ORGANISATIONAL RESPONSE

The management of drought is a multi-dimensional effort. Relief has to be organised for millions of people affected by scarcity conditions. The working population has to be given employment in productive works in the vicinity to avoid large scale migration. Consequently a large number of plans and estimates for decentralised works have to be prepared by technically qualified personnel in a short spell of time. At the work sites reasonable amenities have to be provided for the labourers. The acute shortage of drinking water has to be met by improving the sources of drinking water as well as by transporting water to the affected population in tankers and bullock carts. Cattle has to be taken care of by provision of feed and fodder. To prevent a large part of the rural population from being decimated by disease, prompt health care and medical relief have also to be provided.

1.2 The GOI responded to the emerging drought situation by assuming an active role when it observed as early as July, 1987 that the drought conditions may have serious impact on agriculture and, in turn, on the large rural population. It was realised that normal channels of administration and methods of coordination will have to be supplemented and strengthened at different levels of the administrative machinery in order to ensure that the drought situation was continuously assessed from time to time, the need for relief measure examined promptly and financial allocations made most expeditiously to undertake the relief measures well in time. Area Officers of the DAC visited the drought affected States and gave preliminary assessment of the crop conditions on account of inadequate rainfall. The reports showed that there was reduction in agricultural operations as large area was left unsown and the crop conditions were poor in the sown area.

Cabinet Committee on Drought

2.1 The Prime Minister described the 1987 drought as a national challenge and set up a CCD under his Chairmanship with the objective of ensuring initiation of timely and effective measures for mitigating the impact of drought. The composition of CCD was as follows:

4

- 1. Shri Rajiv Gandhi, Chairman Prime Minister.
- Shri P. Shiv Shanker, Minister of Planning and Programme Implementation.
- Shri Narayan Datt Tiwari, Minister of Finance and Commerce.
- 4. Shri Vasant Sathe, Minister of Energy and Communications.
- Shri Bhajan Lal, Minister of Agriculture.
- Shri Dinesh Singh, Minister of Water Resources.
- 7. Shri Brahm Dutt, Minister of State (Independent Charge), Ministry of Petroleum and Natural Gas
- 8. Shri Sukh Ram, Minister of State (Independent Charge), Ministry of Food and Civil Supplies.
- 9. Shri Z.R. Ansari,
 Minister of State (Independent Charge), Ministry of Environment and Forests.
- 2.2 The first meeting of CCD held on the 6th August 1987 laid down the conceptual framework and set the pace for working out the policy responses to tackle the developing drought situation. In its second meeting held on the 10th August 1987, the CCD approved the Action Plan which served as the blue-print for implementing the drought relief programmes. The Action Plan may be seen at Table 7. Thereafter the CCD gave policy directives from time to time and closely monitored the implementation of drought relief programmes by the Central Government Departments and the State Governments. The CCD met as many as 4 times in August, 1987 and regularly thereafter to monitor and review the implementation of drought relief measures till the conditions stabilised in the country after the onset of 1988 monsoon.
- 2.3 The CCD was wound up after its meeting held on the 13th July, 1988. A new Cabinet Committee on Natural Calamities (CCNC) has since been formed to deal with all aspects of management of natural calamities as and when they occur including the measures to be taken, both short-term and long-term, to reconstruct the economy of the affected area, and to examine the remedial measures that can be taken to avoid recurrence of such calamity or reduce its ill effects should it recur.
- 2.4 The Prime Minister designated Central Ministers for continuous inter-action with the State Governments and helping them in undertaking effective relief measures in the affected area and facilitating optimal use of central assistance, financial and otherwise. The list of Central Ministers assigned to different States is at Annexure- V. The Cabinet Secretary briefed the Central Ministers in September, 1987 about the drought conditions in various States and requested the Ministers to give their views on the drought conditions and the impact of drought relief programmes in alleviating the distress of the affected people in the States.
- 2.5 A COS was set up under the Chairmanship of the Cabinet Secretary to closely monitor and coordinate the drought relief programmes of Central Ministries/Departments and the State Governments. The composition of the Committee is shown at Annexure-VI. The COS met on the 8th August, 1987 for the first time and subsequently met 12 times till the end of the drought period. The proposals that were to be brought to the CCD were considered in advance by the COS. The presence of Secretaries and senior officers of the Central Ministries/Departments in the meetings of the COS ensured that once a proposal was approved by it, there was no need to refer the same proposal for further examination and that sanctions could issue without delay. The exigencies of the situation in the field and the need to provide relief without any delay prompted the Ministries/Departments to consider the proposals most expeditiously and consequently, it was possible to find quick solution to

Table 7: Action Plan Approved by Cabinet Committee on Drought

ACTION PLAN FOR DROUGHT RELIEF

ORGANISATION

- (i) Setting up of a Cabinet Committee on Drought.
- (ii) Setting up of a Committee of Secretaries headed by Cabinet Secretary to monitor the developing drought situation and to take corrective steps.
- (iii) Set up Central Control Room in Krishi Bhavan. Set up similar Control Rooms at State/district levels to maintain effective liaison with the Central Control Room.

Crops

CONTINGENCY PLANS

- (i) Drawing up contingency plans for alternative/short duration crops.
- (ii) Ensure adequate supply of seeds.
- (iii) Assess the requirements of seeds including fodder seeds crop wise.
- (iv)Identify the sources for supply of seeds cropwise and district wise.
- (v) Prepare district wise proformae of the requirements of seeds and their supply.
- (vi) Draw upon the National Seeds Corporation (NSC)/ State Seed Corporations (SSCs) to procure seeds.
 - (vii) Determine priorities for the supply of seeds to districts.
- (viii) Prepare an emergency plan for seed production in rabi 87-88 under irrigated conditions for use in 88-89 to make good the short falls by placing indents in advance to NSC/other SSCs.
- (ix) Set up a task force to economise water use in major irrigation reservoirs in *kharif* 87 and maximise area under rabi 87-88.
 - (x) Arrange for credit to farmers for purchasing seeds.
 - (xi) Initiate action to convert short-term loans into medium-term loans in drought affected areas.

Fodder

- (i) Assess fodder requirement by joint teams of Animal Husbandry and Forest Departments in drought-affected districts and locate areas where shortages are likely to occur and arrange for supplies from outside.
 - (ii) Monitor the prices of fodder in selected places/markets.
 - (iii) Arrange to procure fodder from surplus States.
- (iv) State Forest Departments to arrange for the cutting and baling of grasses in the forests, whenever possible to meet the demand from fodder deficit districts.
 - (v) Fodder cultivation to be encouraged wherever feasible.
 - (vi) Ensure supply to molasses to cattle feed plants.
- (vii) Obtain from National Dairy Development Board (NDDB) and other sources premixed feed and urea-molasses bricks to the extent necessary.
 - (ix) Organise through voluntary agencies cattle camps where necessary near sources of water.

