to I.D.A. for comments. The Govt. has, however, made a number of comments on the Urvakonda tank schemes in Anantapur.

(6) Agriculture Research through ICAR

Agriculture Economists had been appointed at 10 out of 16 Centres. Pasture specialists have been appointed at 2 of the 4 Centres. However the appointment of Senior Agriculture Economist has yet to be finalised by the ICAR with the result that the research programme is not making much headway. ICAR has already been requested to make special efforts in finalising the appointment to this post.

(7) Appointment of Consultant recruited
Five consultant are to be recruited under the
IDA projects

/agro-
nomic

Pasture Dev. Consultant was appointed with the joining of Mr. Albrecht at the Central cell in Oct, 75. FAO recommended the name of Mr. A.C. Robinson for pasture research programme to be conducted through the ICAR. The local FAO's office has recently intimated that Mr. Robinson is expected to join in the latter part of this month at Hyderabad. The Project Coordinator, All India Coordinated Project for dryland Agriculture Research, Hyderabad has been informed and requested to make all arrangement for his office and secretarial assistance.

FAO has recommended the name of one Mr. Robertson for agro-meteorological research. His detailed bio-date has been received from the Deptt. of Agriculture on 24/5/76.

The recommendations of the FAO for appointment of consultants for Bagasse treatment and Calf-rearing for Centres, to be set up in the states, are awaited.

(9) Reimbursement:

The district-wise position of the reimbursement preferred by the state Govts. is under:

State	Distt	Amount of claims preferred (Rs. Lakh)	Period upto which preferred
Rajasthan	Jodhpur	82.32	From 24.1.75 to
	Nagaur	12.63	24.1.75 to 31.12.75
Maharashtra*	Sholapur	4.94	1.4.75 to 31.12.75
	Ahmednagar	Not known	24.1.75 to 31.12.75
Andhra Pradesh	Anantapur	14.29	24.1.75 to 30.9.75
Karnataka	Bijapur	18-05	

* The stat. Govt. has not reported the position on reimbursement claim for Ahmednagar distt. nor for, Sholapur distt. for the period prior to 1.4.75.

Disbursement of eligible items of expenditure on the basis of disbursement percentage for different categories of work should normally be made on quarterly basis or even for shorter periods. Special attention is needed to accelerate the work of preferring reimbursement claims. Reimbursement claims for training programmes as arranged by the Central cell have also been preferred.

(1v)

IV. Annual Plan 1976-77

In terms of credit agreement, annual plan proposals for 1976-77 were to be submitted to IDA 2 months before the beginning of the fiscal year. Proposals were accordingly sent to the IDA for their comments. IDA has finally cleared the proposals for Rajasthan districts. They have however, yet to clear other proposals. The outlays for the programme components are given below:

Sector	Jodhpur	Nagaur	Sholapur	Ahmednagar	Anantapur	Bijapur
1) Agri. dev.	17.01	15.05	48.99	44.18	26.85	62.63
2) Ground water Dev/	12.52	5.65	48.00	21.73	35.00	51.89
3) Cattle/ Dairy	22.27	10.28	33.38	49.10	29.97	29.33
4) Sheep & pasture	18.16	18.03	4.59	3.04		
5) Afforestation	--	--	9.44	26.73	37.96	38.56
6) Land records	1.00	1.00	--	--	1.29	--
7) O&M	4.95	4.44	1.57	1.57	2.50	1.87
8) Horticulture	--	--	--	--	--	2.52
9) Fisheries	--	--	--	--	--	33.00
10) Sericulture	--	--	--	--	--	1.43
Total	75.91	54.45	145.97	146.35	133.57	221.23
Central allocation made	112.50	112.50	114.39	114.39	125.09	121.14

V. Action required on the observations of the last Bank Mission

(1) Maharashtra

(i) Appointment of staff particularly the dairy Spearhead teams, sheep development and soil survey- Most of the staff necessary for implementation of the scheme is in position except the staff required for strengthening of A.I. Centre, Milk chilling plant and Sheep Service Unit. Necessary orders for the staff for these items have been issued by the State.

(ii) Frequent transfer of project staff- The State has assured that transfer would be avoided and if absolutely necessary be reduced to inevitable minimum.

(iii) Insufficient attention to phasing and integration of programme particularly in the milk production and collection arrangements- The State has agreed to ensure a coordinated approach for milk production and collection arrangements.

(iv) Submission of master plan for command area development of a tank in Ahmednagar- The master plan as formulated by the State has been to the I.D.A. for comments.

(v) Conducting of semi-ground water survey. Final decision is yet to be taken by the State Govt.

(vi) Note detailing the extension staff's work and training- It is yet to be furnished by the State.

(vii) 1-hect demonstrations should be played down/

(viii) Detailed plans for increasing milk handling capacity- The State Govt. promised to prepare a comprehensive note on the strategy of dairy development including the detailed plans for increasing milk handling capacity. This note is yet to be received from them.

(ix) Formation of Sheep Cooperatives on the lines accepted at appraisal- The State Govt are facing difficulties in organising sheep Coop of Sheep growers by subscribing share capital in kind. Nevertheless they are making all efforts.

(x) Reconsideration on the selection/for ram multi-
of site
plication farm- The State Govt. agreed to have a fresh look. Director, animal husbandry Maharashtra has prepared a revised scheme which is under consideration of the State.

(xi) Preparation of banking plan by AR&DC- Have been sent to IDA for comments.

(xii) Short-term credit survey. Survey report for Ahmednagar is yet to be sent to I.D.A.

/ and efforts concentrated on extension through progressive farmers- The State Govt. directed the Executive Directors to make necessary changes in the annual plans which are now with I.D.A.

(2) Karnataka

(i) Unfilled posts to be filled by Dec,75- Most of the Staff is already in position. Action is being taken by the heads of the Departments to fill up the remaining vacant posts.

(ii) Planning of milk collection, processing and marketing in conjunction with formation of milk producers Societies- There is no difficulty in milk marketing and the milk collected from the Societies is marketed in Bijapur city.

(iii) Greater authority be delegated to district officials and the powers given to governing council may cause unnecessary duplication. It was also urged that the district project authorities are invited to meeting of the Coordinating Committee and meetings of the governing council- The State has reported that the district implementing officers are being invited to attend the meetings of the governing Council but they have not expressed their / on the greater authority to be delegated to the implementing officers.

/views

(iv) Master plan on the construction of minor irrigation tanks to be prepared for prior approval of I. D. A. before work is ~~xxx~~ taken up. This is not being followed by the State- These reports are under preparation and the State Govt expect to submit by the end of May,76.

(v) Financing of construction of incomplete bunds from State core funds- Technical and economic assessment to be made of each of these incomplete works and only those viable works selected be completed as a matter of urgency from Govt. funds- The economic assessment of the works is in hand and proposal will be sent to the Bank for consideration.

(vi) Forestry and pasture be taken on land unsuited for cropping and best of the sites- This has been noted by the State.

(vii) A note detailing the extension staff's work and training programme be prepared for comments of the IDA- Dry Farming should include one or two major crops and only these practices which would have a major and immediate impact- The State Govt has not reported what action they have taken on the preparation of the note. However they have stated that only one or two major crops of the watershed have been taken for support.

