Government of Odisha Department of Water Resources

No. UC38 /WR., Irr.-II-WRC-06/15

Date: 24/2/16

NOTIFICATION

Sub: Guideline for diversion of Irrigated/ to be irrigated Land for Industrial purpose by acquisition or direct purchase by the Industries.

While both agriculture and industrialization are necessary for creating employment and ensuring growth, the State Government have been very careful in avoiding setting up of industries in irrigated agriculture command areas. However, it is realised that sometimes it may not be possible for an industry to avoid irrigation command area completely. Sometimes, in order to get a continuouspatch for setting up of industries, some irrigated command areas may be required for use by some industries. Besides, some industries have procured land including irrigated land and have already made some investments. While Government have decided a compensatory mechanism for creating alternative irrigation potential, in some cases compensatory irrigation is either delayed or yet to be achieved. State Government intend to bring out a comprehensive guideline to deal with diversion of irrigated agricultural land for the purpose of industries, wherever it is absolutely necessary.

In case a portion of irrigated command area under unavoidable circumstances is required to be diverted for the purpose of industrialization, the industry concerned shall have to make up for the loss of command area by way of creating compensatory irrigation.

After careful consideration the Government have been pleased to approve the following guidelines.

1. (a) Irrigated area or area to be irrigated for which canal system have already been designed should not be ordinarily used for industrial purpose, unless an

industry has already made some investment in that location or it is not possible for the industry to avoid irrigation command area completely on the ground of contiguity. If such land is acquired or directly procured for establishment of an industry, the project proponent shall have to bear the cost of compensatory irrigation by creating new irrigation for **twice the ayacut lost**.

- (b) If a canal system is intercepted by the industry, thereby depriving irrigation to downstream ayacut, steps shall be taken to provide the downstream irrigation by either diverting the canal or by pumping. All costs on account of such diversion, including cost of additional land and/or pumping shall be paid by the industry.
- (c) If it is not possible to provide irrigation to the downstream ayacut even after considering diversion of the canal /pumping, the industry shall have to compensate for the loss of such irrigation at the rate of twice the downstream ayacut lost.
- (d) The compensatory irrigation shall be created preferably in the same project area where the ayacut is lost by way of extension of a canal system if possible or through pumped irrigation system. In case the above is not possible, the industry concerned shall bear the cost of creating the required ayacut (twice the lost ayacut) through Lift Irrigation by Odisha Lift Irrigation Corporation, preferably in the same Block or the District. Where such lift irrigation is not feasible in the same district, such ayacut may be created in a neighboring district.
- (e) While calculating the cost of compensatory irrigation the latest cost standards for creation of ayacut shall be taken into account. As creation of the compensatory irrigation would take normally a period of 3 (three) years and in order to mitigate the cost of escalation, the project proponent shall be charged additional 25% on the latest normative cost as calculated by the concerned irrigation authorities.
- (f) The concerned irrigation authority shall identify the areas for compensatory irrigation, the mode of creation of irrigation either through extension of the canal system or pumped irrigation or lift irrigation, prepare the project report and the cost estimate. The appropriate authority shall undertake the necessary survey and

investigation of the proposed new ayacut and prepare the cost estimate for creating such irrigation facility, taking into account the latest cost estimates. The cost estimate should take into account all costs such as cost of survey and investigation, preparation of DPR, cost estimation for construction/development of the source and the distribution system, ancillary costs of T&P, supervision and service charge, quality control, etc. Thereafter 25% shall be added to the above cost to mitigate probable cost escalation. The final cost shall be intimated to the agency (IDCO and/or the project proponent) for depositing the same with the appropriate irrigation authority.

- 2. Apart from compensating the loss of irrigation, the industry shall also pay the actual cost/expenditure incurred towards construction of the irrigation system to be fully or partly abandoned including the cost of land. The cost of compensation of the same shall be calculated on the basis of the latest cost estimate to be decided by the concerned project authorities.
- 3. The total compensation cost as mentioned above shall be deposited with IDCO by the industry and in turn with the concerned irrigation authority. Where Industry procures directly, the same may be deposited by the industry directly with concerned irrigation authority.
- 4. An agreement/affidavit is to be submitted by the authorized signatory of the industry to IDCO/irrigation authority to pay additional cost as per actual execution for compensatory irrigation, after which the case for diversion of irrigation command area to the industry will be considered by Government on merit.
- 5. The industry further shall have to agree to deposit contribution towards Water Conservation Fund (WCF) as per DoWR Resolution / Notification in force.
- 6. This Notification is applicable to the Industries where diversion of Irrigated command area is not yet completed in addition to fresh cases.

7. Any clarification regarding implementation of this Guideline shall be issued by Government in Department of Water Resources.

The Notification shall come into force from its date of issue.

ORDER

Ordered that the Notification be published in the next issue of the Odisha Gazette.

BY ORDER OF GOVERNOR

Principal Secretary to Government

EIC-Cum- Special Secretary to Government

Memo No/WR., Dtd. 21/2/16
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EIC-Cum- Special Secretary to Government.

