



BUDGET BRIEFS

Vol 11/ Issue 6

National Rural Drinking Water Mission (NRDWM) GoI, 2019-20

In FY 2017-18, the **National Rural Drinking Water Programme** (NRDWP) was expanded and is now known as the **National Rural Drinking Water Mission** (NRDWM). It is Government of India's (GoI) flagship rural drinking water mission to provide safe and adequate water for drinking, cooking, and other domestic needs on a sustainable basis.

Using government reported data, this brief reports on:

- Allocations for NRDWM,
- Releases and expenditures,
- Component-wise trends, and
- Progress on coverage.

Cost share and Implementation:

Funds are shared between GoI and states in a 50:50 ratio for Programme Fund except Sustainability. For components on Sustainability, Support and Water Quality Monitoring and Surveillance (WQMS) the fund sharing pattern is 60:40. For the eight Northeastern states and three Himalayan states, the ratio for all components is 90:10.

HIGHLIGHTS

₹ 20,016 cr

GoI allocations for Department of Drinking Water and Sanitation (DDWS) for FY 2019-20

₹ 10,001 cr

GoI allocations for NRDWM in FY 2019-20

SUMMARY & ANALYSIS

- In Financial Year (FY) 2019-20, GoI allocated ₹10,001 crore for NRDWM. This is a 82 per cent increase from FY 2018-19.
- Release of funds for NRDWP to states by GoI as a proportion of its shares has been high. In FY 2014-15, GoI released 105 percent of its total share. This increased to 169 percent in FY 2017-18. In FY 2018-19, 81 percent of GoI's share for the year had been released to states.
- Release of funds by states as a proportion of state's share, however, has been low. In FY 2014-15, 74 per cent of state's share had been released by states. This decreased to 68 per cent in FY 2017-18. In FY 2018-19, 83 per cent of state's shares for the scheme had been released.
- Expenditure as a proportion of funds available has been steadily decreasing over the years. In FY 2014-15, 84 percent of available funds were spent. This decreased to 72 per cent in FY 2017-18. In FY 2018-19, only 65 per cent of the total funds available for NRDWP had been spent.
- As on 1 April 2019, at the start of FY 2019-20, 81 per cent of rural habitations had been covered at 40 litres per capita per day (lpcd) but only 47 per cent per cent at 55 lpcd. Till 28 June 2019, 18 per cent of rural households had been provided with Piped Water Supply (PWS) household connections.

NATIONAL RURAL DRINKING WATER MISSION

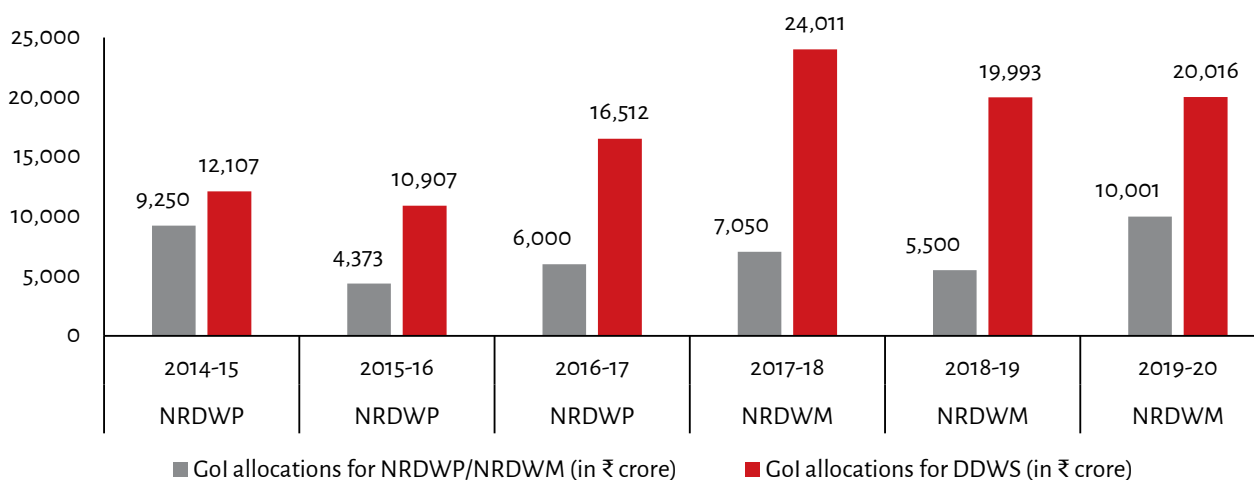
- In 2009, the Government of India (GoI) launched the National Rural Drinking Water Programme (NRDWP), by expanding the erstwhile Accelerated Rural Water Supply Programme (ARWSP). The scheme aims to provide safe and adequate water for drinking, cooking, and other domestic needs to every rural person, on a sustainable basis.
- In FY 2017-18, GoI expanded the NRDWP to National Rural Drinking Water Mission (NRDWM). NRDWM includes NRDWP and a few other components such as Desert Development Programme (DDP) and Information, Education, and Communication (IEC). NRDWM is now implemented by the Department of Drinking Water and Sanitation (DDWS) under the Ministry of Jal Shakti (MJS). The Ministry of Drinking Water and Sanitation (MDWS), which was previously responsible for the scheme has been merged in to the MJS as per a cabinet decision on 31 May 2019.
- The DDWS Strategic Plan (2010-22) had set the following timelines:-
 - Ensuring that at least 50 per cent of rural households are provided with PWS by 2017, and 90 per cent by 2022.
 - At least 35 per cent of rural households have access to PWS with a household connection by 2017, and 80 per cent households by 2022.
 - Reducing the use of public taps to less than 20 per cent by 2017 and less than 10 per cent by 2022.
 - Reducing the use of handpumps and other private water resources gradually to less than 45 per cent in 2017, and further to below 10 per cent by 2022.
 - Enabling rural drinking water sources to be fully managed by Panchayat Raj Institutions (PRIs) and local communities.
- In November 2017, the Union Cabinet approved the restructuring and continuation of the scheme till FY 2019-20, co-terminus with the Fourteenth Finance Commission (FFC). The focus of the restructuring was to increase flexibility and sustainability, make the scheme more outcome-oriented and better monitored.
- In the 2019 Union budget, GoI promised Piped Water Supply (PWS) to all rural households by 2024 under the Jal Jeevan Mission (JJM). This announcement expands on NRDWP guidelines of 2013, which had included PWS as a focus area. The aim is to increase the household tap connections and ensure adherence to norms related to drinking water supply.

