

Water Supply Project from Narmada river: A Private Industrial Water Supply Project in Dewas (MP)

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Description

Dewas town is located on the Malwa plateau in the western region of Madhya Pradesh. It is a highly industrialised town with around 400 industries operating in the industrial area on the outskirts of the town. The process of industrialisation began in the early 1980s. This rapid industrialisation has put pressure on the local resources including surface and groundwater. Since 1990s the town and the adjoining parts of Dewas district have been suffering with water shortages for drinking, irrigation and for the industries. In some of the intervening years the situation was so grave that water had to be brought-in using railway tankers for drinking purposes to the town. The industries are involved in pumping and trucking water from far-off villages to their units.

To improve the water situation the state government agencies planned for an industrial water supply project which would supply water exclusively to the industries in the Dewas Industrial Area. This project is to pump water from river Narmada, close to a village called Nemawar, around 128 kms away from the town at the gradient of 303 mtrs. This project was planned to be executed as a Build-Operate-Transfer (BOT) project by a private concessionaire. In 2002, Madhya Pradesh State Industrial Development Corporation (MPSIDC) issued a tender notice to privatise industrial water supply in Dewas on BOT basis for the period of 30 years.

According to the first tender notice, the estimated cost of the project was Rs. 65 crores whereas in the final tender notice the cost of the project was Rs. 77.58 crores. The contract for supplying water to Dewas Industrial Area (DIA) was won by Baroda, Gujarat based company M/s MSK Pvt. Ltd. in 2004. Dewas Industrial Association (DIA), MPSIDC and M/s MSK Pvt. Ltd signed a tripartite agreement and agreed that M/s MSK Pvt. Ltd. would supply 12 mld water, to begin with, to DIA at the cost of Rs. 26.50 per KL. The water supply capacity is planned to be increased to 23 mld as and when the demand increases. After several delays and postponing the dates to begin operations from 2006 to 2008, the water supply finally began from October 2008¹.

It has been stated that with industrial water supply from this project following objectives would be broadly achieved -

- Industries would receive good quality reliable water supply at their door-steps leading to good industrial output which was suffering due to water shortages
- The private company would deliver efficient and well managed water services to the industries
- The groundwater over-extraction by the industries would reduce and therefore would lead to the replenishment and higher levels of groundwater tables
- The water transfer from a perennial source like Narmada would also have a positive effect on the local surface water sources which have been sucked dry
- The water project would also be able to supply water to Dewas Municipal Corporation in case of emergencies and dry seasons, helping cover the deficit in drinking water

¹ Information provided to Manthan Adhyayan Kendra, Badwani by MPSIDC, Bhopal under Right to Information Act, 2005 regarding Privatised Water Supply Project in Dewas, Dated – 24th August 2010.