Power

- (i) Ensure at least 8-10 hours of power availiability to agricultural pumpsets.
- (ii) Regulate the availability of power for drawal of water in areas where the ground water is inadequate to prevent overdrawal of water.
- (iii) Where ground water is adequate, sanction and provide power connections for agricultural pumps on priority.

- (iv) Regulate supply to power-intensive industries, if necessary.
- (v) Monitor regularly the supply of power for agriculture.

Diesel

- (i) Ensure adequate supply of diesel to farmers.
- (ii) Liaise with the Indian Oil Corporation (IOC)/Petroleum Ministry.

Essential Commodities

- (i) Review the availability of PDS outlets and open fresh outlets, wherever necessary.
- (ii) Ensure that essential commodities, e.g., edible oils, controlled cloth, salt, etc. are made available to the vulnerable sections of society.
 - (iii) Closely monitor foodgrains stocks with private trade in drought-affected areas.
 - (iv) Hire trucks, etc. for running of mobile outlets for sale of essential commodities.

issues which would otherwise have taken a much longer time. As the proposals approved by the COS had prior consultation with respective Departments and technical advisers, it was easy for the CCD also to give clear policy directions. The COS not only formulated proposals for short-term relief and rehabilitation but also considered the wider and long term issues for mitigating the effects of drought.

- 2.6 A Crisis Management Group (CMG) was constituted under the Chairmanship of the Central Relief Commissioner on the 5th August, 1987 to review the drought situation prevailing in the country and implementation of relief measures on a day-to-day basis. The composition of CMG is shown at Annexure-VII. The CMG met daily from 5th August, 1987 to consider problems such as identification of fodder sources, transport of fodder, petroleum products, price situation, drinking water problems, etc. The CMG met twice a week/weekly from 23rd August, 1987 to 24th November, 1987 and thereafter fortnightly. During these meetings the CMG discussed the specific problems faced in different parts of the country threadbare and its decision helped in easing specific operational constraints in implementing drought relief measures.
- 2.7 With the various Central Government Ministries/Departments represented at its meetings, it was possible for the CMG to monitor the implementation of the sectoral relief measures, identify problems of coordination and also initiate advance action to tackle the emerging situation. The CMG acted as a coordinating body at the operational level of the Central Government. In consultation with various Departments, CMG addressed to important tasks during the drought period as detailed below:
 - (i) Provision of agricultural inputs, viz., seeds, fertilisers, in accordance with the Contingency Agriculture Plans for kharif 1987, rabi 1987-88 and kharif 1988. Three lakh quintals of wheat seed to Bihar and 1 lakh quintal to Jammu and Kashmir were provided. CMG reviewed advance action for procuring 40,000 quintals of groundnut seeds from Andhra Pradesh and Tamil Nadu at the cost of Rs. 40 crore to enable the State Government of Gujarat to distribute them to farmers for kharif 1988 season;
 - (ii) Regular monitoring of the supply and distribution of High Speed Diesel (HSD) in the face of heavy demands from Punjab, Haryana, Uttar Pradesh and Rajasthan;
 - (iii) Monitoring the transportation of diesel, coal, and fodder to the drought affected areas through the railways;
 - (iv) Preparation of monthly fodder plans for Gujarat and Rajasthan showing the monthly requirements, availability, demand gap, and sources to bridge the gap;
 - (v) Monitoring the fodder prices in various centres of the affected areas;
 - (vi) Acting as clearing house of information in respect of fodder availability in the surplus areas and locating fodder sources in forest areas;
 - (vii) Monitoring the fodder production plan implemented by various drought affected States;
 - (viii) Monitoring of establishment of cattle camps and measures for cattle health and conservation;

- (ix) Provision of drinking water in the drought affected areas;
- (x) Monitoring of the prices of the essential commodities and its distribution through the PDS;
- (xi) Monitoring of the employment situation; and
- (xii) Health and nutrition programmes.
- 2.8 The meetings of the CMG alternated with the Crop Weather Watch Group in the DAC which reviewed rainfall and weather conditions. Both of them working in tandem initiated appropriate advance action to provide the necessary support for the implementation of the agriculture contingency plans.
- 2.9 In order to develop focal points of contact in various Ministries/Departments and for ensuring their accountability, nodal officers were got nominated in the respective Ministries/Departments concerned with the implementation of drought relief programmes. The list of the nodal officers is at Annexure-VIII. With the positioning of the nodal officers, the coordination became smoother and the information flow got streamlined. This in turn enabled the CCD and the COS to give prompt policy directives on getting timely information from the respective Departments.
- 2.10 A Control Room was set up in the DAC from the 6th August, 1987 which worked round the clock from August to December 1987 and thereafter from 9.00 AM to 10.00 PM. The Control Room was responsible to get daily reports from the State Governments with regard to certain crucial items like employment generation effort, number and spread of relief works, number of persons on relief works, cattle in the cattle camps etc. The approach was to detect early signals of any emerging distress and initiate timely action to avert any crisis. By getting daily and fortnightly reports from the State Governments, it was possible to get a fair picture about the emerging drought situation and the impact of drought relief programme in alleviating distress of the affected population. The Control Room also received reports from the respective Central Departments on the implementation of Action Plan and sent regular daily and weekly reports to the Prime Minister's Office (PMO) and the Cabinet Secretariat. This well co-ordinated information system became the hallmark in handling the drought of 1987. Proformae of these reports are given at Annexure-IX and Annexure-X.
- 2.11 The reports obtained from the various Central Departments on the Action Plan and from the State Governments included information on the implementation of relief measures, more particularly, on employment generation, drinking water availability, supply of fodder and availability of essential commodities. On this basis a weekly report was generated and sent to PMO and the Cabinet Secretariat. Performa of such a report may be seen at Annexure-XI. With the information flow from different quarters streamlined and converging at the Control Room, it was possible for the CMG to give appropriate and speedy response to the requirements of the State Governments. The role of the Control Room as an effective Secretariat back up for the CMG came to be acknowledged as an integral part of the innovative drought management approach.