(viii) 1-hect plots should be played down and efforts concentrated on extension through progressive farmers. To have the greatest possible impact the demonstrations should, of course, be distributed throughout the watershed.

No comments have been furnished by the State on the ploughing down of the 1-hect plots but they have stated that plots adjacent to each other will be discontinued and a fresh plot will be selected to distribute benefits throughout the watershed.

(ix) A detailed plan for the development of milk collection, processing and marketing be prepared; spearhead teams appointed so that maximum services and inputs could be provided to the cooperatives- No note has been submitted by the State. They have, however, reported that the milk is in great demand in the rural areas of this district and the milk cooperatives are encouraged to supply as much quantity of milk as possible. Spearhead Team for dairy development has been set up.

(x) To establish a comprehensive spearhead team for sheep development

A comprehensive spearhead team for sheep has been constituted with the following members:

- (1) Senior Asstt Director - Team leader
- (2) Asst. Director -Member
- (3) Divisional Forest Officer, Bagalkot- Member
- (4) Farm Superintendent,
Ram Multiplication Centre, Suttatti
- (5) Dy. Director, (Soil Conservation)
- (6) Dy. Director (Soil Survey)
- (7) Asst. Registrar of Coop. Societies, Bijapur.

(xi) Short term credit survey report- This has already been sent to I.D.A. for comments as mentioned earlier.

(xii) Submission of Banking plan for Bijapur- It is awaited from AR&DC as mentioned earlier. The matter has been taken up with AR&DC.

Central DPAP Cell

(i) Integration of project components and adequate delegation of powers to the district development agencies- The State Govts have been advised to ensure more and more delegation of powers to the district development agencies.

(ii) Involvement of AR&DC in programme implementation -Managing Director, AR&DC has been made a member of the Central Coordination Committee to approve the programmes in DPAP areas.

(iii) Revision of existing definition of small farmer- A small working group, set up for this purpose, is already on the job and expected to finalise their report early.

Innovative

(iv) Under the diversified component of the line of credit, refinancing of loans to small farmers benefitting from subsidies for new / activities where subsidy is given for limited period be considered. The Bank has been informed that it would be necessary to provide financial support for long-term activities like ground-water development also.

(v) Undertaking of benchmark survey. The State Govts. have been asked to undertake this survey early on the basis of the proforma devised by us and sent to them.

(vi) Undertaking of study on the inter-district comparison of technical, economic and cost information. It is already in hand and will be sent to the Bank as and when it is finalised.

June 24, 1976

Dr. Ch. Krishnamoorthy
Director
AICRPDA
2-2-58/60 Amberpet
Hyderabad 500013
India

Ref: INDIA - Drought Prone Areas Project (IN-526)

Dear Dr. Krishnamoorthy:

It was good to meet you again and to get an up-date on AICRPDA progress, albeit too brief - my fault not yours.

I would like to comment briefly on your note on the two DPAP financed research projects. Turning first to the five agro-economic studies. Am I right in thinking that the farm structure studies would address the whole range of questions: what are farmers doing and why, within what ecological social and economic constraints and with what resources? I would hope these would be broad ranging studies. A broad understanding of farmer behavior is essential if technological packages are to be devised to help him. So often one hears of farmers being given impractical advice for want of such understanding. (I have never been able to get consistent and satisfactory explanations why Deccan farmers plant jowar "late").

I am somewhat confused by the title of the third study - formulation and development of farm plans. If the intention is to examine the major farm systems of different regions and, having regard to production cost, price and technology trends, to determine the enterprises on which extension effort should focus, this will meet a need. However, if the intention is to attempt to develop model farm plans, as the basis for an individual farm planning service by extension personnel, I think this would be wrong. Individual farm planning is too sophisticated and time consuming for present conditions. I would appreciate your clarification on this.

I hope that the fourth study, on the adoption and diffusion of new technology, would monitor and evaluate the impact of new technology in DPAP watersheds and other areas within the ambit of projects with well defined scope and objectives. This would give information of practical value. I am sure there is no lack of this type of study but of general scope - HYV adoption rate etc.

Dr. Krishnamoorthy

- 2 -

June 24, 1976

Judging from its title I would have thought the fifth study area overlapped with the second. Is this so?

Just one observation with regard to the pasture program. Jodhpur has ongoing pasture work. In view of this would it not be possible to get agreement that all, or major elements, of the DPAP pasture research program be undertaken at Jodhpur using existing resources? DPAP resources could then be used for a sixth center in another region.

I look forward to your reaction to these comments. ~~It~~ would also be helpful to have the detailed terms of reference for the agro-economic studies and for the pasture studies once these have been ~~de~~ developed.

With best regards.

Yours sincerely,

Frank Thornley

cc: Mr. Aurora, Director DPAP
Rowe (NDO
Loup

FThornley:pt

Asia Files -(INDIA DPAP) Attachment: Note on the progress of work under the Central Sector Scheme on Agro-Economic Research in Drought Prone Areas.

Note on the progress of work under the Central Sector Scheme on Agro-Economic Research in Drought Prone Areas.

1. Staff Appointments:

- i. Coordinating Cell: Pending appointment to the post of Senior Agricultural Economist, Mr. B.K. Rastogi, Production Economist in the Coordinating Cell, All India Coordinated Research Project for Dryland Agriculture is holding the charge of current duties of the post of Senior Agricultural Economist in addition to his own duties. Senior Research Assistant has also not been appointed so far.
- ii. Centres: Out of 16 centres under the scheme, the Agricultural Economists together with supporting staff have been appointed only at 9 centres. These are Kovilpatti, Bangalore, Anantapur, Sholapur, Hissar, Bhubaneswar, Bijapur, Akola and Rahuri (Ahmednagar). At Ranchi centre, the work of the scheme has been entrusted to Sri S.N. Sahay, Asstt. Prof. of Agricultural Economics pending appointment of the Agricultural Economist. At Varanasi centre the selection has been finalised and it is expected that incumbent will be in position by the middle of June, 1976. At the remaining 5 centres (Hyderabad, Bellary, Jodhpur, Nagaur and Rajkot) appointments of the staff have not been made yet. At Jodhpur and Nagaur the work is likely to be initiated by appointing the Research Fellows/Research Scholars.

2. Research: At a workshop meeting held on 8th & 9th March, 1976, programme of research work has been developed to answer the following five broad questions.

- i. With existing resource base in terms of land area, labour supply, capital available and draft power use, what are the most profitable cropping practices/systems and what level of output should be considered optimum?
- ii. What inputs and production techniques have to be adopted in case a particular enterprise is to be followed in an area?
- iii. Does it pay to adopt a particular new practices or innovations? If it pays, under what circumstances and to what extent?
- iv. What is the scope of crop substitution or addition of supplementary enterprises within a typical farm business activity, as and when the availability/required of resources improve under changing prices and marketing conditions?
- v. What is the smallest size of holding which can support or justify creation of fixed assets? What changes in the farm organisation and output would be expected to follow?

Accordingly following five studies have been designed:

1. Farm Structure Studies;
2. Economic Analysis of New Farming Practices;
3. Formulation and Development of Farm Plan~~y~~s;
4. Studies on the Adoption and Diffusion of New Technology;
5. Studies on the effeciency of production inputs, individually and in combination.