supply

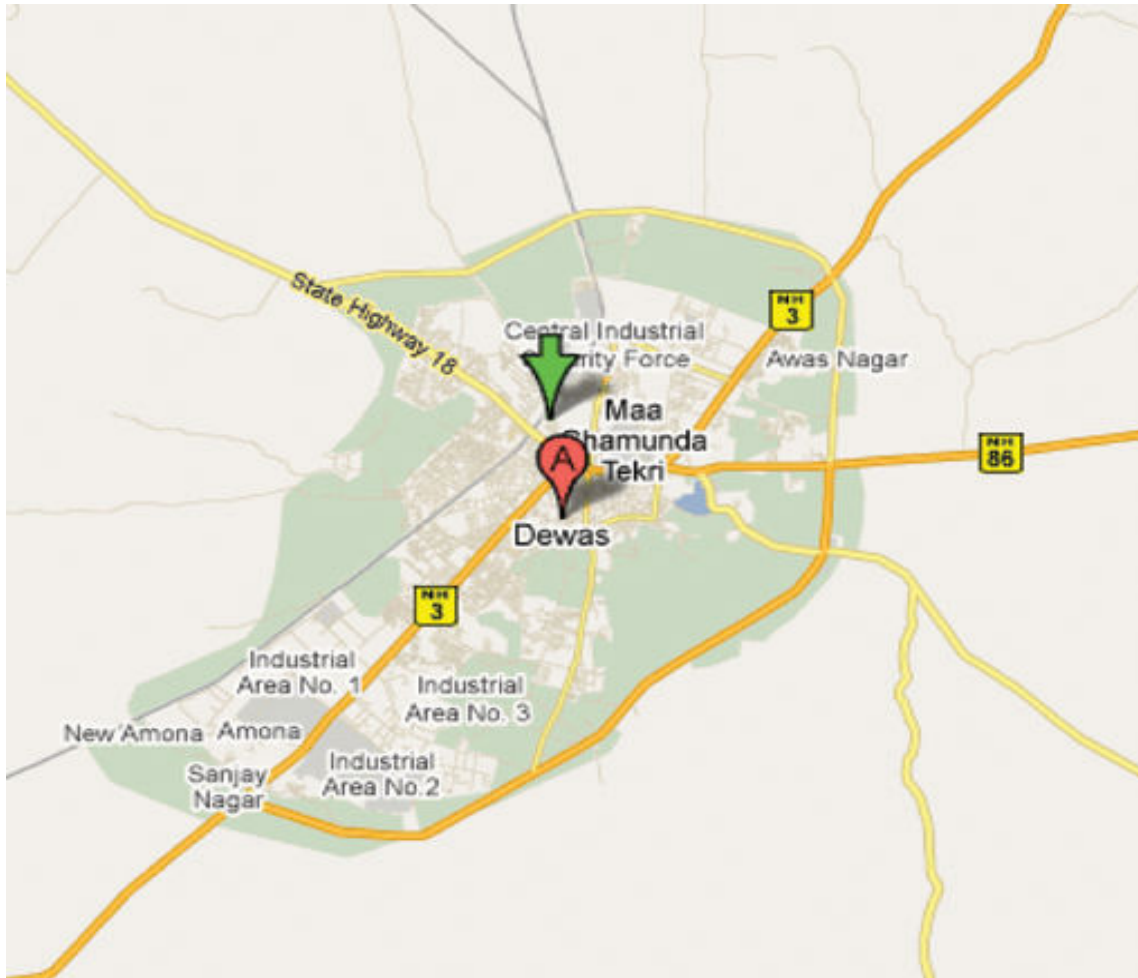
- It was also promised that the project would also supply water to the enrouting villages, villages lying in between source to destination, so that their water woes would also be solved

This case study of the project was undertaken using various sources for data and information. The secondary sources included concession agreement, other project documents, official correspondence and other existing available information and primary sources included field visits, meetings with various groups of people in rural, urban and industrial areas, interviews, discussions, etc. All these sources of information regarding the industrial water supply project have shown that since the project started operations, there is little likelihood of any of the project objectives to have been achieved or good performances to show that they would be soon achieved in the near future.

Map of the area



The above map showing Dewas and its adjoining districts in the state of Madhya Pradesh. The dotted line shows the route of the pipeline for supplying 23 mld water from river Narmada (Nemawar village) to Dewas Industrial Area, a distance of 128 kms at 303 mtrs gradient. (Source: Maps of India)



The map showing Dewas town with its industrial area which would be supplied water from the BOT project. (Source: Google Maps)

The Conflict

This BOT project awarded for the industrial water supply project is a classic case of arising conflicts between the urban-rural-industrial consumption and uses of water. As mentioned the water here in this project is being pumped from a distance 128 kms from the river banks in the rural hinterland for industrial purposes. However, this industrial project has ignored the water needs of the rural populations enroute the way from which the pipeline is pumping water for industries, even though these villages suffer from acute water shortages. The industrial project has also not taken into consideration the needs for domestic water in Dewas city. The project has given higher priority to industrial consumption rather than the domestic (urban-rural) uses.

This project has been designed and implemented keeping in mind only the immediate water problems of industrial units in and around the town. On the other hand not much thought has been given to the water needs of the residents. Even though it is quite clear year after year that due to over-exploitation of ground and surface water sources by the industries the town is suffering from acute water shortages.



Fig 1: Water supply to low income areas in the town remains a huge concern for the people, along with odd timings, supply from tankers and inequitable distribution².

This has led to serious conflicts and friction between the urban-rural and industrial users. The urban users are demanding water from this project, but the project being constructed by the private operator keeping in mind the profits, it cannot provide water at lower costs to the domestic users. Similarly, for the rural population, even though some of the project documents show that there were some kind of promises made that these enroute villages would be supplied water from the pipelines, these haven't been fulfilled leading to conflicts and rioting in the villages as had been reported in some of the local media reports.