Special Conference

- 3.1 A Conference of Chief Ministers of the affected States was held on the 3rd September, 1987 under the Chairmanship of the Prime Minister to review the policy responses and implementation of the drought relief measures. In this Conference the Action Plan formulated by CCD was endorsed. The following points were highlighted for immediate action:
 - (i) The States must utilise effectively the resources in their own plans and the allocations under National Rural Employment Programme (NREP)/Rural Landless Employment Guarantee Programme (RLEGP) and other Central programmes to provide maximum employment opportunities during the drought period;
 - (ii) Decisions on the drought memoranda of the States should be speeded up. After the Central teams visit, and report the High Level Committee on Relief should give its recommendations within 10 days and Government decision should be available within 3 days thereafter;
 - (iii) It should be ensured that adequate quantities of foodgrains were delivered in the areas where they were needed and to the vulnerable sections through the PDS. Alongwith foodgrains all other basic essential materials should also be delivered to the needy;
 - (iv) Money had been released already for drinking water and various other schemes. A sum of

- Rs. 910 crore was available under ARWSP, Minimum Needs Programme (MNP), etc. for various drinking water programmes. The priorities of programmes should be redrawn and implementation speeded up;
- (v) States should concentrate on the next rabi crop. Wherever feasible, including the flood affected areas, fodder should be grown as a catch crop. In rabi, production should be maximised through supply of adequate quantities of seeds and fertilisers;
- (vi) Planning Commission should ensure that help was made available to States for rephasing their schemes so that there should be quick step up in production;
- (vii) In the supply of essential commodities, some manufacturers had voluntarily agreed to keep prices down. The Chief Ministers were requested to hold similar discussions with manufacturers and traders to reduce the prices;
- (viii) States were to explore the possibility of supplying power during day instead of night as irrigation in the night would lead to waste of water; and
- (ix) Emphasis should be on viewing the problems in the larger context over a longer term. The problems of drought and flood should be effectively tackled and all available water harnessed.
- 3.2 In the rabi conference held on 6-7 October, 1987, the rabi production strategy was reviewed in the context of the drought situation and the likely decline in kharif production. Wide ranging discussions were held on several aspects for maximising agricultural production during rabi 1987-88. To compensate for the shortfall in production in kharif on account of drought and maximising production in rabi 1987-88, the rabi conference decided on the following strategy:
 - (i) Scientific management of water resources;
 - (ii) Ensuring judicious use of scarce water at critical stages of crop growth;
 - (iii) Optimal use of agricultural inputs;
 - (iv) Diversion of area from high water intensive crops like wheat to low water intensive crops like oilseeds and pulses through extension and media;
 - (v) Ensuring quick availability of credit and conversion of short-term loans into medium term loans in drought affected areas;
 - (vi) Quickening the pace of implementation for full utilisation of funds under Small and Marginal Farmers Programme, National Oilseeds Development Programme, National Watershed Development Programme, and Oilseeds Thrust Programme; and
 - (vii) The involvement of extension agents of fertiliser industry to promote use of fertilisers, their participation in farmers training programmes at the village level and their active association in disseminating messages for maximising agricultural production.
- 3.3 A special meeting of the Relief Commissioners was held under the Chairmanship of Secretary Department of Agriculture and Co-operation on 6th January, 1988 to review implementation of drought relief measures. This meeting was specially convened, (i) to take stock of the situation in the States; (ii) to review the progress of implementation of Action Plan and relief measures in the States; and (iii) to discuss various issues with a view to evolve a long-term strategy for drought management in the country. The Cabinet Secretary also attended the meeting and emphasised the need for taking advance action to tackle the drought situation which was likely to become critical in the following summer months.

Central Assistance

4.1 While mounting such massive relief effort, the financial assistance from the GOI had to be matched to the requirements of the States both in volume and its timeliness. Taking note of the situation, the Prime Minister in the Chief Ministers' Conference held on 3rd September, 1987 stated that the time schedule laid down by the HLCR for processing the States' memoranda should be strictly followed. According to this time schedule, the Central assistance was to be sanctioned within 30 days of confirmation of the date of the visit of the Central Team from the concerned State Government. In all, 15 States and 4 Union Territories submitted memoranda seeking Central assistance for drought relief in 1987. By and large, the time schedule was adhered to in processing the

memorada. The timely issue of sanctions indicating ceilings of expenditure for drought relief enabled the State Governments to plan their relief programmes well in time. This helped in adopting a planned approach, instead of *ad hoc* approach, in building productive and useful assets under the employment generation programmes and drinking water programmes.

- 4.2 A Group of Secretaries of Ministries/Departments of Agriculture and Co-operation. Rural Development, Women and Child Development, Planning, Water Resources, and Expenditure was constituted to explore the possibility of providing special assistance to the SDAAs. The Group of Secretaries visited the States of Gujarat and Rajasthan in October, 1987. They suggested 5 districts in Gujarat and 6 districts in Rajasthan to be identified as SDAA districts. The proposals formulated, based on the recommendations of the Group of Secretaries, were considered by the CCD on 18th November, 1987. On the basis of the decision of the CCD, the HLCR considered the recommendations of the two Central teams which visited Gujarat and Rajasthan. On this basis HLCR identified 36 blocks in 5 districts in Gujarat and 37 blocks in 6 districts in Rajasthan for being identified as SDAAs. After discussion with the representatives of State Governments, the lists of districts/blocks were finalised with some minor modification though the number of districts/blocks remained unaltered. A formal order specifying the districts and blocks was issued by the DAC on 10th March, 1988 which may be seen at Annexure-IV.
- 4.3 Special assistance was extended for SDAAs in Gujarat and Rajasthan as follows: (i) 3 kg. of foodgrains per manday to workers in relief works; (ii) subsidy of 40 paise per kg of foodgrains to be equally shared by Central and State Governments; (iii) Rs. 4 per cattle per day for the cattle in the cattle camps; (iv) special nutrition at the scale of Re. 1 per adult and 75 paise per child; and (v) provision of shelter for cattle camps. Out of a total ceiling of expenditure approved for the State Government of Rajasthan for drought relief, Rs. 128 crore was specifically earmarked for SDAAs for gratuitous relief (Rs. 10 crore), employment generation (Rs. 62 crore) and cattle conservation (Rs. 56 crore). Similarly for the State Government of Gujarat, out of a total ceiling of expenditure approved for drought relief, an amount of Rs. 99.25 crore was earmarked for SDAAs for gratuitous relief (Rs. 2.25 crore), employment generation (Rs. 62.00 crore) and cattle conservation (Rs. 35.00 crore).
- 4.4 As part of the GOI's concern for timely and adequate relief to the people, the information flow needed for appreciation of the relief measures undertaken by the State Governments was streamlined. The GOI prescribed daily and fortnightly proformae to get information from the States. This helped in efficient monitoring of relief measures. The timely flow of the informtion from the field level to State headquarters and then to the GOI is of essence in monitoring and management of relief operations. The information flow was not regular in early stages as the information system at the field level had to take time to gear to meet the new demand placed on it. This was, however, quickly overcome and from January 1988, the flow of information was regular and timely from most of the States. Moreover, regular and timely flow of information became important from financial point of view as well. The release of funds from the GOI against the approved ceilings of expenditure was also linked to the flow of information and the pace of expenditure. It was only when such information was received that the DAC recommended issue of necessary releases. The monitoring also enabled early detection of unfolding severity of the drought. As the drought persisted and intensified, its severity got pronounced in the arid zones of western India which had already suffered successive drought conditions in preceeding 2-3 years. This resulted in timely approval of special assistance programmes for relief to the people of SDAAs.