TRENDS IN GOI ALLOCATIONS

Allocations

- In FY 2019-20, GoI allocated ₹10,001 crore for NRDWM. This was a 82 per cent increase from the previous financial year's Revised Estimate (RE) and a 43 per cent increase from the Budget Estimate (BE).
- In November 2017, the Union Cabinet approved ₹23,050 crore for the scheme for the FFC period from FY 2017-18 to FY 2019-20. Till FY 2019-20, ₹22,551 crore had been allocated by GoI, which is 98 per cent of the approved amount.

82% INCREASE IN GOI ALLOCATIONS FOR NRDWM BETWEEN 2018-19 AND 2019-20



Source: Union Expenditure Budget, Vol. 2, Ministry of Jal Shakti. Available online at: <https://www.indiabudget.gov.in/doc/eb/sbe61.pdf>.

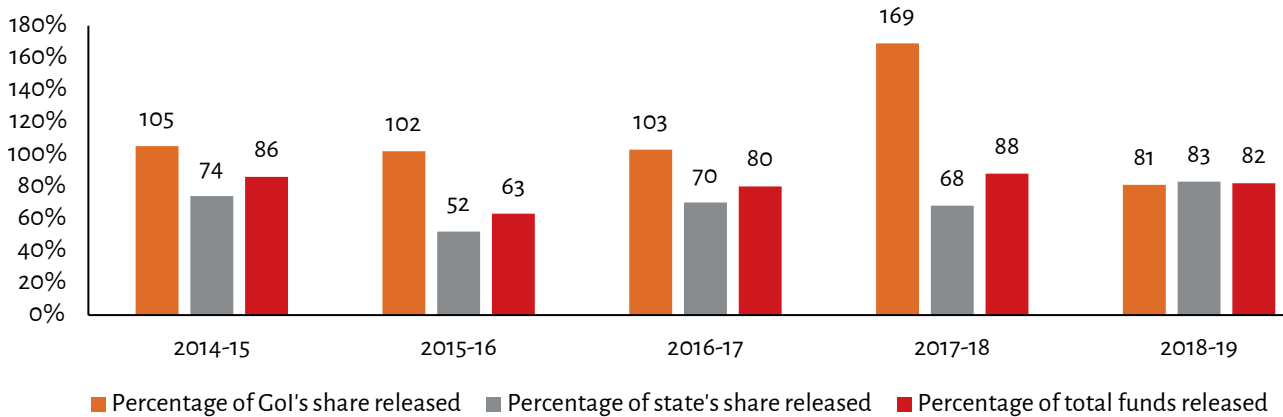
Note: All figures are in rupees crore and are Revised Estimates (RE) except for FY 2019-20, which are Budget Estimates (BE). Last accessed on 5 July 2019.

TRENDS IN STATE-WISE RELEASES AND EXPENDITURES

Releases

- Release of funds for NRDWP by GoI are based on Annual Approval Plans (AAPs) prepared by states detailing out activities to be undertaken in the rural drinking water sector and their associated costs. AAPs are to be submitted by the states to MDWS (now DDWS) by January of each year through the online Integrated Management Information System (IMIS).
- Allocation of funds to states is done as per a formula taking into account rural population, proportion of Scheduled Castes and Scheduled Tribes, weightage given to special-category hill states, and drought-prone areas, amongst others. Further, to incentivise states to involve the PRIs in the planning, operation and management of drinking water supply schemes, a Management Devolution Index (MDI) has been formulated to measure the extent of devolution by states to the PRIs. Ten per cent of funds under NRDWP are kept on the basis of a state's MDI scores.
- Funds are released to states and Union Territories (UTs) in two instalments. The first instalment of 50 per cent of the annual allocation for a state is released at the beginning of the financial year after accounting for the unspent balance of the previous year. Release of the second instalment is conditional on utilisation of 60 per cent of the total funds available and fulfilling necessary criteria such as, submission of progress reports, specific proposal receipt, utilisation certificates (UCs), and an assurance certificate from the state that it will take up unfinished works on priority.
- Release of funds to states by GoI as a proportion of its share has been high between FY 2014-15 and FY 2017-18. In FY 2014-15, GoI released 105 percent of its total allocations, this increased to 169 percent in FY 2017-18. In FY 2018-19, 81 per cent of the GoI's revised allocations had been released to states.
- In contrast, release of funds by states as a proportion of their share has been low. In FY 2014-15, 74 per cent of their shares had been released by states. This decreased to 68 per cent in FY 2017-18. In FY 2018-19, 83 per cent of state's shares had been released.

