

## Submission to the Ministry of Finance during the Pre-Budget Consultation 12 January 2016

The two programmes, National Rural Drinking Water Program (NRDWP) and Swachh Bharat Mission (SBM) are the two flagship programmes of the Government of India for rural drinking water and sanitation. In the urban context, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), the erstwhile JNNURM is the national flagship programme driving capital investments in water supply and Swachh Bharat Mission (Urban) in sanitation sector across India while pushing for governance reforms by urban local bodies and state governments.

Keeping in view the changing WASH context and the Union Budget needs to factor in the emerging realities, WaterAid India submits the following set of issues and aspirations emerging from the ground for consideration in the Union Budget 2015-16:

- In September 2015, countries adopted the 2030 Agenda for Sustainable Development to end poverty and promote prosperity for all while protecting the environment and addressing climate change. The new 2030 Agenda has water and sanitation at its core, with a dedicated Sustainable Development Goal (SDG) 6 on water and sanitation with clear linkages with other Goals. Adequate and appropriate provisioning of budgets need to be made to ensure realisation of achievement of Goal 6 of the SDGs. Clarity is sought about the means of implementation of the commitments in India.
- Due to strong efforts of the Union government, the sanitation (SBM) scheme has been prioritized by the line ministries and departments. But, in the comprehensive effort in favor of sanitation, focus from drinking water has been dwindling. It can be seen from allocation for National Rural Drinking Water Programme, both at the Union and States level (₹2,611 crore was allocated in 2015-16 with a sharp decline from the allocation of ₹ 11000 in 2014-15). A Parliamentary Standing Committee Report on Water and Sanitation too has pointed out the negative fall-out of the decrease in drinking water allocation. Hence, the government should allocate more for the drinking water.
- Donations of more than ₹349 crores have been made by different organisations and people in the year 2014-2015 to the Swachh Bharat Kosh. This is likely to increase manifold with the increasing emphasis on Clean India Campaign. In addition a 0.5% Swachh Bharat Cess is imposed w.e.f 15 November 2015 on all services liable for service tax. With more and more corporate resources are brought into the sector as well as collection of Cess, it is absolutely necessary to establish regulations of accountability and transparency. A targeted approach need to be applied to ensure that the money is utilized for the most vulnerable and the excluded in rural areas (reaching the last person). The release of subsidy should be made as an entitlement to people.
- World Bank has committed \$1.5 billion to support the Government of India in implementing the rural component of the Swachh Bharat Mission. The program focussed on performance based incentives. A clear and transparent mechanisms of its utilization is needed.
- Under the urban SBM the government in 2015-16 proposed to construct 1.04 crore household toilets, provide 2.5 lakh community toilets, 2.6 lakh public toilets, and a solid waste management facilities in 4,041 towns. The government through Ministry of Urban Development has estimated a cost of ₹ 62,009 crore of which the proposed Central Assistance will be ₹ 14,623 crore. There is a need to ensure adequate budget to address the crisis of water and sanitation in the urban India with necessary transparency and accountability mechanisms. SBM (U) has the objective of making 1.04 crore IHHL in urban areas with unit cost of ₹. 4000 per toilet. This has been much lower than rural

IHHL. As the material costs are higher in urban areas, the amount would not be able to meet the demand. States like Tamil Nadu and Chhattisgarh are allocating a much higher unit cost with the support of ULBs' contribution. The additional amount goes as high as ₹ 16,000 from the States. Hence, the Union government must increase unit cost of IHHL in SBM (U).

- Match the subsidy for individual household toilet construction under SBM – Urban to that as provided for in SBM-Rural i.e. raise it to ₹ 12,000/- each from current ₹ 4,000/- as of now. Government may give grant in aid to ULBS for O&M of all public toilets / Community managed toilets.
- There is a lot of emphasis of promoting voluntarism in the frontline workers category. It is generally observed that most of the frontline workers are coming to work to make ends meet. It will enhance their interest and sustainability of the work if budgetary provisions are made for the frontline workers on a monthly basis and not on case to case basis.
- Along with provisioning of budgets, it is important to have robust monitoring systems to ensure effective use of the resources – ensuring that it reaches where it is meant for.
- There are approximately 3.42 lakh manual scavengers yet to be rehabilitated as per a government report. It is a well-known fact that the rehabilitation process is patchy and not getting properly implemented. For instance, 'Self-Employment Scheme of Liberation & Rehabilitation of Scavengers' under MoSJE is facing a fund utilization issue for a long time. Swachh Bharat Mission (SBM) envisages total eradication of Manual Scavenging. This could be possible with technological intervention and mechanization of cleaning of Individual Household Latrines (IHHL) and septic tanks. For this purpose, the government should increase allocation for SBM.
- SBM also proposes resource mobilization based on contributions in the form of Public-Private-Partnership (PPP), loan from NABARD and SIDBI to those households which are not part of beneficiary and from donations, MPLADS/MLALADS funds etc. However, this has the risk associated with the entry of private participation in rural water supply which may raise the input cost of water supply in rural areas. It is often seen that PPP affected the low income groups who could not afford to pay the recurring costs of operation in water and sanitation and hence refrained from using.
- The government announcement of 100% coverage of schools in terms of separate toilets for girls and boys has been contested on the basis of gaps seen on the ground. It will cause a budget deficit if provisioning is made on the current claims that seem to have serious gaps. It is suggested to plan the provisioning of budget of Water, Sanitation and Hygiene in Schools based on a reality check by a third party assessment.
- The untied money in Panchayats needs to be planned for more effectively and channelized for use in water and sanitation sectors.
- Ensure absolute transparency, accountability and participation is adhered to in the provisioning and utilization of budget for water and sanitation.

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