The State Level

- 5.1 Each State Government evolved its own organisational structure to deal with the situation arising out of drought. The general features of the organisational arrangements in various States are as follows:
 - (i) A State level Relief Advisory Committee presided over by the Chief Minister of the concerned State and comprising public representatives and Government officials functioned in almost all the States with significant drought conditions. This Committee met depending on the needs of the situation. Some of the State Governments like Gujarat and Rajasthan set up Sub-Committees of the Cabinet to direct and monitor the relief operations very closely.
 - (ii) All the drought affected districts were assigned to Ministers/Ministers of State/Deputy

- Ministers and they were designated as in-charges of the districts. They were asked to preside over at least one meeting in a month for each district and report progress on work under various items to the Chief Minister.
- (iii) A Committee of Secretaries under the Chairmanship of the Chief Secretary was constituted to review the performance of various departments in implementation of the check-list sent by the GOI. The affected districts were assigned to Commissioners/Secretaries to the State Governments for close supervision. State level departmental officers were made incharge of districts for the purpose of ensuring timely action on sectoral relief measures. They were expected to visit the districts at least once in a month and report progress of action to the Chief Secretary and Relief Department.
- 5.2 Relief Department convened fortnightly meetings of the Officers in-charge of drought relief of all the districts. In these meetings all important areas of relief work were reviewed. This forum was very useful in collecting relief data promptly. In several States, the Chief Secretary presided over these meetings and reviewed the position on a continuing basis. A special cell was also established at the State level to coordinate efforts of the non-governmental organisations.

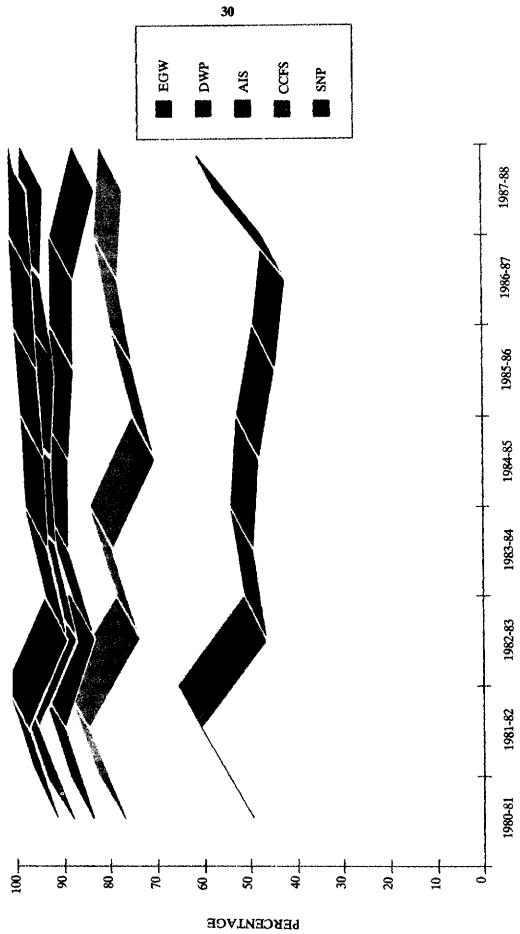
The District Level

6 At the district level, district relief committee functioned as a pivotal body. All important decisions including the nature of the relief works to be taken up, their number, areas to be identified for start of relief works, arrangement of drinking water, fodder, and providing gratuitous relief were decided in the meetings. Vigilance Squads headed by senior level officers were also deployed to inspect relief works and give reports about the implementation of relief measures and their quality from their surprise checks.

Management Information System

- 7.1 The State Governments evolved their own management information system to tackle the drought situation. The management information system of Gujarat was found to be quite elaborate and adequate to meet the requirements of the complex drought situation to a great extent. Some of the salient features of the system are given below.
- 7.2 Flow of information emanated from sub-village level/work level. The muster clerk in-charge of a work recorded presence of labourers in the muster roll. A form was prescribed under the Gujarat Relief Manual for recording presence of labourers. The muster clerk sent daily report to taluka office by a post card. A form for this was also prescribed. The information was consolidated in the taluka office. On the basis of this information the taluka office sent a weekly report to District Officers, and the Collector sent a weekly report about various relief measures including the number of works and the labourers engaged to the state headquarters. Similar drill for flow of information was undertaken by officers of forests, soil conservation, irrigation, and roads and buildings departments.
- 7.3 Relief Commissioner monitored and reviewed the situation report about the drought relief operations on the basis of these reports. It was the system of reporting which enabled the Relief Commissioner to send to GOI daily/weekly reports about the number of works in progress and number of labourers engaged promptly. Similarly, a fortnightly report as to the number of cattle camps and *pinjrapoles* and number of cattle being maintained by them was sent by the Relief Commissioner.
- 8. It is evident from the responses to the challenges posed by the drought of 1987 that the country has acquired the necessary administrative capability and resilience to face challenges of a very high order. That the management of the crisis was not confined only to the immediate challenge but also envisaged long term positive response is a pointer to the quality of perceptions at the policy and administrative levels. That financial considerations were not allowed to come in the way and inhibit extending of adequate relief also indicate the commitment of the Government to the welfare of the vulnerable sections especially in times of distress. Accessability of the vulnerable groups to foodgrains all over the affected areas and more particularly in the tribal areas was an integral part of the 1987 drought relief programmes. The cohesion and the effective coordination in the functioning of the various Ministries/Departments of the Government at the Centre, State and local levels was the dominant theme that can be discerned throughout the drought management efforts in 1987.





RESOURCE MOBILISATION

The successive natural calamities faced by the country in the form of droughts and floods, necessitated deployment of substantial resources for taking up adequate rehabilitation and reconstruction operations. These natural calamities not only disrupt the current living standards of the affected population but also have an adverse impact on the economic development of the affected area over a longer time span. Relief becomes a highly emotive issue due to the suffering caused to the affected population which has to be taken note of by the Central and the State Governments. In their effort to mitigate immediate suffering of the population and taking steps for reconstruction of the infrastructure, Governments have to subordinate their other objectives. In the Indian system, providing relief to victims of natural calamities has been accepted primarily as the responsibility of the States. The Centre's role is to supplement the States' efforts through provision of additional resources.