Current Status

Let us look at the above mentioned objectives in details, and see what is the status and the issues involved in some of these -

1. Officials of several industrial units during interviews and meetings stated that most of the industrial units are still using groundwater for manufacturing and other industrial purposes. The groundwater was and is still their main source of water supply. This has led to a decrease in groundwater level to more than 400 feet. The various reasons for industries still pumping groundwater include – even though the water demand from the industries is estimated at 12 mld the project is able to supply only 7 mld to the industrial area, even this reduced water supply is unreliable and irregular, the project concessionaire is not even providing committed water supply to individual industrial units as per contractual clauses among others.
2. Several news reports quoting MPSIDC and interviews with industry officials state that the project company has done a poor job during the construction of the system including the pipelines for the project. It has been stated that the project concessionaire has done poor designing of pipelines and used bad quality material which leads to continuous breakdowns and bursting of pipelines, further hampering the water supply. Even though the demand is

² Photos Courtesy – Mohammed Asif, Jan Sahas, Dewas and Makarand Purohit Manthan Adhyayan Kendra, Badwani (MP).

high from the industries, the concessionaire also has individual contracts/ commitment letters from industrial units, it seems least interested in providing water to them. There are no complaint and consumer grievance redressal systems and no official prior communication from them informing interruptions in water supply. The industries who signed agreement with M/s MSK Projects are now demanding differential incremental cost from it as the compensation amount for the losses borne by them due to inadequate water supply. In all likelihood the groundwater extraction remains as high as ever before.

3. Dewas Municipal Corporation for the last couple of year has been purchasing water for domestic uses from the industrial water supply project at the exorbitant price of Rs 26.5/ KL during the dry season ranging from January to June months of the year. The water supply from the project to the town has been in the range of 1 – 2.5 mld over the period of last two years. The water demand of the town is 37 mld, based on the standard 135 lpcd for the population of 2,81,312. However, the local body is able to supply around 10 mld to one-third of the population every day. There are two issues here – one, even when there is so much shortage for domestic water supply why the municipal corporation is not buying more water from the industrial project; two, with acute shortage of domestic water largely due to industrialisation in the town why the state agencies pushed for industrial water supply project rather than prioritising domestic water uses first.
4. The answer to the first question might be that the municipal corporation does not have the financial capacity to buy water at such expensive rates, so they are forced to buy water on adhoc basis from the industrial project untill their own water augmentation projects are implemented and start operating. The answer to second could be the lopsided policies of the state government pushing wrong priorities ahead of the basic needs of the local people.
5. Similarly, the 12 villages enroute the pipelines from source to destination (around 128 kms from village Nemawar to Dewas) were promised 2 mld water from the project to overcome their drinking water deficits. But field visits show that there is no plan and execution of water supply to any of these villages. Since this water was supposed to be given free to the villages the project company is not interested in doing this. It seems that the promise was made to assuage the feelings and emotions of the rural people so that they do not react sharply to water being piped through their lands and fields without it being supplied to them.
6. On the other hand, news reports from these villages last year claimed that the villagers had indulged in breaking and vandalising pipelines to get water. The district administration slapped a prohibitory order in the villages against these claims, section 144 of Criminal Procedure Code (CrPC). However, later reports and investigations showed that there was no proof of the involvement of the local people in such activities and the pipe bursts had happened due to the reason that the design and the quality of pipes were not able to handle the pressure of water pumped. The locals are still waiting for water to be delivered to their villages. Complaints and requests to district administration have not yielded any results as yet.



Fig 2: The office building of MSK Projects in Dewas Industrial Area, located below a water supply tank, used for water supply to the industries. Despite the new private project the water supply to industries remains erratic.

Lowest Point

The lowest point in the whole conflicts situation came about when based on certain news reports that the villagers had indulged in breaking and vandalising pipelines to get water, the district administration slapped a prohibitory order in the villages against these claims, section 144. The villagers already reeling under severe water problems were harassed and criminalised for doing something which they apparently did not do.