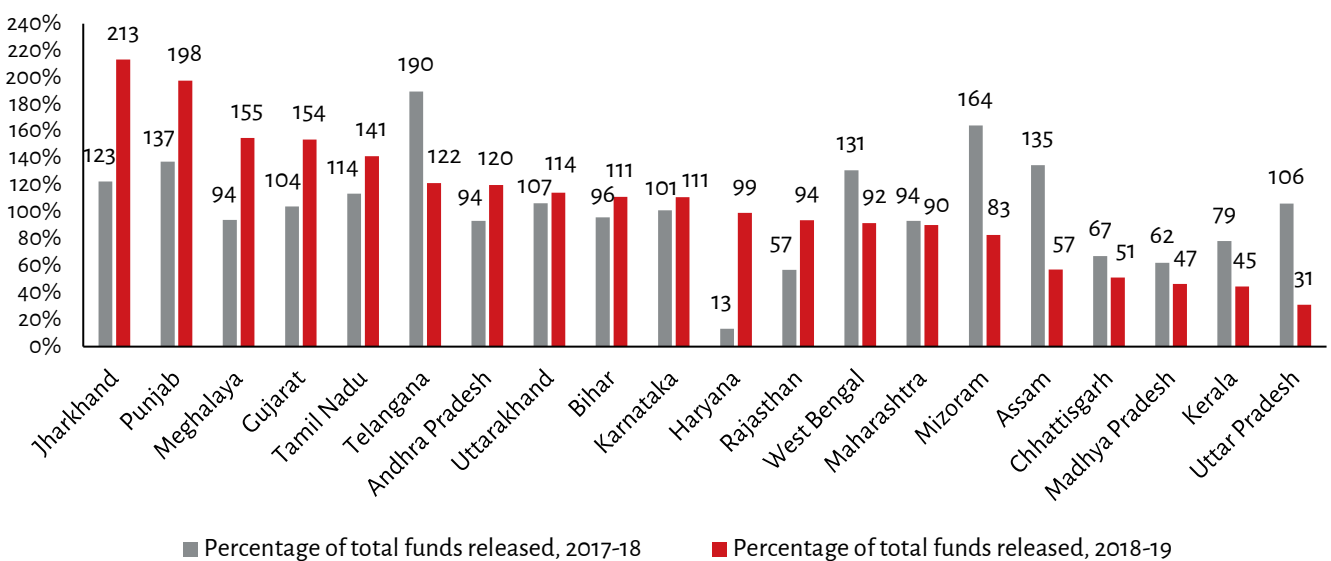
FUNDS RELEASED BY GOI AS A SHARE OF ITS ALLOCATION FOR NRDWP HAS DROPPED FROM 169% IN 2017-18 TO 81% IN 2018-19



Source: NRDWP IMIS system: Financial progress, Format D1 -State wise Allocation, Release and Expenditure. Available online at: http://indiawater.gov.in/imisreports/Reports/Financial/rpt_RWS_StatewiseAllocationReleaseExpenditure_S.aspx?Rep=O&RP=Y. Last accessed on 24 June 2019.

- There are, however, significant state variations. In FY 2017-18, 17 out of 31 states (available data) including Jharkhand, Punjab, Gujarat, Tamil Nadu, Telangana, Assam, Uttarakhand, and Karnataka had received more than their total allocations (GOI and state share combined). Similar trend continues in FY 2018-19, with releases greater than allocations for 11 out of 31 states.
- Releases, however, were low in Chhattisgarh and Madhya Pradesh. In FY 2017-18, both states had received less than 70 per cent of their allocations. In FY 2018-19, the states had received 51 per cent and 47 per cent, respectively.
- There are significant year-on-year differences in releases in some states. For instance, in FY 2017-18, only 13 per cent of the total allocation for Haryana was released. In FY 2018-19, this increased to 99 per cent. On the other hand, while Assam and Uttar Pradesh had received over 100 per cent of their allocations in FY 2017-18, releases were low in FY 2018-19, at 57 per cent and 31 per cent, respectively.

11 STATES AND UTS HAVE RECEIVED MORE THAN ALLOCATED FUNDS IN 2018-19

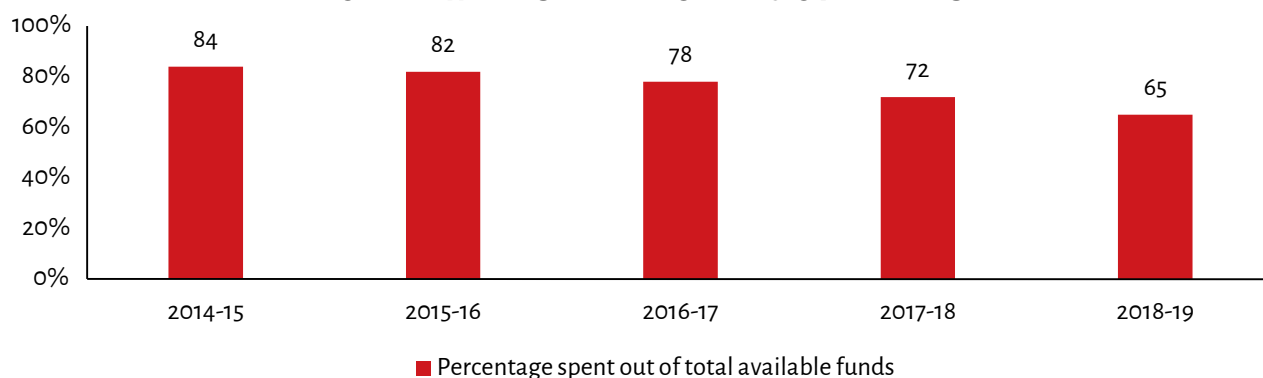


Source: NRDWP IMIS system: Financial progress, Format D1 -State wise Allocation, Release and Expenditure. Available online at: http://indiawater.gov.in/imisreports/Reports/Financial/rpt_RWS_StatewiseAllocationReleaseExpenditure_S.aspx?Rep=O&RP=Y. Last accessed on 24 June 2019.

Expenditures

- Total funds available in a given financial year include opening balances, funds released by both GoI and states, and interest earned.
- Expenditure as a proportion of funds available has been steadily decreasing over the years. In FY 2014-15, 84 per cent of available funds were spent. This decreased to 72 per cent in FY 2017-18. In FY 2018-19, only 65 per cent of the total funds available had been spent.

