

# Demand for Grants 2017-18 Analysis

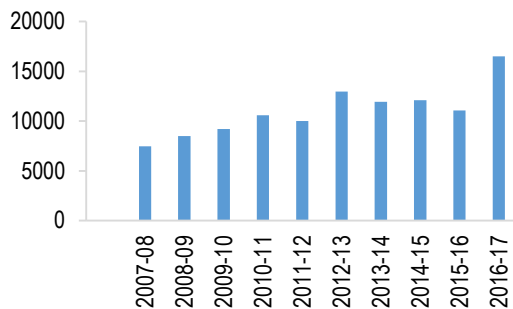
## Drinking Water and Sanitation

The Ministry of Drinking Water and Sanitation is the nodal agency responsible for policy planning, funding and coordination for programs of safe drinking water and sanitation in rural areas. The Ministry was previously a department under the Ministry of Rural Development, and was made an independent Ministry in 2011.

### Overview of finances

In the Union Budget 2017-18, the Ministry has been allocated Rs 20,010 crore. This is an increase of Rs 3,499 (21%) over the revised estimates of 2016-17.

**Figure 1: Expenditure over 2007-17 (in Rs crore)**



Over the past ten years, the allocation to the Ministry of Drinking Water and Sanitation has seen an annual average increase of 10%. In 2013-14 and 2015-16, the allocation was reduced by 8% in comparison to the previous year. However, the Ministry saw the highest increase of 49% in the revised estimates of 2016-17, over the actuals of 2015-16. Figure 1 shows these trends.

Table 1 provides the budgetary allocations to the two major schemes, the National Rural Drinking Water Program (NRDWP), and the Swachh Bharat Mission-Gramin (SBM-G) of the Ministry of Drinking Water and Sanitation.

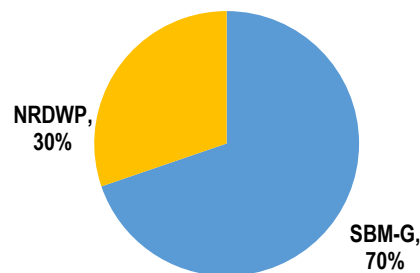
**Table 1: Budgetary allocation to the Ministry of Drinking Water and Sanitation (in Rs crore)**

Major head	Actual 15-16	Revised 16-17	Budgeted 17-18	% change
SBM-G	6,703	10,500	13,948	33%
NRDWP	4,369	6,000	6,050	1%
<b>Total</b>	<b>11,081</b>	<b>16,511</b>	<b>20,010</b>	<b>21%</b>

Sources: Demands for Grants 2017-18, Ministry of Drinking Water and Sanitation; PRS.

Figure 2 represents the key expenditure heads of the Ministry. In 2017-18, 70% of the Ministry's expenditure is estimated to be on SBM-G and 30% on NRDWP.

**Figure 2: Top expenditure heads in 2017-18, as a percentage of total ministry allocation**



Sources: Demands for Grants 2017-18, Ministry of Drinking Water and Sanitation; PRS.

Note: Values from 2007-08 to 2008-09 are revised estimates. Values for 2016-17 and 2017-18 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2007-08 to 2017-18; PRS.

### Financial allocations to outcomes

In this section, we discuss issues regarding the implementation of the SBM-G and NRDWP.

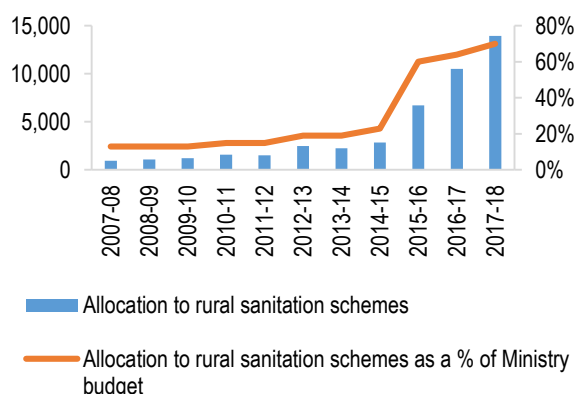
#### Swachh Bharat Mission- Gramin

The Swachh Bharat Mission was launched on October 2, 2014 with an aim to achieve universal sanitation coverage, improve cleanliness and eliminate open defecation in the country by October 2, 2019. The Swachh Bharat Mission-Gramin (SBM-G) is the rural component of the program.