As improvement of small and marginal farmer is one of the main objective of DPAP, the entire research programme has been formulated to bring out sufficient information on the farming system and the behaviour of this section of society.

Research work at present is in progress at ten out of sixteen locations.

Note on the progress of work under the Central Sector Scheme on Pasture Development and Research Programme.

Out of the 5 centres under the scheme Pasture Specialists are in position only at 2 centres, viz., Anantapur and Rahuri (Ahmednagar). Appointment of the staff at Hyderabad, Jodhpur and Rajkot have yet to be made.

Regular research work has not been started as yet.

India - Credit 526

June 23, 1976

Mr. J. P. Sharma
Under Secretary (DPAP)
Ministry of Agriculture
& Irrigation
Department of Rural Development
Krishi Bhavan, New Delhi-110001,
India

Ref: INDIA - Drought Prone Areas Project (IN526)

Dear Mr. Sharma:

Thank you for your D.O. letter of May 27, 1976. Mr. Robertson is acceptable to the Association as the agro-meteorological consultant for DPAP.

We still feel that the draft Terms of Reference for this consultancy proposed in the Appraisal Report are appropriate. However before Terms of Reference are finalized please discuss them with Dr. C. R. V. Raman, Deputy Director General of Observatories (C & G), Poona, since he is working actively in this field. Please let us know if any major change to Terms of Reference is proposed; you could do this by telex through our Delhi Office if necessary. The consultant should be required to work closely with Dr. Raman and his colleagues.

With kind regards.

Yours sincerely,

Peter G. Nelson
Deputy Division Chief
General Agriculture Division
South Asia Projects Department

FThornley:pt

Outline
Rept
on Tanks

India Credit 526

OFFICE MEMORANDUM

TO: Mr. Frank Thornley

FROM: B. Kanchanalak *BK*

SUBJECT: INDIA -- DPAP Project
Draft Outline for Minor Tank Irrigation
Project Report

DATE: June 18, 1976

Attached is the suggested outline of the report for evaluating the DPAP tank irrigation project to be prepared by GOI and sent to the Bank for our review. You may wish to modify it before sending it to GOI, particularly the part concerning management, agriculture and economics.

General Outline of Proposed Minor Tank Irrigation Project Report

1. An outline of the proposed tank irrigation project report is given as a guideline. Much of the information required to be reported is of the type GOI will be recording for its own internal use. The report should consist of five sections dealing briefly with I - Project Area, II - The Project, III - Organization and Management, IV - Agricultural Production, and V - Benefits and Justification.

Project Area

2. ~~Under this heading the report should~~ present a brief description of the project's location and sizes both irrigated and submerged, climate, existing conditions - size of farm units, land tenure, agricultural activities both in the area to be submerged by the reservoir and that to be irrigated - and major constraints on agricultural development to be corrected by the project.

The Project

3. This section is designed to report on the adequacy of the technical aspect of the project. The report should describe briefly the following :

- i) The project main features and project work;
- ii) The project hydrology including the assessment of the water demand, adequacies of the project water supply, *and* its quality, assessment of the spillway design flood and

in particular, the reliability of the hydrologic basic data used;

- iii) Status of engineering designs (preliminary or final) and adequacy of the engineering investigations;
- iv) The project soils and crops and adequacy of land classification;
- v) The project cost estimates including operation and maintenance; and
- vi) The schedule of construction and expenses not only for the civil work but also for the command area development component.

4. To correlate the project data for quick interpretation, the data should also be illustrated as shown in Annex 1, which is self-explanatory.

5. Under this heading, the report should present the project maps of suitable scales:

- i) showing the catchment, proposed reservoir area, damsite and the irrigated area (preferable 1:50,000 scale);
- ii) showing distribution system and Command Area Development (preferable 1:5,000 - 10,000 scale).

In ^{addition} ~~particular~~, the Command Area Development ^{plan} ~~(an on-farm irrigation work)~~, which includes water courses, farm channels, land leveling, farm bunds, drains and farm roads, ^{diagrammatically} should be illustrated in the form of a diagram designed to be generalized in the proposed irrigated area, as shown, for example, in Annex 2.

Organization and Management

6. Under this heading, ~~the report~~ should briefly describe the proposals for the project authorities to be in charge of engineering works and agricultural development, and their capabilities. It should also mention the existing and proposed arrangements for extension, credit, marketing and any other features such as land consolidation, relocation of the people in the area to be submerged, roads, etc. A brief description of operation and maintenance proposals and water charge policy should also be included under this section.

Agricultural Production

7. Under this section, a brief description of the main crops to be grown, cropping intensity, yields (both existing and projected), fertilizer demands, and supplies, and representative farm budgets.

Benefits and Justification

8. This section is provided for the report to illustrate the economic justification of the proposed project along the lines given in the project "norm" (Appraisal No. 533a - IN, November 14, 1974).

INDIA - DROUGHT PRONE AREA PROJECT

ILLUSTRATION OF PROJECT DATA FOR MINOR TANK SCHEME

Name of Scheme: xxx Serving: 400 ha (net)
 Location: District xxx Stream xxx Catchment 75 km²

	Cropped	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
<u>Existing Cropping Pattern</u>														
Groundnut	10 %													
Jowar	75 %													
<u>Proposed Cropping Pattern</u>														
Bajra	35 %													
Groundnut/pulses	20 %													
Jowar	35 %													
Wheat	10 %													
Gross Irrig. Demand - 100 %														
(at 65 % Efficiency) - m ³ /ha		1,100	860	-	-	-	-	230	300	460	690	510	1,100	5,250
<u>Rainfall - mm (Average)</u>														550.0

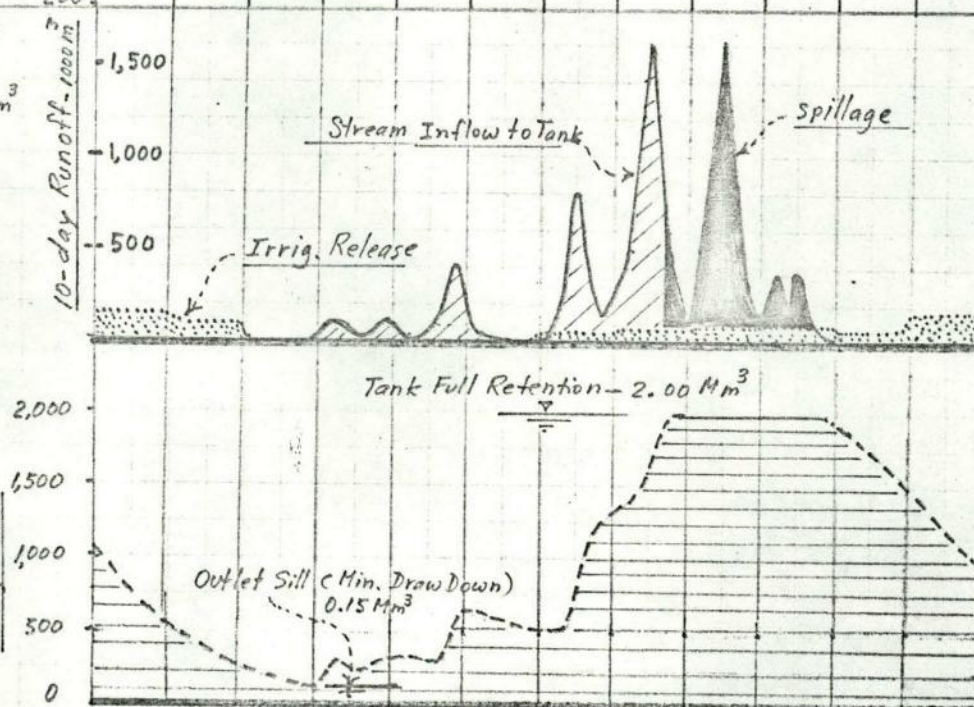
Reservoir Operation:

Annual Inflow: 6.0 Mm³
 Ann. Irrig. Req. 2.0 Mm³
 " Evaporation 1.0 "
 " Spillage 3.0 "
 " Total 6.0 "
 " Regulating Space 1.65 "
 1/ For Downstream Uses

Reservoir Capacity:

Gross Storage:
 i 30-yr Sediment 0.5 Mm³
 ii 70% Trapped Sed. 0.35 "
 iii Required Regulating-Space 1.65 "
 iv Gross Storage 2.00 "
Active Storage:
 v 40% Trapped Sed. 0.20 "
 vi Regd. Reg. Space 1.65 "
 vii Active Space 1.85 "
Dead Storage:
 Gross storage 2.00 "
 ix Active Space 1.85 "
 x Dead Storage 0.15 "

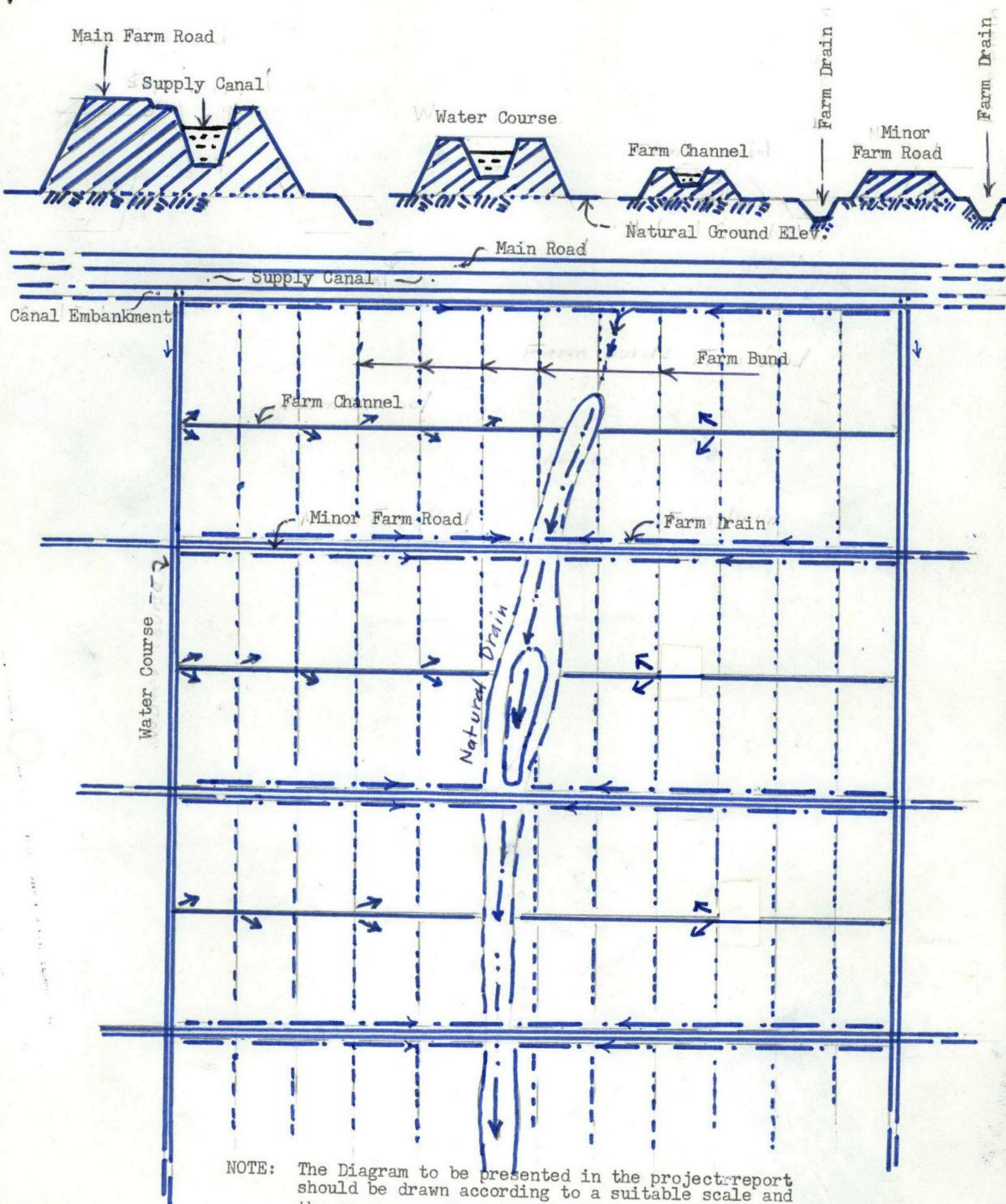
Reservoir Content
 in 1000 m³



Schedule of Construction:

Tank:					
Command Area Devel.:					
Expenditures: - Rs					
	YEAR	YEAR	YEAR	YEAR	YEAR

Water Quality
 Salinity ppm SAR ppm Boron ppm



India Credit 526

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
NEW DELHI

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

16/6/76.

Dear Frank,

no enclosure

Enclosed some literature H.S. Daulay gave me last week at the CAZRI, Jodhpur. This refers to our discussions at Nagaur during the Review Mission.

referred to Had a very successful Field Workshop at Jodhpur last week. About 80 field staff attended.

Will forward a summary on the pasture and sheep development situation for each district as we saw it during the "Review Mission soonest.

Cheers and all the best

Day Bessy

P.S. Thanks for your teleprinter note. Will emphasize for control plots all observations. Pasture Research Agronomist Alby Robinson arrived this week. Had detailed discussions on all work aspects with him.

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ONLY REQUESTS AFTER THIS.

DATE BOOK. THE QUALIFIED PERSONNEL ON THE

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India Credit 526

BY AIR MAIL

No.23(7)/76-DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)

New Delhi dated the 14th June, 76.

To

✓ Mr. D.J. Parson,
Chief, General Agriculture Division,
South Asia Project Department,
International Development Association,
1818 H. Street, N.W. Washington, DC 20433 USA

Subject:- Credit agreement 526-IN- Drought Prone Areas
Programme (India) - Banking plans.

Dear Sir,

no attachments
I am directed to forward herewith a copy each of the Banking plan for the IDA districts of Anantapur, Bijapur, Jodhpur and Nagaur being assisted with IDA assistance under the above credit agreement. These plans have been formulated by the Agriculture Refinance and Development Corporation as required under the term of credit agreement. The banking plans for the other two districts of Ahmednagar and Sholapur were sent to the Association in our letter No. 23(2)/76-DPAP dated 21st April, 1976 and we are expecting the comments of the association on those plans.