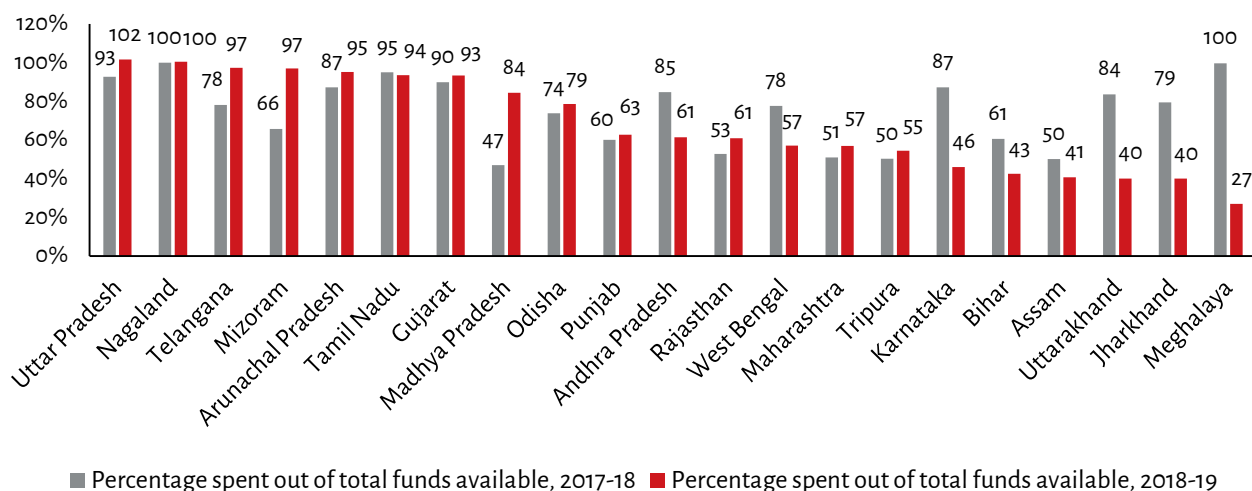
EXPENDITURE AS A PROPORTION OF AVAILABLE FUNDS FOR NRDWP HAS BEEN DECLINING OVER YEARS



Source: NRDWP IMIS system: Financial progress, Format D1 -State wise Allocation, Release and Expenditure. Available online at: http://indiawater.gov.in/imisreports/Reports/Financial/rpt_RWS_StatewiseAllocationReleaseExpenditure_S.aspx?Rep=0&RP=Y. Last accessed on 24 June 2019.

- According to a report by the Comptroller and Auditor General of India (CAG) in 2017, reasons for low utilisation were mainly due to delays in submission of proposals, late submission of UCs, and excessive time taken in implementing the scheme at the ground level.
- There are some state differences in expenditures. In FY 2017-18, expenditure as a share of funds available was high in Nagaland (100 per cent) and Tamil Nadu (95 per cent). In FY 2018-19, the trend continues and these states had spent most of their available funds.
- In contrast, expenditure was low in Maharashtra (51 per cent), Tripura (50 per cent), and Assam (50 per cent) in FY 2017-18. These states also spent less than 60 per cent of their funds available in FY 2018-19.
- Interestingly, while Bihar had received over 95 per cent of its releases in FY 2017-18 and FY 2018-19, expenditure as a proportion of funds remained low at 61 per cent and 43 per cent, respectively. Similarly, while Maharashtra had received over 90 per cent of its funds available in both FY 2017-18 and FY 2018-19, expenditure for the state was below 60 per cent in both the years.

12 STATES AND UTS HAD SPENT OVER 90% OF THEIR AVAILABLE FUNDS IN 2018-19



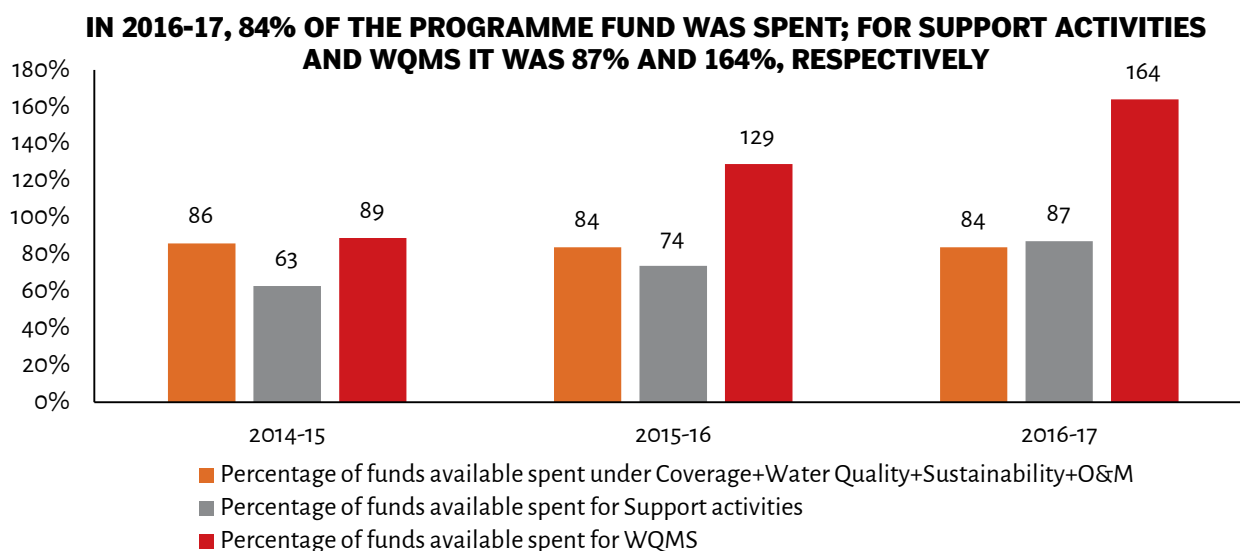
Source: NRDWP IMIS system: Financial progress, Format D1 -State wise Allocation, Release and Expenditure. Available online at: http://indiawater.gov.in/imisreports/Reports/Financial/rpt_RWS_StatewiseAllocationReleaseExpenditure_S.aspx?Rep=O&RP=Y. Last accessed on 24 June 2019.