SBM-G was previously referred to as the Nirmal Bharat Abhiyan or the Total Sanitation Campaign.

In 2017-18 it has been allocated Rs 13,948 crore, which is an increase of 33% from the revised estimates of 2016-17.

In 2016-17, the scheme was allocated Rs 9,000 crore, which was increased to Rs 10,500 crore at the revised estimates stage. Figure 3 shows the expenditure on rural sanitation schemes by the Ministry over the years.

**Figure 3: Expenditure on rural sanitation schemes from 2007-17 (in Rs crore)**

Note: Values from 2007-08 to 2008-09 are revised estimates. Values for 2016-17 and 2017-18 are revised estimates and budget estimates respectively.  
Sources: Union Budgets 2007-08 to 2017-18; PRS.

Allocation to SBM-G has seen an increase over the years. However, the total money allocated to the scheme is low, when compared to other centrally sponsored schemes. The scheme got the seventh highest allocation among all the centrally sponsored schemes in Union Budget 2017-18. Allocation to some other schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme is Rs 48,000 crore, National Health Mission is Rs 27,131 and Sarva Shiksha Abhiyan is Rs 23,500 crore.

**Budget estimates versus actual expenditure:**

Table 2 shows the trends in allocation and actual expenditure on rural sanitation schemes over the past ten years.

**Table 2: Budgeted versus actual expenditure on rural sanitation schemes (in Rs crore)**

Year	Budgeted	Actuals	% of Budgeted
2007-08	954	954	100%
2008-09	1,080	1,080	100%
2009-10	1,080	1,200	111%
2010-11	1,580	1,580	100%
2011-12	1,650	1,500	91%
2012-13	3,500	2,474	71%
2013-14	3,834	2,244	59%
2014-15	4,260	2,841	67%
2015-16	3,625	6,703	185%
2016-17	9,000	13,948	155%

Note: The 'utilised' figure for 2016-17 is a revised estimate.  
Sources: Union Budgets 2007-08 to 2016-17; PRS.

Note that in the past two years, actual expenditure on SBM-G has overshoot the budget estimates significantly. In 2015-16, it was 185% and is expected to be 155% in 2016-17. This implies lack of adequate budgeting and planning in implementation of the scheme.

**Construction of Individual Household Latrines (IHHLs):**

For construction of IHHLs, the funds are shared between the centre and the state in the ratio of 60:40. Construction of IHHLs account for the largest share of total expenditure under the scheme. In 2014-15, it was 91%, and has been increased to 97% and 98% in 2015-16 and 2016-17, respectively. Table 3 shows the target versus construction of IHHLs since the inception of the scheme. Note that while actuals overshoot the budget estimates, the target for construction of toilets has remained in the range of 50%-60%.

**Table 3: Target and construction of IHHLs (in crores)**

Year	Target	Constructed
2014-15	1.25	0.58 (46%)
2015-16	2.31	1.27 (55%)
2016-17	2.7	1.7 (61%)

Note: Data for 2016-17 is updated till February 28, 2017.  
Sources: Management Information System Reports of SBM; PRS.

**Information, Education and Communication (IEC) Activities:**

8% of funds earmarked for SBM-G in a year are to be utilised for IEC activities.<sup>1</sup> These activities primarily aim to mobilise behavioural change towards the use of toilets among people. However, this has not been met. In 2014-15, Rs 157 crore was spent on such activities, accounting for 4% of the total scheme expenditure. This decreased to Rs 147 crore or 1% in 2015-16. In 2016-17, till the third quarter, Rs 56 crore has been spent, amounting to approximately 1% of total expenditure up to that month. Table 4 highlights these trends.

**Table 4: SBM-G funds spent on (IEC) Activities (in Rs crore)**

Year	SBM-G funds spent on IEC activities
2014-15	157 (4%)
2015-16	147 (1%)
2016-17	56 (1%)

Note: Data for 2016-17 is updated till February 28, 2017.  
Sources: Management Information System Reports of SBM; PRS.