Recommendations of Finance Commissions

5

2.1 The policy regarding the financing of relief expenditure has been undergoing changes from time to time on the basis of the recommendations of the successive Finance Commissions. The present policy of extending financial assistance in the case of natural calamities has evolved out of the recommendations of the Seventh Finance Commission. The Seventh Finance Commission felt that margin money for each State Government should cover the immediate requirements for providing relief in the wake of natural calamities. Fifty per cent of this amount of margin money is to be borne by the GOI. For expenditure in excess of the margin money, the State Government is required to submit a memorandum and the HLCR, on the basis of the estimates provided by the Central team, determines the ceilings of expenditure for different purposes. In the case of drought, the State Government makes a contribution from its Plan upto 5 per cent of its Annual Plan outlay. The expenditure, in excess of such contribution, qualifies for assistance from the Central Government to the full-extent, by way of 50 per cent grant and 50 per cent loan, in the case of drought; the contribution of the State Government from its plan is also made available to the State by the GOI as

Table 8: Margin Money Recommended by Seventh and Eighth Finance Commissions

(Rs. in crore)

S. No.	States	Seventh Finance Commission	Eighth Finance Commission
1.	Andhra Pradesh	8.58	24.50
2.	Assam	3.46	7.25
3.	Bihar	13.08	33.75
4.	Gujarat	9.56	28.75
5.	Haryana	1.47	4.50
6.	Himachal Pradesh	0.51	1.75
7.	Jammu and Kashmir	1.30	1.50
8.	Karnataka	2.00	6.00
9.	Kerala	1.59	5.00
10.	Madhya Pradesh	1.83	4.75
11.	Maharashtra	4.57	7.25
12.	Manipur	0.08	0.25
13.	Meghalaya	0.07	0.25
14.	Nagaland	0.14	0.25
15.	Orissa	8.71	26.25
16.	Punjab	2.68	6.00
17.	Rajasthan	7.74	16.75
18.	Tamil Nadu	8.59	8.75
19.	Tripura	0.18	0.75
20.	Uttar Pradesh	10.80	32.50
21.	Sikkim	0.01	0.25
22.	West Bengal	13.60	23.75
	Total:	100.55	240.75

force, followed this pattern of financing of relief expenditure but fixed the margin money for the States at much higher levels. The recommendations of the two Finance Commissions in respect of margin money may be seen in Table 8.

- 2.2 The current procedure for dealing with memoranda of the States is that a memorandum for Central assistance is required to be submitted by a State Government, when it anticipates the relief expenditure in excess of its margin money. Thereupon, the GOI deputes a Central Team for making an assessment of the requirements for resources for relief measures. The report of the Central team is considered by the HLCR. On the basis of the recommendations of the HLCR, the Ministry of Finance (MOF) issues sanctions determining ceilings of expenditure for different items of relief. The HLCR has laid down in 1987 that (a) a Central Team should be consituted within 7 days of the receipt of the memorandum; (b) the Central Team should submit its report within 7 days of the conclusion of the visit; and (c) the sanction letter of MOF should issue within 30 days of the confirmation of the State Government of the visit of the Central team.
- 2.3 The quantum of Central assistance for natural calamities relief since the First Five Year Plan is shown in Table 9. The Central assistance to the States has risen from less than Rs. 10 crore per annum in the first three plans to Rs. 1,755 crore in 1987-88. The low levels of Central assistance in the earlier years may be due to the limited number of purposes for which assistance was extended; the scope of Central assistance has been undergoing changes, from time to time, due to the recommendations of the successive Finance Commissions. The increase in the amount of Central assistance in recent years is attributable to a significant extent to the enlarged scope of Central assistance.
- 2.4 The Seventh Finance Commission introduced differential pattern of assistance for the drought on the one hand and floods, cyclones, hailstorms, etc. on the other. This differenciation was also

Table 9: Central Assistance Sanctioned to States for Natural Calamities Relief, 1951-52 to 1987-88.

(Rs. in Crore)

S. No.	Period	Total Amount Sanctioned (Ceilings of Expenditure)	Average Annual Assistance (Ceilings of Expenditure)
1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	I Five Year Plan (1951-52 to 1955-56) II Five Year Plan (1956-57 to 1960-61) III Five Year Plan (1961-62 to 1965-66) Annual Plan (1966-67) Annual Plan (1967-68) Annual Plan (1968-69) IV Five Year Plan (1969-70 to 1973-74) V Five Year Plan (1974-75 to 1978-79) Annual Plan (1979-80) VI Five Year Plan (1980-81 to 1984-85) VII Five Year Plan (1985-86 to 1989-90) (a) 1985-86 (b) 1986-87 (c) 1987-88	28.18 38.55 32.07 58.36 99.97 105.54 1197.97 651.40 341.43 2791.97 1035.26 1041.97 1755.04	5.64 7.71 6.41 58.36 99.97 105.54 239.59 130.28 341.43 558.39 1035.26 1041.97 1755.04

maintained by the Eighth Finance Commission. The figures of Central assistance for drought relief from 1979-80 to 1987-88 are shown in Table 10.

- 2.5 The Eighth Finance Commission observed that with the increase in the margin money to Rs. 240.75 crore with a 50 per cent contribution by the Centre, the State Governments would contain the relief expenditure within this amount. However, the expectation of the Finance Commission has not proved correct. The expenditure on natural calamities relief has increased manifold. Most of the States did not carry over the unspent margin money to the next financial year. The State Governments always showed expenditure under local calamities and claimed central share of margin money for meeting such contingencies.
- 2.6 The sectorwise ceilings of expenditure approved for drought relief from 1980-81 to 1988-89 (premonsoon) are shown in Table 11. The bulk of the Central assistance has gone for employment generation and drinking water supply (See figure 5). The Central assistance for drought relief has been steadily going up and even as a proportion of the plan outlays, it has registered steady increases. A statement showing Central assistance released against approved ceilings in respect of States, whose ceilings exceeded 5 per cent of the Plan outlay for the period from 1979-80 to 1986-87 may be seen at Table 12. It will be seen that the net Central assistance, after setting off margin money and 5 per cent of the Annual Plan outlay, has also been rising.