TRENDS IN COMPONENT-WISE ALLOCATIONS, RELEASES, AND EXPENDITURES

- In order to meet the objectives related to water availability, sustainability and quality, funds for NRDWP have been divided into six main components. These are:-
 - **Coverage** for providing safe and adequate drinking water supply to uncovered, partially covered, and slipped back habitations;
 - **Operation and Maintenance (O&M)** for running, repair and replacement costs of drinking water supply projects;
 - **Water Quality** for providing safe drinking water to water quality affected habitations;
 - **Sustainability** for encouraging states to achieve drinking water security at the local level through sustainability of sources and systems;
 - **Support** for activities like Water and Sanitation Support Organisations (WSSO), District Water and Sanitation Mission (DWSM), Block Resource Centers (BRC), Information, Education and Communication (IEC), Human Resource Development (HRD), Management Information System (MIS), Computerisation and Research and Development; and
 - **Water Quality Monitoring and Surveillance (WQMS)** for monitoring and surveillance of water quality in habitations at the field level, and for setting up and upgrading laboratories at state, district and sub-district levels.
- It is envisaged that states allocate 47 per cent of their allocations to Coverage, 15 per cent to O&M, 20 per cent to Water Quality, 10 per cent for Sustainability, 5 per cent for Support activities, and 3 per cent for WQMS.

Expenditures

- Expenditure performance for most components has been high. According to the CAG report, between 2012-17 more than 85 per cent of the available funds were utilised under Programme Fund in all states except Gujarat, Himachal Pradesh, Jharkhand, Punjab, and Rajasthan. Similarly, for Support activities, it was above 85 per cent in all states except Jammu and Kashmir, Madhya Pradesh, Rajasthan, Telangana, and Uttar Pradesh. For WQMS, only Karnataka, Madhya Pradesh, Meghalaya, Rajasthan, and Uttarakhand spent less than 85 per cent of their available funds.



Source: NRDWP IMIS system: D1 State wise Allocation, Release and Expenditure statement – For NRDWP components. Available online at: https://indiawater.gov.in/IMISReports/Reports/Financial/rpt_RWS_StatewiseAllocationReleaseExpenditure_S.aspx. Last accessed on 31 December 2018..

National Water Quality Sub-Mission

- In March 2017, DDWS started a new sub-programme under NRDWP known as the National Water Quality Sub-Mission (NWQSM). The sub-programme aims to address the urgent need for providing clean drinking water in already identified 28,000 arsenic and fluoride affected habitations. Between FY 2017-18 and FY 2020-21, it is estimated that GoI will provide ₹12,500 crore for the scheme. These funds will be taken from the water quality component of overall NRDWP allocations.
- Expenditures out of total available funds, however, have been low. In FY 2016-17, 48 per cent of the total available funds were spent. This decreased to 38 per cent in FY 2017-18. In FY 2018-19, less than 50 per cent of total available funds were spent.

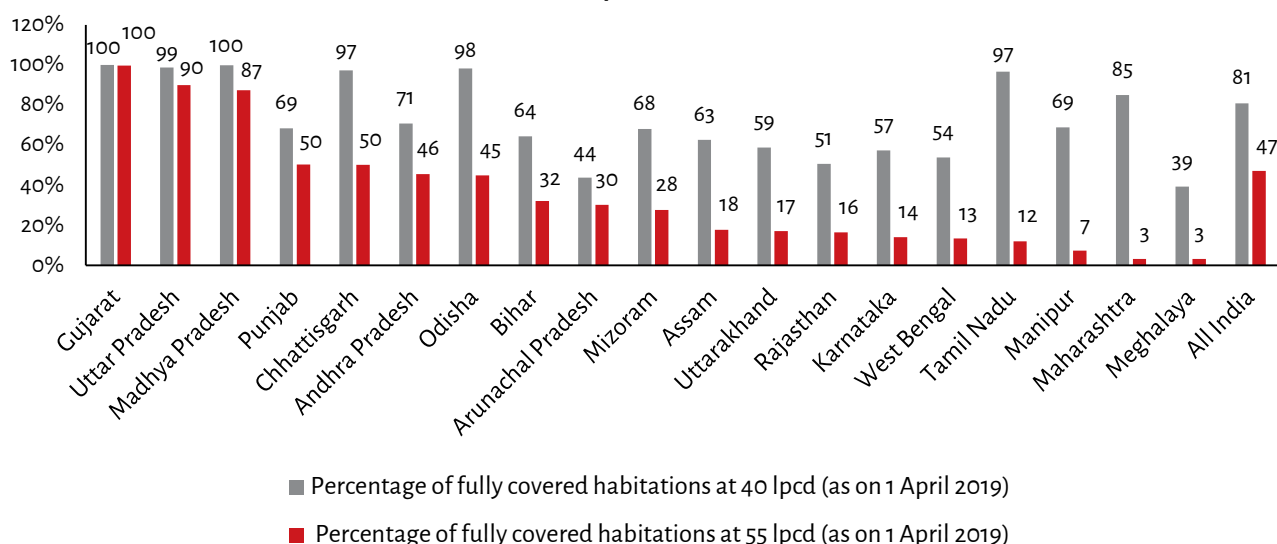
TRENDS IN OUTPUTS AND OUTCOMES

Coverage

- Drinking water supply to rural habitations can be provided through handpumps, tubewells, borewells, etc. As per the 11th Five Year Plan (2007-2012), habitations were considered fully covered if they were provided a minimum of 40 liters per capita per day (lpcd). The 12th Five Year plan increased this to 55 lpcd.
- However, according to the recent performance audit by the CAG, released in March 2018, most states continue to treat habitations as fully covered if they receive 40 lpcd. Coverage as per both metrics are provided.

