



Cabinet

# Cabinet approves completion of balance works of North Koel Reservoir Project

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi today has given its approval to the proposal to complete the balance works of the North Koel Reservoir Project in Jharkhand and Bihar at an estimated expenditure of Rs.1622.27 crore to be incurred during three financial years from the start of the project.

The Cabinet also approved storage of water in dam restricted at lower level than envisaged earlier to reduce the submergence and to protect Betla National Park and Palamau Tiger Reserve.

The project is situated on North Koel river which is a tributary of Sone river finally joining the river Ganga. The North Koel Reservoir is located in the most backward tribal areas in Palamau and Garhwa districts of Jharkhand State. The construction was originally started in the year 1972 and continued till 1993 when it was stopped by the Forest Department, Govt. of Bihar. Since then, the work on dam is at a standstill. The major components of project are: 67.86 m high and 343.33 m long concrete dam called Mandal dam originally intended to store 1160 million cubic metre (MCM) water; 819.6 m long barrage at Mohammadganj, 96 km downstream of the dam; and two canals originating from left and right banks of Mohammadganj Barrage with distributaries system for irrigation. With the new lowered elevation level (EL) of 341 metre, the Mandal dam will now have storage of 190 MCM. The project aims to provide irrigation to 111,521 hectares of land annually in the most backward and drought prone areas of Palamu & Garhwa districts in Jharkhand and Aurangabad & Gaya districts in Bihar. The unfinished project as on date is providing irrigation to 71,720 hectares and completion of this project will provide additional irrigation benefit to the extent of 39,801 hectares. The irrigation potential through this Project in the two States would be as follows:

Total irrigation potential:	<b>1,11, 521 hectares</b>
Irrigation potential in Bihar:	<b>91,917 hectares</b>
Irrigation potential in Jharkhand:	<b>19,604 hectares</b>

The total cost of the project as assessed on date is Rs 2391.36 crore. An expenditure amounting to Rs. 769.09 crore has been incurred on the project till date. The Union Cabinet has approved the proposal for completing the balance of the North-Koel reservoir project in Jharkhand & Bihar at an estimated cost of Rs 1622.27 crore during three financial years.

The common components amounting to Rs.1013.11 crore of balance works would be funded by the Central Government as a grant from PMKSY Fund. This would include cost of Net Present Value (NPV) and Compensatory Afforestation (CA) which comes to Rs.607 crore and Rs.43 crore respectively. The Central Government will also fund 60% of the cost of balance works amounting to Rs.365.5 crore (Bihar Rs.318.64 crore and Jharkhand Rs.46.86 crore) from Long Term Irrigation Fund (LTIF) under PMKSY as grant from the States of Bihar and Jharkhand. The States of Bihar and Jharkhand will arrange 40% of remaining cost of balance works amounting to Rs.243.66 crore (Bihar 212.43 crore and Jharkhand 31.23 crore) as loan from LTIF through NABARD at the rate which is not subsidised and is related to market borrowing cost with no interest subvention.

The Cabinet also approved execution of balance works of the project on turnkey basis by M/S WAPCOS Ltd., a CPSU under MoWR, RD & GR as Project Management Consultant (PMC). The execution of the project will be monitored by an Empowered Committee of Government of India headed by CEO NITI Aayog.

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