Yours faithfully,

J.P.
(J.P. Sharma)

Under Secretary to the Govt. of India.

June 10, 1976

Dr. E. Madhavan
114-E.V. Nanjappa
Chettiar Street
Erode - 638001
Tamil Nadu
India

Dear Dr. Madhavan:

Just a note to thank you for your participation in, and contribution to, the review of the dairy development component of the DPAP in Anantapur. It was a thoroughly rewarding experience to see an AMUL 'graduate' in action. From colleagues more intimately concerned with dairying, I have heard a good deal about AMUL and I certainly intend to visit Anand and also see on the ground an operation such as yours at Erode.

I feel confident that our discussions in Anantapur will lead to improvements in the dairy program there. Perhaps we shall be able to get together again in the future to see if this is so.

Best regards.

Yours sincerely,

Frank Thornley

cc: Dr. Kurian, Chairman - National Dairy Development Board

FThornley:pt

INDIA - DPAP IN526

Mr. R. Picciotto

June 9, 1976

A. K. Seth (thru Mr. Peter Brumby)

INDIA -- DPAP Subsidies

1. The information which I gave you in my memo of June 2, 1976 is not strictly correct. The Bank is not disbursing against subsidies under DPAP.

2. I based my memo on a review of the DPAP Credit Agreement. The project description and Schedule 1 imply that the Bank could be asked to disburse against expenditures on subsidized activities -- well development, cattle purchase, etc., and thus could be refinancing subsidies.

3. However, Mr. Thornley, who is more familiar with the project and has just returned from mission, has pointed out that Schedule 1 of the Credit Agreement does not accurately reflect the disbursement proposals as set forth in the Appraisal Report. It is intended that the proceeds of the DPAP Credit be disbursed against public sector outlays only. On farm developments, some of which are subsidized, are to be financed from institutional sources (with subsidies covering from the budget) with no IDA disbursements. This position is clearly stated in the Memorandum of Understanding of the Credit Negotiations and is fully understood by Indian officials.

cc and cleared with Mr. Thornley

AKSeth:tns

India Credit 526

By air mail

No.23(2)/76-DPAP
Government of India
Ministry of Agriculture and Irrigation
(Department of Rural Development)

New Delhi dated the 7th June, 1976.

To

Mr. D.J. Parsons,
Chief General Agriculture Division,
South Asia Project Department,
International Development Association,
1818 H. Street N.W. Washington DC 20433 USA.

Subject:- Credit Agreement No.526 -IN - Drought Prone
Areas Programme(India)

---.

Dear Sir,

Doc #130, 903 S

I am enclosing a copy of the Model bye-laws for a primary sheep growers society formulated by the Government of Maharashtra for Ahmednagar and Sholapur district being financed with IDA assistance under the above credit agreement for the information of the association.

Yours faithfully,

J.P. Sharma

(J.P.Sharma)

Under Secretary to the Govt. of India.

Copy for information to:

1. Department of Economic Affairs (Shri Arvind Rande, Dy. Secretary).
2. Department of Agriculture (Shri Sadanand, Dy. Commissioner)

(J.P.Sharma)

Under Secretary to the Govt. of India

Mr. R. Picciotto

June 2, 1976

A. K. Seth (thru Mr. P. Brumby)

Subsidies in DPAP Project

1. Following Mr. C. Bruce's memo of May 13, 1976 on Bank Policy on Farm Subsidies, you had enquired whether the Bank was financing subsidies under DPAP (or any other project in this Division).
2. The answer is yes for DPAP; no for others.
3. There is no restriction on project participation in DPAP. Thus, small and marginal farmers, who under GOI's SFDA/MFALA schemes are eligible for 25% and 33.5% subsidy on certain investments like pumps, cattle, land development, are included as project participants. The disbursement percentages for these items are 80% to 95%. Thus for small and marginal farmers who participate in DPAP and receive a SFDA/MFALA subsidy, the Bank is refinancing 5% to 28.5% of the investment cost which is financed by a GOI subsidy. Very roughly, about \$ 2 million of IDA funds are liable to be used to refinance subsidies.
- See memo 24 June 76*

AK:eth:tns

India Credit 526
May 31/76

TRAINING NOTES FOR IPAP FIELD STAFF (No. 5)

(PASTURE AND SHEEP DEVELOPMENT SECTION)

STYLOSANTHES SPECIES - THEIR POTENTIAL WITHIN IPAP

The following note summarizes information on Stylosanthes species which may attract attention in some of our IPAP areas. Very generally speaking in districts below 20" (approx 500 mm) annual rainfall, Stylos will most likely not have a place in our pasture development programme. However, some newer types of Stylos which have been introduced and field tested in northern Australia - under climatic and soil conditions very similar to some of our IPAP districts in southern India with a predominant summer rainfall pattern - could well play an important role in improving the deteriorating feed situation for livestock. The information presented is mainly based on Australian conditions as advanced field testing of Stylos has been going on in that country for a number of years.

Although to most people "Stylo" generally means Townsville Stylo, this is in fact only one species of one of the largest genera of tropical legumes, Stylosanthes. Currently there are 8 commercially released cultivars from 3 species of Stylosanthes, potentially available. (Potentially, because the current state of the depressed beef market overseas with the reduced demand for some pasture cultivars means that seed of some of these may not be currently harvested for sale in countries such as Australia)

For the last few years an investigation of the whole range of Stylos has been in progress in a co-operative programme between CSIRO and various State Departments of Agriculture in Australia. At the time it started, there were only 5 cultivars of 2 species commercially available. The cultivars "Cook", "Endeavour", and "Verano" have all come out of the programme so far, with more to come. Some of these species and cultivars which have had, or are likely to have a place in our IPAP pasture are described in the notes that follow.

For general interest a full list of commercially released cultivars follows.

Released Cultivars of Stylosanthes

S. humilis cv. "Gordon" *

cv. "Lawson" *

cv. "Paterson"

*Not described here as either not of much use in IPAP areas or seed not currently being produced.

S. guayaensis cv. "Schofield"

cv. "Oxley" *

cv. "Cook"

cv. "Endeavour"

S. hamata cv. "Verano"

STYLO SANTHES HUMILIS - Common Name - TOWNSVILLE STYLO

Accidentally introduced into Australia from South America (probably Brazil) at about the turn of the century. Townsville Stylo has been used and recommended in a restricted fashion as a pasture species since the 1930s in Queensland, (and somewhat later in the N.T.), although it was not until the early 1960s that it was generally recommended outside areas where it had become naturalised. Since then use has really boomed until it is the most widely planted pasture legume in the summer rainfall areas of Northern Australia (Dry Tropics), and the standard with which newer introductions are compared. In recent years problems associated with invading annual grasses causing deterioration in old established pastures, have caused a marked drop in new plantings.

Townsville Stylo is an annual plant, flowering February to May** according to type, which sets large quantities of seed. One of its major advantages as a pasture plant is its ability to maintain its high protein content when dry, providing good quality feed for most of the dry season. Another is its ability to utilise low fertility conditions better than most plants, although this also leads to its major disadvantage - when the fertility of the general pasture rises, it loses this advantage and tends to be choked out by invading annual grass species, unless very carefully managed.