Central Assistance for States and Union Territories

- 3.1 All the drought affected States and Union Territories except the Union Territories of Dadra and Nagar Haveli, and Daman and Diu sought Central assistance for drought relief during the drought of 1987. Ceilings of expenditure totalling Rs, 1,472.10 crore including Rs. 382.47 crore for utilisation in April-July 1988 were approved for these States and Union Territories for tackling the situation effectively. Ceilings of expenditure approved for States/Union Territories during the drought of 1987 are shown in Table 13.
- 3.2 Nine States which were affected during the post-monsoon period 1986-87 were required to continue drought relief operations during April-June, 1987. Ceilings of expenditure of Rs. 226.43 crore were approved for these States: (1) Andhra Pradesh (2) Gujarat (3) Madhya Pradesh (4) Maharashtra (5) Rajasthan (6) Karnataka (7) Goa (8) Kerala, and (9) Tamil Nadu.
- 3.3 Two out of the 35 meteorological sub-divisions had excess rainfall and 12 had normal rainfall during south-west monsoon period of 1987. The north-eastern part of the country faced floods and heavy rains. The States of Assam, Arunachal Pradesh, Bihar, West Bengal, Sikkim and Uttar Pradesh

Table 10: Central Assistance to States/Union Territories for Drought Relief, 1979-80 to 1987-88.

(Rs. in crore)

S. No	States/Union Territory	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
1.	Andhra Pradesh	22.05	42.97	26.25	68.77	28.26	54.42	63.09	63.24	94.089
2.	Arunachal Pradesh					0.09		ł		
3.	Assam	6.40		1				1	7.40	
4.	Bihar	11.82	24.82		25.01	8.98	ļ	Į.		
5.	Goa									0.64
6.	Gujarat		6.12		30.68	9.18		31.83	156.87	282.67
7.	Haryana	4.50	4.02	8.25	11.82		8.70	9.21	16.70	37.275
8.	Himachal Pradesh	3.70	10.01	2.65	13.02		12.70	23.13	0.70	18.705
9.	Jammu and Kashmir	2.79						4.12	<u>'</u>	18.981
10.	Karnataka		6.65	13.81	8.81	14.00	32.73	62.46	53.82	47.628
11.	Kerala			ļ	4.10	42.46		0.30	3.65	47.352
12.	Madhya Pradesh	22.80	47.90		34.36 6.63**	22.29	11.38	51.11	22.70	81.059
13.	Maharashtra	8.54	16.25		56.89	11.63	30.63 1.20@	65.56	97.24	68.689
14.	Manipur	2.72]		1		Ī	0.76	
15.	Mizoram					1.43	0.84	0.24		
16.	Meghalaya	0.77			i				0.17	
17.	Nagaland	0.67			1]		1	ì '	3.876
18.	Orissa	14.05	17.66		15.90 3.80**	24.65	2.95	6.00		59.585
19.	Punjab				İ	1	6.35@	8.14		29.386
20.	Rajasthan	18.75	40.31	87.83	74.00	39.85	5.43	89.65	142.52	433.158
21.	Sikkim				0.17	0.13				
22.	Tamil Nadu			49.77	10.39	59.15		ļ	31.77	62.937
23.	Tripura	1.33			2.01*]		1	0.86	
24.	Uttar Pradesh	34.91	47.52	1		1.57	8.10	51.78	10.88	155,736
25.	West Bengal	27.67	, ,,,,,,	1.50	74.27	30.59				
26.	Andaman and Nicobar Islands									0.28
27.	Chandigarh							i		0.08
28.	Delhi									0.36
29.	Pondicherry		ı		0.31	0.44		1.19	0.06	0.594
	Total:	183.47	264.23	190.06	430.51 10.43**	294.70	175.43	467.81	609.34	1433.075
					10.43					
				1	440.94	I		I	1	

Note: *Includes Rs. 1.10 crore sanctioned for 1981-82 to Tripura.

had been affected by floods. In Himachal Pradesh the district of Shimla was marginally affected due to flash floods. Nagaland State was also marginally affected due to heavy rains. Jammu and Kashmir experienced hailstorms and rains once during May-June, 1987 and again in October, 1987. The State of Punjab also reported damage due to hailstorms. The State of Andhra Pradesh experienced cyclonic storms thrice in October-November, 1987 causing damage to life and property. All these 11 affected States sought Central assistance for taking relief measures. A ceiling of expenditure of Rs. 289.05 crore was approved during 1987-88 and another ceiling of Rs. 4.44 crore was approved during 1988-89 for flood, etc. relief measures.

- 3.4 In addition to the above ceilings as part of the strategy of optimising fodder production in the area where residual moisture was available, GOI sanctioned financial assistance amounting to Rs. 8.90 crore for the States of Rajasthan (Rs. 2.33 crore), Gujarat (Rs. 2.00 crore), Orissa (Rs. 0.195 crore) and Rs. 0.875 crore each to Madhya Pradesh, Tamil Nadu, Haryana, Punjab and Bihar.
- 3.5 Serious shortage of vegetables was expected in the wake of the drought. As such a special programme for increasing vegetable production by way of assisting the small and marginal farmers by

[@]Cold wave and loss of Cotton.

^{**}Sanctioned in 1984-85.

Table 11: Sectorwise Ceilings of Expenditure Approved for Drought Relief, 1980-81 to 1988-89 (Pre-Monsoon)

(Rs. in crore)

S. No	Year	Agn- culture Input Subsidy	Drinking Water Pro- gramme	Employ- ment Gene- ration Schemes	Cattle Conser- vation and Fodder Supply	Supple- mentary Nutri- tion Pro- gramme	Gratur- tous Rehef	Public Health	Coope- rative Loans		Total
1.	1980-81	15.75	73.71	131.29	12.92	6 86	13.79	6 59	3.32*		264.23
		(5.96)	(27.89)	(49 69)	(4 89)	(2 60)	(5 22)	(2.49)	(1 26)		(100.00)
2.	1981-82	9.72	45.96	114.76	9.66	4.65	2.85	2.46	(= ==)		190.06
		(5.11)	(24.18)	(60.38)	(5.08)	(2.45)	(1.50)	(1.30)			(100.00)
3.	1982-83	43.09	123.08	207.14	15.66	9 03	24 33	` ′	26.61*		448.94
		(9 60)	(27 41)	(46.14)	(3.49)	(2 01)	(5 42)		(5.93)		(100 00)
4.	1983-84	27.72	88.78	144.49	7.71	5 20	7 80		13.00*		294.70
		(9.41)	(30.13)	(49.03)	(2.62)	(1 76)	(2.65)		(4.40)		(100.00)
5.	1984-85	32.38	39.31	83.61	6.32	2.50	1.70	1 50	7 84	0 27*	175.43
	1	(18.46)	(22.41)	(47.66)	(3 60)	(1.43)	(0.96)	(0.86)	(4.47)	(0.15)	(100.00)
6.	1985-86	59.47	142.47	206.26	18.97	17.24	5.04	3 95	14 41	` ′	467.81
_		(12.71)	(30.45)	(44.09)	(4 06)	(3.69)	(1.08)	(0.84)	(3.08)		(100 00)
7.	1986-87	58.76	216.90	255.38	42.69	9.26	4.35	1.85	20.15		609 34
_		(9.67)	(35.68)	(42.01)	(6.78)	(1.52)	(0.72)	(0.30)	(3.32)		(100.00)
8.	1987-88	16.43	69 67	123 51	9.35	2 08	1 25	1.15	2.99		226.43
_	Pre-monsoon	(7.26)	(30.77)	(54.55)	(4.13)	(0.92)	(0.55)	(0.50)	(1 32)		(100.00)
9.	1987-88	65.20	209.10	624 30	119 29	41 07	19.10	9 32	2.25		1089.63
	Post-monsoon	(5.98)	(19.19)	(57.29)	(10.95)	(3.77)	(1.75)	(0.86)	(0.21)		(100.00)
10.	1988-89	18.88	60.94	217.75	56.91	15.74	10.00	2.25	` ′		382.47
-	Pre-monsoon	(4 94)	(15 93)	(56.93)	(14.88)	(4 12)	(2 61)	(0.59)		i	(100.00)