**Open Defecation Free (ODF) villages:** After a village declares itself ODF, states are required to carry out verification of the ODF status of such a village. Table 5 presents data on the differences between villages that have declared themselves ODF free and are verified.

**Table 5: ODF villages in the country**

Year	Declared ODF	Verified ODF
2015-16	49,543	34,999 (71%)
2016-17	1,67,226	66,777 (40%)

Note: Data for 2016-17 is updated till February 28, 2017.  
Sources: Management Information System Reports of SBM; PRS.

The Comptroller and Auditor General of India (CAG) undertook an audit of the Total Sanitation Campaign or the Nirmal Bharat Abhiyan from 2009-10 to 2013-14 to review the functioning of the rural sanitation program in country.<sup>2</sup>

Key observations of the CAG with regard to the implementation of rural sanitation schemes include:

- **Project planning:** Plans prepared at Gram Panchayat level were not consolidated into Block plan and further into District plan in 73 (49%) test checked districts of 12 states. The Annual Implementation Plan did not indicate the District/Block/Gram Panchayat wise allocation of physical and financial targets.
- **Project implementation:** The scheme had an objective of construction of around 426 lakh and 470 lakh latrines for Below Poverty Line and Above Poverty Line families, respectively. However, project districts could construct 52% and 44% latrines from 2009-10 to 2013-14. Additionally, 13 lakh latrines involving an expenditure of Rs 186 crore were constructed by engaging contractors/NGOs, etc., in violation of the scheme guidelines.
- **Management of funds:** The Ministry released only 48% of the funds and 16 states did not release or released less funds during 2009-10 to 2013-14. As against the availability of funds of Rs 13,494 crore, Rs 10,157 crore or 75% of funds were spent on the implementation of the scheme.
- **Information, Education and Communication (IEC):** Being a demand-driven scheme, IEC is critical for creating awareness about the Nirmal Bharat Abhiyan. However, during 2009-10 to 2011-12, 25% of budgeted allocated for IEC activities was incurred on activities unrelated to IEC.
- **Monitoring and Evaluation:** The Ministry only spent Rs 0.32 crore out of Rs 22.40 crore booked under monitoring during 2009-14 and spent the remaining amount on other activities.

## National Rural Drinking Water Programme

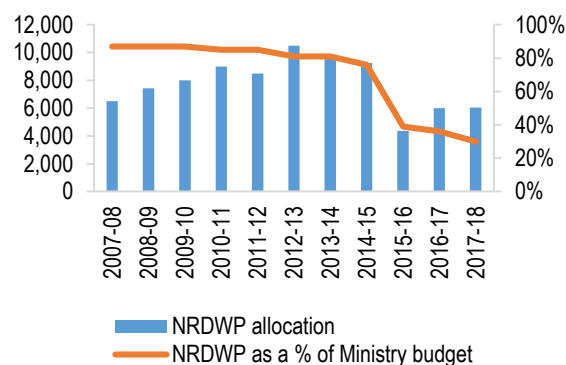
The National Rural Drinking Water Programme (NRDWP) aims at assisting states in providing adequate and safe drinking water to the rural population in the country.<sup>3</sup> Rural drinking water programs have existed in various forms since 1972-73, starting with the Accelerated Rural Water Supply Programme, followed by a Technology Mission in 1986. Subsequently, the Sector Reform Project was initiated in 1999-2000, with an aim to involve the rural community in planning,

implementation and management of drinking water schemes. From 2009, it has been renamed as the National Rural Drinking Water Programme.

**Fund sharing pattern:** Rural water supply is a state subject. The centre-state fund sharing pattern within the scheme for the components of coverage of habitations, quality of water and operation and maintenance of projects is: (i) 50:50 for all states, and (ii) 90:10 for north-east and Himalayan states. For the components of monitoring and surveillance of water quality, sustainability of water sources, and support activities like awareness generation, the centre-state fund sharing pattern within the scheme is: (i) 60:40 for all states, and (ii) 90:10 for north-east and Himalayan states. The centre funds the scheme entirely for union territories.

