Water Resources Ministry Signs MoU with Bihar and Jharkhand for Completion of North Koel Reservoir Project

A Memorandum of Understanding has been signed between Ministry of Water Resources, River Development and Ganga Rejuvenation, Government of India, State of Bihar and State of Jharkhand for completion of balance works of North Koel reservoir project at an estimated cost of Rs. 1622.27 crore.

A supplementary Memorandum of Agreement has also been signed between Ministry of Water Resources, River Development and Ganga Rejuvenation, Government of India, National Water Development Agency, NABARD with State Governments of Bihar and Jharkhand for funding of the state share under Long Term Irrigation Fund (LTIF) for North Koel reservoir project.

The MoU was signed on 12th January 2018 during a meeting chaired by Shri Upendra Prasad Singh, Secretary, Ministry of Water Resources, River Development and Ganga Rejuvenation. Shri Sanjay Kundu, Director General NWDA and Shri HR Dave, Deputy Managing Director, NABARD were also present.

The construction of North Koel project was started in 1972 but was later halted in 1993. The project situated on North Koel river, a tributary of Sone river will provide irrigation to 1,11,521 hectares of land annually in the most backward and drought prone areas of Palamu and Garhwa districts in Jharkhand and Aurangabad and Gaya districts in Bihar.

Out of the estimated cost of balance works of Rs. 1622.27 crores, the common component amounting to Rs. 1013.11 crores shall be borne by the Govt. of India as a grant from LTIF under Pradhan Mantri Krishi Sinchai Yojana (PMKSY). Out of remaining cost of works amounting to Rs. 609.16 crores pertaining to Bihar and Jharkhand portion, 60% of the cost amounting to Rs. 365.5 crores shall be financed by Central Government from LTIF making the total Central share as Rs 1378.61 crore. Remaining 40% of cost amounting to Rs. 243.66 crores will be borne by the States through the loan financed by NABARD.

The project is scheduled to be completed in 30 months from the start of the project.

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