"Top End" T.S. - classified as mid-season to late mid-season flowering (early March to early May)** this is the Townsville Stylo commonly grown in the Northern Territory, where it is very well adapted to the areas between Darwin and Katherine (35" - 65") A.A.R.

* Not described here as either not of much use in IPAP areas or seed not currently being produced.

** All seasonal remarks refer to Southern Hemisphere.

cv. "Paterson" - An early flowering (mid-February)** black seeded cultivar derived from seed collected on the Greenvale Station airstrip just out of Townsville in North Queensland. This is adapted to areas with a shorter growing season (generally lower rainfall). In the N.T. 900 mm (35") Average Annual Rainfall to 635 mm (25") A.A.R.

C.P.I. 40278 - A fairly recent introduction from Brazil. Very late flowering (mid-May)**. This introduction has been in comparative trials in the Darwin area since 1969, and has come to attention in the last 2-3 years by taking over old trial areas where the fertility has been allowed to run down, and which have been very heavily grazed to a point where most perennial species disappeared. Could have considerable potential for higher rainfall areas in IPAP districts.

STYLO SANTHES GUYANENSIS - Common name - STYLO

These are all high yielding perennials, generally suited to the wetter areas of the tropics, although they have a definite and very useful place in the higher rainfall areas of the dry tropics.

cv. "Schofield" - Introduced into Queensland from Brazil in the 1930s, this has been the standard "perennial stylo" for a long time. Fairly late flowering (mid-May-June)**; it has not been very successful as a pasture species in the N.T. mainly due to its poor ability to stand constant grazing pressure.

cv. "Cook" - Released in Queensland in 1971, this introduction from Columbia in S. America, is generally intended as a replacement for "Schofield". Higher yielding, with better cool season growth (this may not be of a lot of use for IPAP conditions) it flowers up to 2 months earlier than "Schofield" (i.e. mid-April)** and is supposed to be much better under grazing than the older cultivar, although this is still to be verified. "Cook" has a very upright growth habit in the first wet season, and is identifiable by the reddish sheath on the stem at the base of the leaves.

cv. "Endeavour" - Similar in many ways to "Cook", and released at the same time, "Endeavour" is an introduction from Guatemala in S. America. It has a more branching habit than "Cook" particularly in the first wet season, is much quicker off the mark in early growth than either "Cook" or "Schofield", and flowers midway between the two. It supposedly seeds more freely than "Cook", but is not as good on poorer soils, and is more restricted to wetter areas.

**Southern Hemisphere season.

STYLO SANTHES HAMATA - Common name - CARIBBEAN STYLO

cv. "Verano" - Introduced from Venezuela in 1965, and released in Queensland in 1973, this introduction has caused a great deal of interest ever since it began to stand out in early evaluation trials. Normally a perennial, it can act as an annual if circumstances require it. Superficially similar to Townsville Stylo in general appearance, it grows over much the same range of environments, and yields about half as much again in most comparisons. In the N.T. "Verano" has grown well from Darwin to sites on the 635 mm (25") A.A.R. isohyet such as Daly Waters, and Victoria River Research Station, although it is probably in the drier areas that it has the most potential. It has the distinct advantage over Townsville Stylo of being able to compete equally well with a planted companion grass such as Urochlea or the invading annual grass species which have had such a deleterious effect on many Townsville Stylo pastures.

STYLO SANTHES SCABRA

Another S. American species, with all introductions listed here being collected in Brazil, this is a completely new one from the pasture plant point of view. While the species mentioned to date all bear some resemblance in appearance and behaviour to conventional pasture species, the Scabra's do not. This means management techniques etc., have to be worked out from scratch - hence a correspondingly longer period from initial introduction to release.

All Scabras are woody perennial shrubs of varying shapes, sizes, and adaptability. With the exception of C.P.I. 40205 they are very slow starters, making little growth above ground in their first year, and exploding into full size during the second wet season. In appearance fairly tough and unpalatable looking plants, but appear to be well eaten by cattle once they have developed the taste. Low first year seed yield is also characteristic.

C.P.I. 40292 - Very tall, branching - has grown to over 2 metres in height in second year - but very late flowering (mid-June)** The highest yielding of the Stylos in the Darling - Adelaide River area, its area of greatest potential use is probably in those areas getting 1270 mm (50") A.A.R. and above. This introduction has shown a lot of potential in North Queensland under heavy grazing.

**South Hemisphere season.

C.P.I. 34925 and C.P.I. 40289 - Short bushy shrubs growing to about 1 metre high in second year. Have performed very well in trials at Katherine, and Delamere - spreading to take over the trial sites by the third wet season - and at sites on the 635 mm A.A.R. (25") isohyet (Daly Waters) where their overall performance was almost as good, but not as spectacular. Will probably have a place as a low input, broad acre pasture species in areas below 35"-30" rainfall conditions.

C.P.I. 40205 - In terms of height this introduction falls between the other Scabras mentioned, and is the exception to the rule of slow first year growth. Seed yield is also quite fair in the first year. This introduction has grown quite well in the Darwin area, but has been most spectacular at Daly Waters where it has been highest yielder since the end of the first wet season. Would appear to have enormous potential in 20"-25" A.A.R. areas although management (in terms of keeping it short) could be a problem.

STYLOSANTHES VISCOSA

C.P.I. 34904 - Quite similar to Scabras in many ways, short bushy woody shrub - slow first year growth going to just under 1 metre in the second year. Distinguishable by paler hairy, sticky, and very aromatic leaves. Not as good in terms of yield as a lot of the other stylos but very hardy and with very marked spreading ability in the 60" A.A.R. area. Usually the greenest plot at the end of the dry season in the stylo trials. Flowers prolifically from about April* of second wet season. Could be a very useful low input, broad acre pasture species in the higher rainfall areas of the Tropics. (about 60").

*Southern Hemisphere season.

Compiled by:

R. Albrecht,
Worldbank Adviser, DPAP
Krishi Bhavan,
New Delhi-1.

May, 1973.



Record Removal Notice

File Title Drought Prone Areas Project - India - Credit 0526 - P009692 - Correspondence - Volume 6		Barcode No. 30305779		
Document Date May 27, 1976	Document Type CV / Resumé			
Correspondents / Participants				
Subject / Title CV of George Wilber Robertson				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date June 15, 2017</td></tr></table>	Withdrawn by Ann May	Date June 15, 2017
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Mr. D. Stoops

May 27, 1976

Peter Brumby

UNEP Request for Information on Activities to Combat Desertification

1. The only project of ASPGA which is concerned with combating desertification is the DPA in India. In this, project works cover six districts selected from among the areas most severely effected by the 1972 drought and comprise minor irrigation schemes, command area development, watershed management and dry farming improvements.

2. A total of about 1735 wells are to be built, 2000 pumpsets installed and 30 water reservoirs constructed on 20,000 ha. Watershed management involving soil conservation measures, afforestation and pasture development covers 90,000 ha while 37,000 ha of private arable land are to be improved by contour farrowing, construction of grass lined water ways, bunds and farm ponds.

3. The estimated total cost of the project is US\$ 102.7 million. The project covers a 5 year time span of a program that is expected to extend beyond the life of this project.

