

Credit Facility

47. The general cost norms for watershed development projects shall remain as per Annexure-I. However, the PIA/ZP/DRDA shall explore and encourage availing the credit facility by WA, SHGs, UGs, Panchayats and individuals provided by banks or other Financial Institutions for further developmental activities in watershed areas.

Revolving Fund for SHGs

48. The PIAs will set up a revolving fund of not exceeding Rs. one lakh per watershed to be given as seed money for vocational development by the Self-Help Groups (SHG) at the rate not exceeding Rs. 10,000/- per SHG for undertaking income generating activities. This seed money must be recovered from the SHG members in a maximum of 6 installments on monthly basis. This could be reinvested in the same or other SHGs.

Fund Flow

49. Funds for the projects from Department of Land Resources shall be as per procedure in vogue at the time of implementation of these Guidelines. However, various installments for ongoing projects shall be as per Annexure-II. Release of next installment will be made when the unutilized balance is not more than 50% of the previous installment released and on receipt of satisfactory progress report and audited statement of accounts of previous year after taking into consideration the interest accrued on the previous releases.

50. Funds from Government of India shall be released to ZP/DRDAs. They may retain their share of the administrative cost from each project and release the funds to PIA for administrative cost, community organization, training and works components. PIA should release the work component to Watershed Committee Account and Secretary Watershed Committee should withdraw the funds and make payment for the works etc. The Secretary should give detail of expenditure to