- Using the previous norm of 40 lpcd, the percentage of fully covered rural habitations increased from 74 per cent in FY 2014-15 to 77 per cent in FY 2017-18. The proportion of fully covered rural habitations, however, decreases significantly when using the 55 lpcd norm. As per the revised norm, coverage was only 44 per cent in FY 2017-18, up marginally from 43 per cent in FY 2014-15.
- As on 1 April 2019, at the start of FY 2019-20, 81 per cent of rural habitations had been fully covered at 40 lpcd and 47 per cent were fully covered as per 55 lpcd.
- There are, however, significant state differences. At the start of FY 2019-20, using 40 lpcd norm, 11 states and UTs had a coverage of over 80 per cent. This drops to 5 states and UTs using the 55 lpcd norm.
- Coverage was high in Gujarat, Madhya Pradesh, Jharkhand, and Uttar Pradesh using either norm. In contrast, coverage was less than half in Arunachal Pradesh (44 per cent), Meghalaya (39 per cent), and Sikkim (37 per cent), and Kerala (29 per cent), even using the 40 lpcd norm.
- While coverage was high in Tamil Nadu and Maharashtra as per the 40 lpcd norm, it drops by 85 percentage points in Tamil Nadu to 12 per cent and 85 percentage points in Maharashtra to 3 per cent, using the 55 lpcd norm.

AS ON 1 APRIL 2019, 81% OF RURAL HABITATIONS WERE FULLY COVERED AT 40 LPCD, 47% AT 55 LPCD

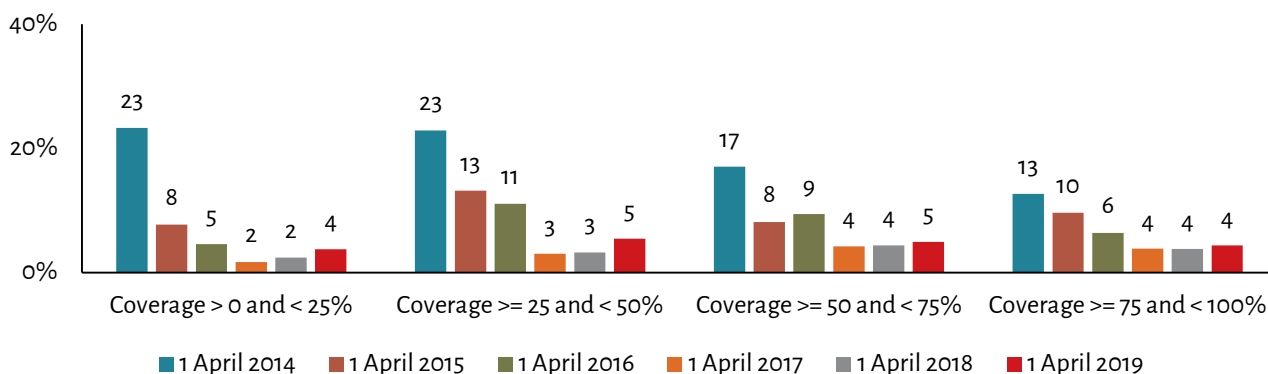


Source: NRDWP IMIS system: Format 1 – Target and Achievement of Habitation. Available online at: https://indiawater.gov.in/IMISReports/Reports/Physical/rpt_RWS_TargetAchievement_S.aspx?Rep=0&RP=Y&APP=IMIS. Last accessed on 24 June 2019.

Prioritisation

- As per the guidelines, priority is to be given to habitations with lower proportions of the population having access to adequate safe drinking water.
- Over the years, however, targeting of habitations with less than 25 per cent of the population having access to adequate safe drinking water has been falling. At the start of FY 2014-15, for instance, 23 per cent of habitations with less than 25 per cent of the population having access to safe drinking water were targeted, the highest proportion amongst all categories.
- At the start of FY 2019-20, however, only 4 per cent of habitations targeted were in this category, compared to 5 per cent in the categories with over 50 per cent of habitations already having access to safe drinking water.

PRIORITY IN COVERAGE OF HABITATIONS FALLING IN THE CATEGORY <25% OF POPULATION HAVING NO ACCESS TO ADEQUATE SAFE DRINKING WATER HAS BEEN LOW

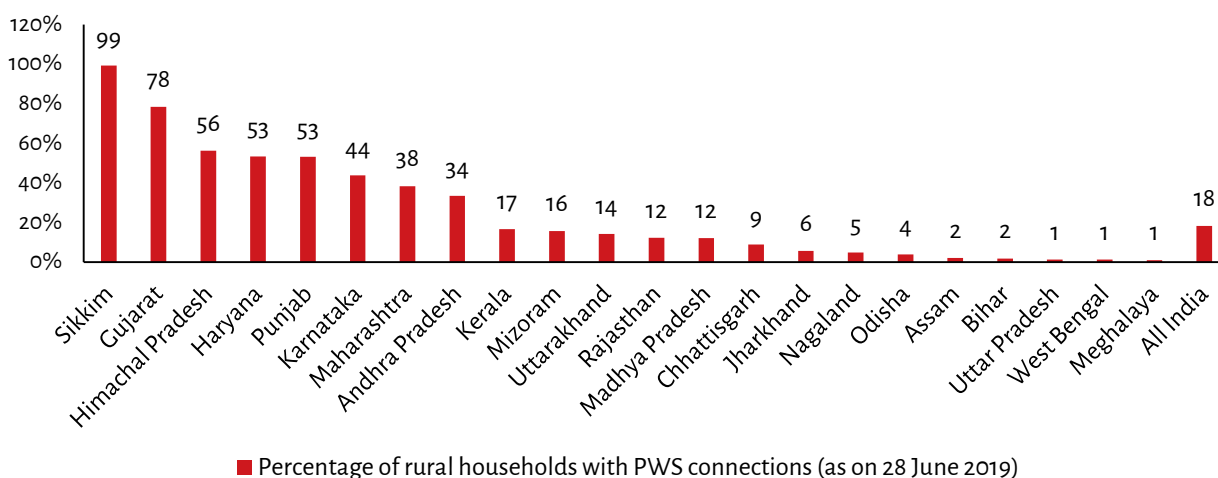


Source: NRDWP IMIS system: Format 1 – Target and Achievement of Habitation. Available online at: https://indiawater.gov.in/IMISReports/Reports/Physical/rpt_RWS_TargetAchievement_S.aspx?Rep=O&RP=Y&APP=IMIS. Last accessed on 24 June 2019.