PJBRUMBY:bb

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B.K.ZUTSHI,
SPECIAL SECRETARY TO GOVT.

May 15/76

जयपुर
राजस्थान

D.O.No.F.3(6) Agr(SS)/Gr.V/76
Jaipur-302005, Dt.:

Sub.: INDIA - Drought Prone Areas Project -
Establishment of Farmers
Service Societies.

....

My dear Mr. Nelson,

Kindly refer to your letter dated 29th April '76 on the above mentioned subject, addressed to Mr. Bhanot, Secretary, Department of Dairy Development & Special Schemes Organisation. Perhaps we have not been able to indicate clearly the reasons for delay in establishment of Farmers Service Societies in Jodhpur and Nagaur districts as per terms of the Project agreement.

2. A Farmer Service Society is only a restructured version of a primary agriculture credit society for disbursing credit in rural areas. Whereas a good pacs should have a business potential of Rs.200 thousand per annum, cover an area of roughly 5000 hectares (in the project district) and afford a full time paid Secretary, an FSS must have an annual business of about Rs.1 million, a correspondingly larger coverage and better qualified and better paid staff. Both Farmer Service Societies and ordinary primary agriculture credit societies, however, have to be sustained by loans from either Central Cooperative Banks or Commercial Banks. The lead bank for each district is only a commercial bank which has been given the responsibility of coordinating the activities of all the commercial banks within the district. It does not follow that a Farmer Service Society must only be sponsored by lead banks and not by Central Cooperative Banks or other Commercial banks.

3. The process of formation of a Farmer Service Society involves either restructuring of existing Societies through amalgamation, or formation of a new society after liquidation of the existing societies working in the area. During the process of formation of an FSS, there has to be an agreement on the outstanding liabilities of the existing societies and how these are to be taken over by the proposed FSS. In case the FSS is sponsored by a Cooperative Bank, the task of restructuring becomes easier, because the existing societies in these districts are also affiliated to the CCB. Secondly, the State Government exercises much greater control over the Central Cooperative Banks and can insist on adherence to definite target dates for formation of FSS. This, however, is not possible for Jodhpur and Nagaur, because RBI does not allow Central Cooperative Banks, who have been paying dividends at less than 5% per annum to sponsor Farmers Service Societies. The reason is that the cost of the Managing Director of the FSS

not if liquidation
of society
is followed →

Correct ✓

has to be borne by the sponsoring Bank for a period of 3 years and the Reserve Bank of India does not consider banks which do not fulfil certain minimum performance criteria as capable of doing this.

4. Therefore, the only alternative available is to request Commercial banks to sponsor these Farmers Service Societies. This means that some existing societies affiliated to the Central Cooperative Banks have to be disaffiliated, restructured and affiliated to the sponsoring commercial bank. It follows that the Central Cooperative Bank will lose a certain area in which it was doing business earlier. Further, the Commercial bank concerned may not be willing to take over all the past liabilities of the existing societies.

5. The Central Cooperative Banks are naturally hesitant about ceding these areas, because it means that there will be difficulty in recovering the past dues. Further, commercial banks tend to pick and choose areas where the existing cooperative societies have been working well, whereas the CCBs would like to part with areas where they have not met with much success.

6. The State Government does not have control over the activities of commercial banks, it can only request them to undertake the responsibility of sponsoring F.S.S. The data required by such banks can be provided by the State Government and Cooperative Bank officials, but the work of preparation of project reports for such societies and getting proposals cleared from the R.B.I., has to be done by the banks concerned.

7. I hope, you will appreciate that some of the problems mentioned above have a potential for causing delay. However, we are doing our best to see that 2 F.S.S. each are established in Jodhpur and Nagaur by 31-7-1976.

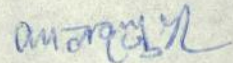
8. Having explained the problem involved in the setting up of FSS's, I would like to mention that the Study Team constituted by A.R.D.C. has recently finalized the Banking Plan for Jodhpur & Nagaur districts. Care has been taken to provide for long-term and medium-term credit requirements of the Project, through loaning by commercial banks. Areas have been farmed out to banks on the basis of a villagewise identification of project activities. It is also envisaged that the commercial banks which meet the long-term and medium-term requirements will provide short-term credit requirements for project beneficiaries.

9. As regards the over all weakness of the cooperative credit structure in these two districts and the steps required for coverage of a larger number of farmers, a detailed analysis with recommendations for improvement is available in the revised short-term

credit survey reports which are being finalized and forwarded to you shortly. These are based on the observations made by the Datey Committee appointed by the Reserve Bank of India, to review the working of short-term credit institutions in Rajasthan. Over all improvement can only come about through considerable reorganisation and changes at all levels in the cooperative credit structure, as well as the loaning procedures of commercial banks.

10. Farmers Service Societies will form only one of the constituents of this structure and not the most essential part. In fact the idea was to try this new organisational form on an experimental basis. While we ourselves are very keen on the establishment of the first few F.S.S., these alone are not likely to make a sizeable impact on the problem.

Yours sincerely,



(B.K.ZUTSHI)

Mr. Peter G. Nelson,
Deputy Division Chief,
General Agriculture Division,
South Asia Projects Department,
The World Bank,
1818 H Street,
N.W.,
WASHINGTON
D.C. 20433,
UNITED STATES OF AMERICA.

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Z-34 NEW DELHI 70 051515

ETAI

INDEMBASSY WASHINGTON

G VENKATARAMANAN FROM VINEET NAYYAR ECOFAIRS
REFER YOUR CABLE REGARDING INVOLVEMENT OF EITHER SHRI
MADHAVAN OR MITTAL OF NATIONAL DAIRY DEVELOPMENT BOARD
FOR DAIRY DEVELOPMENT IN ANANTAPUR. GOVERNMENT OF
INDIA AGREE TO THE SUGGESTION. DR KURIEN HAS BEEN
REQUESTED TO DEPUTE MADHAVAN OR MITTAL WHO WILL JOIN
MISSION AT BANGALORE OR ANANTAPUR ON 24.5.76.
FOREIGN

COLLS Z-34 24/5/76

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India
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India. Credit 526

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Record Removal Notice

File Title Drought Prone Areas Project - India - Credit 0526 - P009692 - Correspondence - Volume 6		Barcode No. 30305779		
Document Date May 13, 1976	Document Type Memorandum			
Correspondents / Participants From: Colin Bruce To: Montague Yudelman				
Subject / Title Bank Policy on Farm Subsidies: An Interim Statement				
Exception(s) Corporate Administrative Matters				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date June 15, 2017</td></tr></table>	Withdrawn by Ann May	Date June 15, 2017
Withdrawn by Ann May	Date June 15, 2017			



PLANNING DEPARTMENT

MAHARASHTRA

Sachivalaya, Bombay-400 032

Am. J. K.

Thunby 7r India Credit 526

May 7, 1976.