Note: *Other schemes

Figures in parentheses indicate percentages.

supply of quality seeds in 267 districts in the affected States with an outlay of Rs. 2.44 erore and also assistance to 26 Agricultural Universities @ Rs. one lakh each for production of vegetable seeds were approved.

3.6 In view of the urgency of the situation, the GOI decided that it would not be prudent to wait for the memoranda for Central assistance from the States to extend support in the drinking water supply sector. Therefore, action was initiated on the basis of the reports from the field agencies and the reconnaisance and assessment reports of the DAC to extend ways and means advance to the States to make immediate arrangements for supply of drinking water to the affected area. These

Table 12: Central Assistance Released for States with Approved Ceiling Exceeding 5 per Cent of the Plan Outlay, 1979-80 to 1986-87.

(Rs in Crore)

S No	State	1979	1979-80		1980-81		1981-82		1982-83		1983-84 1984		-85	1985-86		1986-87	
		Upto 5 per cent	Beyond 5 per cent														
1 2	Andhra Pradesh Gujarat			25 ()5	14 18			30 25	35 61			45 92	777	40 50	10 88	55 00	16 59
3	Karnataka	- 1	1	ł	1 .		Î		ĺ	ĺ	1		i	ĺ	1	47 50	92 03
4	Kerala									16 00	22.15			32 55	18 98	38 25	8 43
5	Madhya Pradesh		1 .	27.05	21.71	J		36 05	3 18	10.00	22 35		}	ļ			1
6	Mampur	1 55	1 05		1			30 00	3 10								
7	Onssa	9 55	0.75]		1			17 25	4 80						1
	Rajasthan	13.75	2.45	16 69	771	17 00	48.04	17 00	80 12					21 50	51.89	26 25	115 01
	Tamil Nadu					25 70	4 20			42 25	5.71				""		
0 .	West Bengal							24 50	36 l6				1 1		i i		

Table 13: Central Assistance Extended to States/Union Territories during Drought of 1987.

(Rs. in Crore)

S. No	State/Union Territory	Assistance	Extended	Total
		Upto March, 1988	From April to June/July, 1988	
1.	Andhra Pradesh	68.90	13.17	82.07
2.	Gujarat	251.12	132.74	383.86
3.	Натуапа	37.27	1.69	38.96
4.	Himachal Pradesh	18.70	0.99	19.69
5.	Jammu and Kashmir	18.98	3.33	22.31
6.	Karnataka	46.64	13.45	60.09
7.	Kerala	31.85	3.75	35.60
8.	Madhya Pradesh	63.38	48.71	112.09
9.	Maharashtra	37.68	30.62	68.30
10.	Nagaland	3.88	0.28	4.16
11.	Orissa	59.58	14.15	73.73
12.	Punjab	29.39	0.14	29.53
13.	Rajasthan	364.03	235.01	599.04
14.	Tamil Nadu	28.20	4.73	32.93
15.	Uttar Pradesh	155.74	16.35	172.09
16 .	Andaman and Nicobar Islands	0.28		0.28
17.	Chandigarh	0.08		0.08
18.	Delhi	0.36		0.36
19.	Pondicherry	0.59		0.59
	Total	1216.65	519.11	1735.76*

Note: *—Includes assistance sanctioned for special schemes, viz., production of fodder (8.025), completion of identified irrigation projects (236), distribution of vegetable minikits (1.98), and handloom/handicraft sector (17.65). Ceiling of expenditure approved based on Central Team/High Level Committee on Relief recommendations: 1089.63 upto March, 1988 and 382.47 April to July, 1988. (All figures in Rupees in crore).

advances were adjusted against the ceilings of assistance approved later on the basis of the recommendations of the Central Team following the usual procedure. The advance Central assistance released to States for drinking water supply may be seen in Annexure-XII. In addition, assistance was also extended to procure high power drills and other machinery like hydro-fracturing units and geoelectrical equipments to the State Governments and the C G W B since these had a long lead time for procurement.

- 3.7 Due to intensification of drought, the urban area of Ajmer and Jodhpur in Rajasthan, and Rajkot and Jamnagar in Gujarat started facing acute problem of drinking water supply. In order to augment the water supply to Ajmer including 5 other nearby towns, the Bilaspur project was started in 1987-88 with a total estimated cost of Rs. 64.37 crore for completion by March, 1990. The APA of Rs. 8 crore was provided under drought for expediting this project. This was supplemented by another instalment of APA of Rs. 5.5 crore in 1988-89. Similarly, the normal supply of 18 million gallons per day (MGD) of water to Jodhpur city got reduced to critical level due to failure of monsoon during the drought. A project, namely, Indira Gandhi National Project (IGNP) Lift Canal Scheme (Phase-I) with a revised cost of Rs. 85.22 crore for augmenting water supply to Jodhpur city and 158 villages was started by Government of Rajasthan in 1984. For accelerating the pace of work on this project APA of Rs. 4 crore in 1987-88 and Rs. 5.5 crore in 1988-89 was provided. This amount was further supplemented by Rs. 3 crore sanctioned for employment generation scheme as drought relief. On similar consideration, Rs. 10 crore of APA was provided for Rajkot water supply scheme and Rs. 4 crore for Jamnagar water supply scheme during 1988-89. The APA accelerated the pace of progress. To maintain the tempo of works on these schemes requisite provisions were also made in the Annual Plans of the respective States.
- 3.8 The drought of 1987 brought to the fore the need for taking long-term measures so as to drought proof the affected area. It is in this context that Planning Commission approved an additional outlay of Rs. 236 crore for expediting identified irrigation projects under execution in the

drought affected area. For this purpose, 94 major and medium irrigation projects and 19 minor irrigation programmes were identified in 14 States. These projects were identified as it was felt that with the additional assistance, they might be completed within a period of 2 years to create an additional potential of 1.64 lakh hectare. The additional assistance was provided subject to the State Governments utilising the Plan outlays for the identified projects in full so that there was no reduction in the outlay.