NRDWP accounts for 30% of the Ministry's finances this year. In 2017-18 it has been allocated Rs 6,050 crore, which is an increase of 1% from the revised estimates of 2016-17. In 2016-17, the scheme was allocated Rs 5,000 crore, which was increased to Rs 6,000 crore at the revised estimates stage. Figure 4 shows the expenditure on NRDWP by the Ministry over the years.

**Figure 4: Expenditure on NRDWP from 2007-17 (in Rs crore)**



Note: Values from 2007-08 to 2008-09 are revised estimates. Values for 2016-17 and 2017-18 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2007-08 to 2017-18; PRS.

As can be noted from the figure above, from 2007-08 to 2013-14, the expenditure on NRDWP accounted for about 80%-90% of the Ministry's budget. However, from 2015-16 onwards, the allocation to the scheme has been reduced significantly.

**Budgeted versus actual expenditure:** Table 6 shows the trends in allocation and actual expenditure on NRDWP over the past ten years. The actual expenditure saw a decline in 2014-15, which could be a reason for the reduction of funds at the budget estimates stage in 2015-16. However, the actual expenditure in 2015-16 was 167% of the budget estimates. Given the inconsistency in the budget estimates of the scheme, it is unclear how

the Ministry is planning the execution of the scheme.

**Table 6: Budgeted versus actual expenditure on NRDWP (in Rs crore)**

Year	Budgeted	Actuals	% of Budgeted
2007-08	6,606	6,506	98%
2008-09	7,420	7,420	100%
2009-10	8,120	7,996	98%
2010-11	9,000	8,985	100%
2011-12	9,350	8,493	91%
2012-13	10,500	10,489	100%
2013-14	11,426	9,691	85%
2014-15	11,000	9,243	84%
2015-16	2,611	4,369	167%
2016-17	5,000	6,000	120%

Note: The 'utilised' figure for 2016-17 is a revised estimate. Sources: Union Budgets 2007-08 to 2016-17; PRS.

The Standing Committee examining the scheme had observed that reduction in budget for NRDWP will affect the coverage and tackling of water quality problems in rural areas.<sup>4</sup>

**Target versus achievements:** In 2011, the Ministry came out with a strategic plan for the period from 2011-22.<sup>5</sup> It set out a goal that by 2022, every person in rural areas in the country will have access to 70 Litres Per Capita Per Day (LPCD) of water within their household premises or at a distance of not more than 50 metres. It identified three standards of service:

- i. Basic piped water supply with a mix of household connections, public taps and handpumps (designed for 55 LPCD);
- ii. Piped water supply with all metered, household connections (designed for 70 LPCD); and
- iii. Handpumps, protected open wells, protected ponds, etc. (designed for 40 LPCD).

By 2022, the goal is to cover 90% of rural households with piped water supply and 80% of rural households with household tap connections. The revised guidelines of the NRDWP in 2015 raised the drinking water supply norms from 40 LPCD to 55 LPCD.<sup>6</sup>

Table 7 and table 8 highlights the targets and achievements under the scheme for the past five years. It can be observed from the table that as of February 2017, 97% of rural habitations have access to safe drinking water (measured on the basis of 55 LPCD). The interim goal of the Ministry is to cover 55% of all rural households with piped water supply and 35% of rural households with household tap connections by 2017. However, the Estimates Committee in its report in 2015 observed that piped water supply

was available to 47% of rural habitations. This implied that only 15% people have access to piped water at their homes.<sup>7</sup>

**Table 7: Target versus achievements of habitations partially covered under NRDWP**

	Number of partially covered habitations	
	Target	Achievement
2009-10	1,10,721	99,312 (90%)
2010-11	1,10,231	90,116 (82%)
2011-12	94,257	83,713 (89%)
2012-13	91,750	77,388 (84%)
2013-14	83,805	91,496 (109%)
2014-15	89,581	94,020 (105%)
2015-16	52,061	64,487 (124%)
2016-17	40,385	29,408 (73%)

Note: Data pertain to habitations getting 55 LPCD of basic piped water supply with a mix of household connections, public taps and handpumps. Data for 2016-17 is updated till February 28, 2017.