V. Subramanian,
Spl. Secretary to Government
& Addl. Development Commissioner.

Dear

Mr. Parsons,

I am grateful for your D.O. letter dated the 14th April 1976 which shows your continuing interest in the project and desire to keep constant dialogue to resolve the problem in implementation. In the following paragraphs, I have indicated the action taken on the points raised in your letter at the State level:

1. We had proposed to the IDA for purchase of milk road tankers for handling and transportation of surplus milk in the project areas because dairies at Ahmednagar and Solapur were not capable of handling the surplus milk. I appreciate your suggestion that this proposal cannot be viewed in isolation and has to be considered in the larger context of the total plan for handling of surplus milk within the districts, the dairy capacities at the District level and the possibilities of transporting the surplus milk to major cities like Bombay and Pune. Accordingly, I have requested my colleague, Shri Muzumdar, Secretary, Dairy Development, to give a comprehensive note on the strategy of the State Government for handling of surplus milk in these two districts and the requirement of milk tankers for this purpose. We would be in a position to give you the comprehensive note soon.
2. As regards semi detailed ground-water surveys, the Government of India has suggested that since the core funds are tied to various projects already approved by the Government of India, semi detailed surveys should be financed outside the project funds from the normal plan activities of the State Government. Accordingly, we are exploring the possibility of giving priority for detailed survey of the project areas in Ahmednagar and Solapur from the normal plan scheme for detailed survey. The Director of groundwater survey is looking into the matter and we would be able to take a final decision in this matter soon.
3. As regards the Master Plan for Command Area Development and Minor Irrigation Tank, the Master Plan was ready when the Supervision Mission visited last in November 1975. The Government of India sought certain clarification and suggested some improvements in the preparation of the Master Plan. Accordingly, the Master Plan has been revised after complying with the points raised by the Government of India and submitted to the Government of India for onward transmission to the IDA.
4. I entirely agree with your suggestion to plan for Dryland Farming Programme in a comprehensive manner indicating not only the recommended package of practices but the system by which the extension staff would function and monitor the programme.

*Procurement by
IDA?
in doing...
H. is my
recommendation.*

You might recollect that a note dealing with the recommended package of practices in Dryland Farming in both these districts was sent to you vide my D.O. letter No.DPA 1975/557/ARD-DPA dated 13.9.1975. However, as suggested by you, we would recast these guidelines so as to make them comprehensive on the pattern of the guidelines of Chambal Command Area Development Project, which you have sent along with your letter.

has it arrived?
5. As regards short-term credit survey, the survey report for Solapur district has already been submitted to the Government of India for onward transmission to the IDA. The survey report for Ahmednagar district is being given a final shape and would be sent to the Government of India soon.

With regards,

Yours sincerely,

V. Subramanian

(V. Subramanian).

Mr.Dennis J. Parsons,
Chief General Agriculture Division,
South Asia Projects Department,
1818 H Street,
N.W. Washington, DC 20433,
U. S. A.

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yo.
2/11 revision
in June

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: INTBAFRAD
NEW DELHI

DATE: May 7, 1976

ORIGINATOR'S EXT.: 4120

COUNTRY: INDIA

CLASS OF Telex
SERVICE:

CABLE NO. & TEXT:

668

FOR ALBRECHT ON RETURN READ YOUR TECHNICAL NOTES WITH INTEREST. WOULD LIKE OFFER ONE COMMENT ON NOTE NO. 3 (FERTILIZER EVALUATION). I BELIEVE YOU SHOULD HAVE GIVEN MORE EMPHASIS TO USE OF CONTROL PLOTS. ALL OBSERVATIONS AND MEASUREMENTS, NOT JUST PRODUCTION CUTS, SHOULD INCLUDE CONTROLS TO GET PROPER MEASURE OF TREATMENT EFFECTS. IF YOU AGREE SUGGEST YOU ASK CONCERNED STAFF TO INCLUDE CONTROL AS TREATMENT IN LAYOUT AND FOR FULL DATA COLLECTION REGARDS THORNLEY

NOT TO BE TRANSMITTED

REFERENCE: INDIA - DPAP IN526)

AUTHORIZED BY (Name):
Peter J. Brumby

DRAFTED BY: FThornley:pt

DEPARTMENT:
South Asia Projects

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~~XXXXXXXXXXXX~~

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THE UNIVERSITY OF CHICAGO

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COMMUNICATIONS

Asia files

India - Credit 526

HUYSER
BOODAGRI
ROME

MAY 5, 1976.

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ITALY

TELEX

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INDIA DPAP AND OURCAB 56 STOP PLEASE CABLE THORNLEY C/O NEW DELHI OFFICE WHETHER
YOU AGREE IN PRINCIPLE TO GROENEWOLD MISSION TO ASSIST IN TRAINING FOR DPAP DAIRY
COMPONENT AND IF SO INDICATE PREFERRED TIMING

REGARDS
VERAART

Mr. Marius Veraart

Ag. & Rural Dev. Dept.

MVeraart:cms

cc: Messrs. Parsons, Thornley, Alisbah

India - Credit 526

Mr. Marius Veraart

May 4, 1976

Dennis J. Parsons

INDIA - Drought Prone Areas Project (CR526-IN)

Please include the following message in your next cable to Rome:

"Re India DPAP and ourcab 56 of April 1, 1976 please cable Thornley
c/o New Delhi office whether you agree in principle to Groenewold
mission to assist in training for DPAP dairy component and if so
indicate preferred timing".

FThornley:pt

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OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: DAIRYBOARD
ANAND

DATE: May 3, 1976

ORIGINATOR'S EXT.: 4120

COUNTRY: INDIA

CLASS OF
SERVICE: L/T

CABLE NO. & TEXT:

FOR JHALA REURCAB OF APRIL 30 OFFER OF MADHAVAN ASSISTANCE ON DROUGHT PRONE PROJECT
APPRECIATED. STOP ~~SUGGEST WE REIMBURSE ALL COSTS OR PAY PER DIEM OF US DOLLARS 45~~
~~PLUS FARES STOP~~ THORNLEY ARRIVING BANGALORE MAY 24 AT 1205 ON IC 403 TO DRIVE
ANANTAPUR STOP MADHAVAN JOINING IN BANGALORE WOULD BE USEFUL IF CONVENIENT AND
NOT CONTRARY TO DIRECTOR DPAP PROPOSAL WHICH PLEASE GIVE PRECEDANCE REGARDS PARSONS

NOT TO BE TRANSMITTED

REFERENCE:

INDIA - DPAP (IN526 CR)

DRAFTED BY:

FThornley:pt

CLEARANCES AND COPY DISTRIBUTION:

cc: Mrs. Stone

AUTHORIZED BY (Name):

Dennis J. Parsons

DEPARTMENT:

South Asia Projects

SIGNATURE (Of individual authorized to approve):

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CC: MR. STONE

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DISPATCHED: 10/11/76

DISPATCHED BY:

INDIA - DEPT (TUESDAY)

REFERENCE:

SIGNATURE FOR DISPATCH AND CHECKS IN SECTION

SECTION DATE: 10/11/76

DEPARTMENT:

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CYRGE NO. 8. 10/11/76

COMMITTEE: INDIA

DATE: 10/11/76

NAME:

TO: DISPATCHED

CYRGE NO. 8. 10/11/76

SECTION: 10/11/76

ORIGINATOR'S EXT: 10/11/76

DATE: 10/11/76

(TELEGRAM/CABLE/TELEX)
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 WORLD BANK / IFC

- ☐ IC210
- ☐ IFC
- ☐ IDA
- ☐ IRO