Piped Water Supply schemes

- In 2013, Gol had set out a target of ensuring that at least 35 per cent of rural households should have PWS with a household connection by 2017 to be increased to 80 per cent by 2022.
- Coverage of PWS schemes has been low. As on 28 June 2019, 18 per cent of rural households were covered by PWS household connections. States with the highest coverage were, Sikkim (99 per cent), Gujarat (78 per cent), Himachal Pradesh (56 per cent), and Haryana (53 per cent). On the other hand, states such as Bihar, Uttar Pradesh, West Bengal, and Meghalaya, had covered less than 2 per cent of rural households with PWS connections.
- Gol guidelines call for the reduction in dependence on ground water and a shift to surface water sources, to reduce pressure on ground water extraction and ensure sustained availability of safe drinking water. Dependence of PWS schemes on ground water, however, remains high. Between April 2014 and 24 June 2019, 86 per cent of all PWS schemes continued to be based on ground water.

AS ON 28 JUNE 2019, ONLY 18% OF RURAL HOUSEHOLDS HAD PWS CONNECTIONS



Source: NRDWP IMIS system: Format C 30 – Population having PWS. Available online at: https://indiawater.gov.in/IMISReports/Reports/Physical/rpt_RWS_PWSPopulation_S.aspx?Rep=O&RP=Y. Last accessed on 24 June 2019.

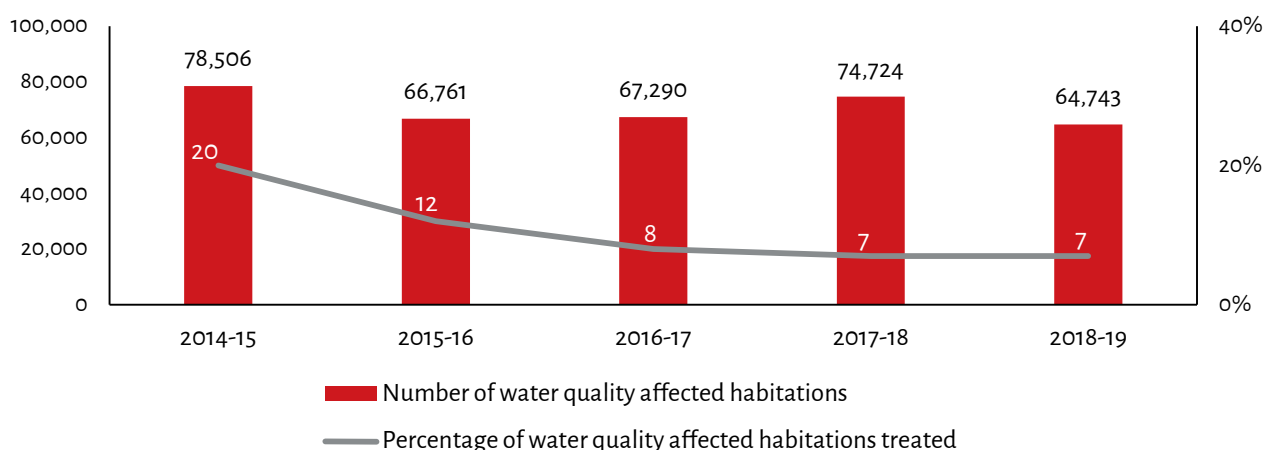
Har Ghar Jal

- In the Union Budget 2019, Gol announced Har Ghar Jal scheme, under the JJM, to ensure PWS for all rural households by 2024.
- As on 1 April 2019, 33 per cent of rural habitations accounting for 41 per cent of India's rural population were fully covered by PWS.
- States with the highest coverage were, Tamil Nadu (96 per cent), Haryana (91 per cent), and Gujarat (91 per cent). On the other hand, states such as Chhattisgarh, Madhya Pradesh, Jharkhand, Uttar Pradesh, and Bihar, had coverage of less than 20 per cent.

Quality Affected

- Gol guidelines on NRDWP stipulate that priority should be given to quality affected habitations while finalising the state AAPs. There has, however, been a decline in the proportion of water quality affected households targeted in a given year. In FY 2014-15, 29 per cent of the water quality affected households were targeted, and 20 per cent of total water quality affected households were treated. In FY 2018-19, however, of the 64,743 water quality affected habitations identified in the country, only 13 per cent were targeted and 7 per cent were treated.

ONLY 7% OF WATER QUALITY AFFECTED HABITATIONS WERE TREATED IN 2018-19



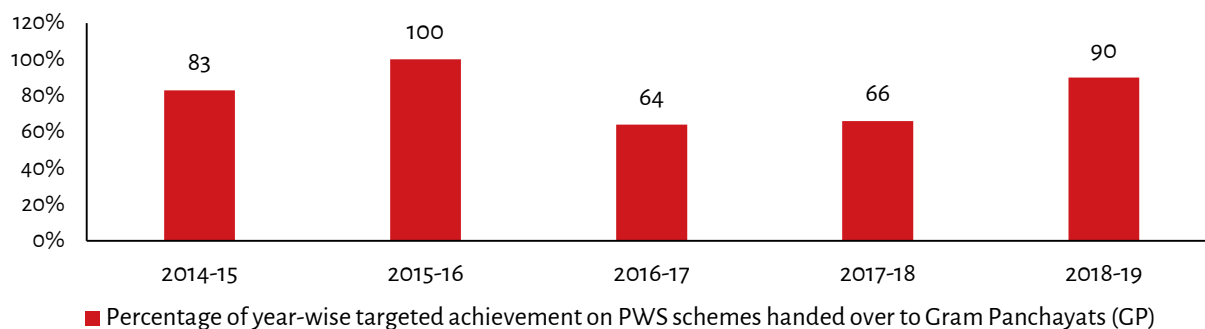
Source: NRDWP IMIS system: Format 1 – Target and Achievement of Habitation. Available online at: https://indiawater.gov.in/IMISReports/Reports/Physical/rpt_RWS_TargetAchievement_S.aspx?Rep=0&RP=Y&APP=IMIS. Last accessed on 24 June 2019.