Sources: Integrated Management Information System Reports 2009-10 to 2016-17, National Rural Drinking Water Programme; PRS.

**Table 8: Target versus achievements of habitations fully covered under NRDWP**

	Number of fully covered habitations	
	Target	Achievement
2009-10	51,106	49,567 (97%)
2010-11	33,247	29,267 (88%)
2011-12	36,837	32,533 (88%)
2012-13	38,403	58,916 (153%)
2013-14	38,454	45,277 (118%)
2014-15	25,112	26,507 (106%)
2015-16	12,081	13,276 (110%)
2016-17	10,002	7,900 (79%)

Note: Data pertain to habitations getting 55 LPCD of basic piped water supply with a mix of household connections, public taps and handpumps. Data for 2016-17 is updated till February 28, 2017.

Sources: Integrated Management Information System Reports 2009-10 to 2016-17, National Rural Drinking Water Programme; PRS.

**Contamination of drinking water:** It has been noted that NRDWP is over-dependant on ground water.<sup>7</sup> However, ground water is affected by high arsenic contamination in 68 districts in 10 states.<sup>7</sup> These states are Haryana, Punjab, Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, West Bengal, Assam, Manipur and Karnataka. Table 9 shows the number of states and districts where ground water is affected by various contaminants.

**Table 9: States and districts affected by contamination in groundwater**

Contaminants	Number of affected states	Number of affected districts
Arsenic	10	68
Fluoride	20	276
Nitrate	21	387
Iron	24	297

Sources: Central Ground Water Board; PRS.

<sup>1</sup> Swachh Bharat Mission- Gramin Guidelines

<http://www.mdws.gov.in/sites/default/files/SwachBharatGuidlines.pdf>.

<sup>2</sup> "Report no. 28 of 2015- Performance Audit of Total Sanitation Campaign/ Nirmal Bharat Abhiyan", Comptroller and Auditor General of India, December 8, 2015,

[http://www.cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Performance\\_Nirmal\\_Bharat\\_Abhiyan\\_Report\\_28\\_2015.pdf](http://www.cag.gov.in/sites/default/files/audit_report_files/Union_Performance_Nirmal_Bharat_Abhiyan_Report_28_2015.pdf).

<sup>3</sup> National Rural Drinking Water Programme, Ministry of Drinking Water and Sanitation,

<http://indiawater.gov.in/IMISReports/MenuItems/AboutSite.aspx>.

<sup>4</sup> Demand for Grants 2016-17, Ministry of Drinking Water and Sanitation, Standing Committee on Rural Development 2015-16,

[http://164.100.47.193/lsscommittee/Rural%20Development/16\\_Rural\\_Development\\_23.pdf](http://164.100.47.193/lsscommittee/Rural%20Development/16_Rural_Development_23.pdf).

<sup>5</sup> "Ensuring Drinking Water Security in Rural India", Strategic Plan 2011-12, Department of Drinking Water and Sanitation, Ministry of Rural Development,

Chemical contamination of ground water has also been reported due to deeper drilling for drinking water sources. It has been recommended that out of the total funds for NRDWP, allocation for water quality monitoring and surveillance should not be less than 5%.<sup>7</sup> Presently, it is 3% of the total funds.<sup>6</sup> It has also been suggested that water quality laboratories for water testing should be set up throughout the country.<sup>7</sup>

[http://mdws.gov.in/sites/default/files/StrategicPlan\\_2011\\_22\\_Water.pdf](http://mdws.gov.in/sites/default/files/StrategicPlan_2011_22_Water.pdf).

<sup>6</sup> National Rural Drinking Water Programme Guidelines 2013, [http://www.mdws.gov.in/sites/default/files/NRDWP\\_Guidelines\\_2013\\_0.pdf](http://www.mdws.gov.in/sites/default/files/NRDWP_Guidelines_2013_0.pdf).

<sup>7</sup> Evaluation of Rural Drinking Water Programmes, Committee on Estimates 2014-15, Lok Sabha, [http://164.100.47.193/lsscommittee/Estimates/16\\_Estimates\\_2.pdf](http://164.100.47.193/lsscommittee/Estimates/16_Estimates_2.pdf).

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