The Opposing Stands

During this period of project implementation and execution we have been witnessing people from various sides taking stands in this episode of water supply. In most cases people from the executing agency MPSIDC blame the private company for using sub-standard pipes for constructing the pipelines, resulting in frequent bursts and breakdowns. The private operator blamed the local villagers for vandalising the pipelines for fulfilling the water needs. The district administration sided with the private operator and blamed the local village people. The people blame the private operator for not supplying water to their villages as promised earlier. They also blame the district administration and the panchayat officials for not ensuring that the water is being supplied.

So in a sense most parties are trying to play a sort of blame-game at this moment in time where things are not going in the right direction for the project. So who so ever is involved with the project or has something to do with the project is trying to pass the buck to the other party and deny any wrong-doing, this especially applies on the project planning and implementing agencies.



Fig 3: An Overhead Water Supply Tank in Dewas town, the new water augmentation project for the town, looks to add a few more of these to increase the storage capacity.

Scope for Dialogue

The various sets of documentation and experiences during show that the private industrial water supply project in Dewas has not been able to achieve what it had planned to achieve in this period of implementation. The project has not been able to help in sorting out the existing water problems. On the contrary now, it is creating further conflicts between the industry, villages, urban areas and the private concessionaire. The state level agencies responsible for the project seem to be helpless and are not able to control the situation. The industrial water supply project's failure or even under-achievement in Dewas would show that the time, money and efforts put into conceiving and executing this project have been wasted. More importantly it would also go on to show that the policies and projects to improve water problems are going in the wrong direction.

Several key steps should be undertaken to resolve the issues that have been created due to the execution of this project. These include -

1. Proper information dissemination about the project, during this whole period the project authorities and the state government agencies have been silent on the various aspects of the project. But once the project started showing problems, the blame game has started, but nothing concrete has been done as yet to resolve the issues in a transparent and inclusive manner. With no information coming out it is difficult for the people to

- understand the ongoings and the problems that the project is facing.
2. Even for independent evaluation of the project, organisations and people have to resort to RTI to get critical information about the project. Most of the information mentioned here in this case study has been generated using RTI, still there are lot of gaps. And no effort is being made by project authorities to fill these gaps, on the other hand they are using all sorts of means to throttle information access. Unless transparency is maintained it would be hard to resolve the issues.
 3. The state agencies have accused the project concessionaire of not using good material and design for constructing the pipelines for the project. It also looks likely that the concessionaire is not fulfilling the contractual obligations that it was supposed to do. To start with, it should be enforced that the concessionaire follows what has been agreed under the project agreement in toto.
 4. If this does not happen then further detailed investigations should be done and responsibility fixed for the wrong doing in the project. And the matter needs to be resolved using higher authorities. However, it is not clear who can be the higher authority here, it can be the High Court or any other state agency. But state agencies like MPSIDC which are a party to the project, are already helpless in this matter so depending on them to resolve this matter might not help much. It is also not clear if anyother state department would be capable/ entitled to handle this project.
 5. Of course, there is a lot of scope for dialogue but then for such a dialogue to happen the major stakeholders would need to come down from there high-pedestal and start facing the real ground situation. The MPSIDC would need to stop accusing the private company and deal with it firmly as per the contractual terms. The private company needs to accept the problems with the project and stop accusing the village folks for the breakdowns. It also needs to have dialogue with the industrial units and work towards meeting their demands and trouble-shooting. The district administration would also need to stop siding with the private company and punishing the villagers for no wrong-doing. In fact it should help the villagers getting the promised water supplied.

Key Institutions and People

Institutions

- Madhya Pradesh State Industrial Development Corporation, Bhopal
- MSK Projects Ltd., Dewas
- Dewas Municipal Corporation, Dewas
- Association of Industries, Dewas

Local People Contacted

- Rajendra Bandhu, Freelance Journalist, earlier worked with Samaj Pragati Sahyog, Bagli, Dewas – 09425636024
- Prakash Kant, Retired teacher and an activist, Dewas – 07272 228097
- Mangal Singh Tomar, Panchayat Secretary, Village – Nemawar - 09754333413
- Dayaram Yadav, Sarpanch, Gram Panchayat, Village – Chapada - 09329763343
- Mahendra Singh Songara, Water Supply Department, Dewas Municipal Corporation - 09300826244
- Mr. Mishra, Khategaon Nagar Panchyat official, Village - Khategaon
- Ashok Khandelua, President, Association of Industries Dewas, Dewas – 07272 251609/ 258211

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