- Water is defined as safe if it is within the permissible limits of chemical contamination such as flouride, arsenic, iron, nitrates, and salinity. The permissible limits for each of these chemicals as referred by Gol are, flouride 1.5 mg/l, arsenic 0.05 mg/l, iron 0.30 mg/l, and salinity (TDS) 2000 mg/l.
- Cumulatively, as on 24 June 2019, of 59,804 quality affected rural habitations, 97 per cent were due to major chemical contaminations. This includes chemical contamination due to flouride (15 per cent), arsenic (24 per cent), iron (32 per cent), salinity (23 per cent), nitrate (2 per cent), and heavy metal (4 per cent).

Community Ownership

- NRDWP scheme guidelines mandate the state to hand over the management of rural drinking water schemes to the PRIs in an effort to ensure local conservation of water, equity in distribution and usage, and immediate action for necessary repairs so that regular supply is assured.
- Guidelines further encourage PRIs to conduct half yearly social audits to measure beneficiary level satisfaction and to ensure that the works undertaken are as per the specification and funds are utilised.
- In FY 2014-15, 83 per cent of the targeted PWS schemes were handed over to GPs. This decreased to 66 per cent in FY 2017-18. In FY 2018-19, 90 per cent of targeted PWS schemes were taken over by PRIs.

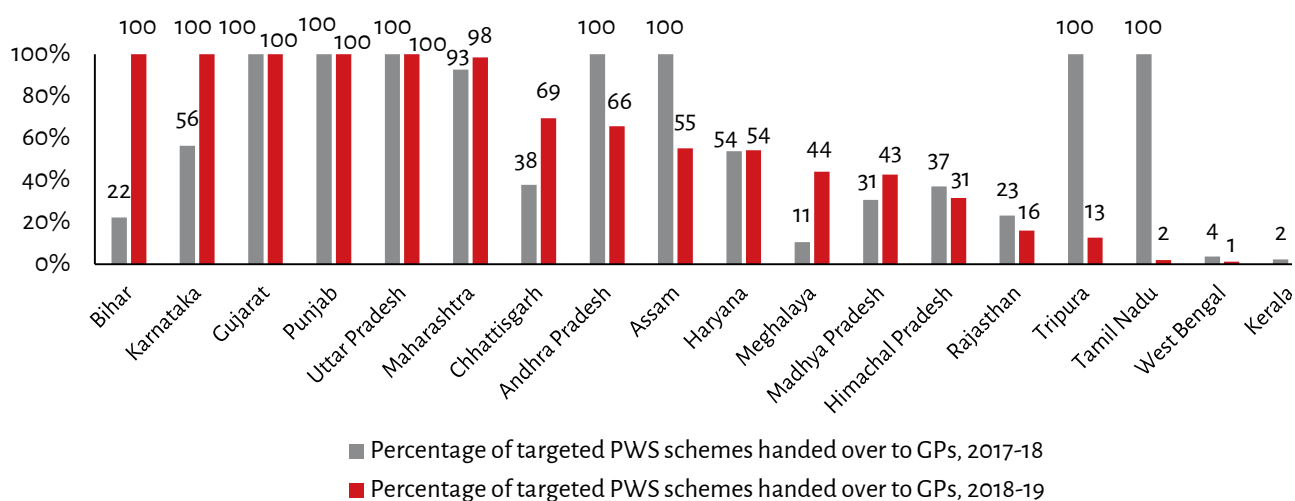
IN 2018-19, 90% OF PWS SCHEMES WERE HANDED OVER TO GPs



Source: NRDWP IMIS system: Format 9 – Schemes handed over to panchayat. Available online at: https://indiawater.gov.in/IMISReports/Reports/TargetAchievement/rpt_RWS_REP_HANDED_TO_COMMUNITY_S.aspx?Rep=0&RP=Y. Last accessed on 24 June 2019.

- There are, however, significant state differences. In FY 2017-18, 12 states and UTs had successfully handed over more than 80 per cent of targeted PWS schemes to GPs. This decreased to 9 states and UTs in FY 2018-19.
- In both FY 2017-18 and FY 2018-19, Gujarat, Punjab, Uttar Pradesh, and Maharashtra had a high proportion of PWS schemes handed over to GPs. In contrast, percentage was less than half in West Bengal, Rajasthan, Meghalaya, Madhya Pradesh, Kerala, and Himachal Pradesh.

12 STATES AND UTs HAD SUCCESSFULLY HANDED OVER 80% OF PWS SCHEMES TO GPs IN 2017-18, THIS DROPPED TO 9 STATES AND UTs IN 2018-19



Source: NRDWP IMIS system: Format 9 – Schemes handed over to panchayat. Available online at: https://indiawater.gov.in/IMISReports/Reports/TargetAchievement/rpt_RWS_REP_HANDED_TO_COMMUNITY_S.aspx?Rep=0&RP=Y. Last accessed on 24 June 2019.

Jal Shakti Abhiyan

- On 2nd July 2019, Jal Shakti Abhiyan, a campaign for water conservation and security, was launched in mission-mode by the MJS. It will focus on 1,592 water-stressed blocks in 256 districts identified through data from the Central Ground Water Board (CGWB). Of these blocks identified, the most are from Tamil Nadu (34 per cent), followed by Rajasthan (14 per cent), and Uttar Pradesh (9 per cent).
- The campaign will be a collaborative effort of various Ministries of GoI and State Governments, coordinated by the DDWS. Under this campaign, GoI will work with the district administration to implement five important water conservation interventions including rainwater harvesting, ground water recharge, and renovation of water bodies.