- 3.9 The additional outlay provided for completion of the projects within a period of 2 years was funded as follows: (a) 50 per cent of the additional outlay required was found from the funds allocated for the employment-generation programmes under the drought relief assistance, as approved by the GOI on the recommendations of the HLCR; and (b) The remaining 50 per cent was made available as net additionality under drought over and above the amount sanctioned as drought relief assistance to the State. This amount was spent on material components, as was agreed to in individual cases by the Planning Commission.
- 3.10 In the Conference of Chief Ministers held on 3rd September, 1987, the Prime Minister observed: "We need to consider how vastly improved irrigation and water supply management might free Indian agriculture of the constraints of the weather. This might require additional resources and a fresh look at priorities." In pursuance of this direction, the Planning Commission advised the States that they could divert resources from other sectors to irrigation and water management after utilising fully the approved outlays.
- 3.11 The States were also asked to separately examine the possibility of taking up more programmes relating to (i) National Watershed Development Programme/Dryland Agriculture, and (ii) Assistance to small and marginal farmers for increasing agricultural production, on the specific understanding that these would be completed within 1987-88.

Credit for the Farmers

- 4.1 In the wake of drought as early as August, 1987, the Reserve Bank of India (RBI) advised the banks to provide financial assistance to the affected farmers/persons on a priority basis in order to enable them to undertake a second sowing, raise an alternative short duration crop and for fodder cultivation. The banks were further advised to allow conversion of short-term loans into medium-term loans as also to reschedule investment credit in case of a complete loss of crops. In addition, banks were to provide loans for minor irrigation and setting up of fair price shops.
- 4.2 The RBI and the NABARD advised the banks that in case of farmers affected by drought for three or more years in succession ending with 1987-88, the following concessions may be extended:
 - (i) The State Co-operative Banks, Central Co-operative Banks, Regional Rural Banks, and so also the commercial banks shall defer for a period of 2 years or till the next normal year, if it occurs earlier, the recovery of the amount falling due on account of principal as well as interest in the current year (July 1987 to June 1988);
 - (ii) For each of the years affected by drought, banks shall grant the conversion/reschedulement facility to the affected borrowers for a period of 7 years (instead of the usual period of 5 years) inclusive of the 2 year moratorium period referred to in sub-para (i) above. The loan will thus be rescheduled over a total period of 10 years;
 - (iii) Ordinarily, the rate of interest charged for such converted/rescheduled loans is 11.60 per cent (upto Rs. 5,000) which is same as that for crop loans. However, the short term (crop) loans of each of these years converted/rescheduled in 1987-88 as in sub-para (ii) above, and repaid in future years within due date as per instalments fixed, shall be charged interest at 10 per cent, if such short-term (crop) loan so converted/rescheduled loan does not exceed Rs. 5,000 each. Higher loan will be charged at the normal rate of interest;
 - (iv) Banks shall not charge penal interest on individual agricultural loans upto Rs. 25,000 borrowed during the period of 3 or more years of consecutive droughts;
 - (v) Banks shall not charge compound interest on the dues converted/rescheduled; and
 - (vi) In the case of short-term (crop) loans, the total interest payable by small and marginal farmers shall not exceed the principal amount.
 - 4.3 These measures announced by the RBI/NABARD did not provide any relief by way of write

- off. The banks were, therefore advised not to collect interest from small and marginal farmers in excess of the principal amount (by application of the rule of *dampudat*). Similarly, banks were advised not to collect penal interest on agricultural loans defaulted during three consecutive droughts.
- 4.4 Banks were also advised that the lead bank machinery in the concerned districts should be activated and immediate meetings of the District Consultative Committee (DCC) should be held. The progress in implementing the Action Plan should be monitored closely by the Standing Committee by holding special mid-month meetings. This was to be reviewed by the DCC. In all affected States, the nature of assistance to be extended to the affected persons was also to be discussed on an urgent basis by the State Level Bankers Committee. Regional Managers of the banks were required to pay special attention and oversee the performance of each of the branches under their control in re-rendering assistance on the basis of the agreed programme allotted to them. They were directed to visit all the bank branches in the affected area and review the progress and provide necessary guidance.
- 4.5 The limit of consumption loans to small and marginal farmers and other weaker sections of the society was doubled from Rs. 250 to Rs. 500. The banks were also advised that in case a bank faces temporary resource constraint in extending assistance to the affected persons, it may approach the RBI for accommodation under the existing refinance facilities.

Additional Resources

- 5.1 A budget provision of Rs. 622 crore for providing assistance to States for natural calamities for 1987-88 was made. Following steps were taken to mobilise additional resources. The GOI announced surcharge on personal income tax, corporate income tax, wealth tax and customs duties as well as surcharges on upper class railway fares. These surcharges were expected to yield additional revenue of Rs. 500 crore. Administrative efforts to improve revenue collection were also intensified. At the same time the GOI also initiated economies in expenditure which were expected to yield a saving of Rs. 650 crore. Furthermore, to help finance the substantial additional imports of essential items such as edible oils and pulses necessitated by the drought, the GOI took a number of initiatives for additional mobilisation and accelerated disbursement of external assistance.
- 5.2 The policy regarding external assistance in the wake of the drought was also considered by the GOI and it was decided that the situation should be tackled through the country's own efforts though the drought was severe. It was therefore decided that no foreign assistance should be solicited either in cash or in kind for drought relief and that efforts for commercial credit could be considered on merit on a selective basis. Assistance from multilateral agencies/countries for taking up measures in the wake of drought was also to be considered on a selective basis. In pursuance of this policy, external assistance was received from donor countries and multilateral agencies. The Internatinal Bank for Reconstruction and Development (IBRD) provided an assistance of U.S. dollar 150 million while International Development Association (IDA) provided an assistance of U.S. dollar 200 million. The European Economic Community (EEC) provided an assistance of ECU 20 million. Japan provided an assistance of yen 29.5 billion, the U.S.A. Rs. 8.10 crore, the U.S.S.R. 6 drilling rigs, West Germany 10 million, France FF 40 million, Italy U.S. dollar 5 million, Sweden S.Kr 50 million and Turkey 200 tonne of lentils.