

BUDGET INSIGHTS

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Trends in Finances for the Department of
Drinking Water and Sanitation

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KEY HIGHLIGHTS



In FY 24-25 Budget Estimates (BEs), allocations for the Ministry of Jal Shakti (MoJS) stood at ₹98,714 crore, increasing by 2.2 per cent from previous year's REs.



Jal Jeevan Mission (JJM) is the largest scheme of the DDWS. In FY 24-25 BEs, the Government of India (GoI) allocated ₹70,163 crore to the scheme, marginally higher than the previous year's REs but lower than the Ministry's demand for FY 23-24 which stood at ₹87,526 crore.



As on 19 July 2024, 78 per cent of the target had been achieved covering 14.99 crore households. 39 per cent of villages had reported Har Ghar Jal (HGJ) status and 22 per cent of all villages had certified HGJ status.



In FY 24-25 BEs, GoI allocated ₹7,192 crore for Swachh Bharat Mission – Grameen (SBM-G), a 3 per cent increase from previous year's REs. As on 19 July 2024, 5.47 lakh villages (93 per cent of all villages) had achieved Open Defecation Free (ODF) Plus status, 3.47 lakh had arrangements for Solid Waste Management, and 4.84 lakh had arrangements for Liquid Waste Management.

KEY POLICY ANNOUNCEMENTS



In her Budget Speech for FY 24-25, Finance Minister Nirmala Sitharaman mentioned GoI will partner with State Governments and Multilateral Development Banks to promote water supply, sewage treatment, and Solid Waste Management projects and services for 100 large cities¹.

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Overview

The Ministry of Jal Shakti (MoJS) is responsible for providing quality drinking water and sanitation facilities to all citizens and development of India's water resources. MoJS was formed in 2019 incorporating two erstwhile Ministries which now exist as different departments within the Ministry. These are:



The **Department of Drinking Water and Sanitation** which is the nodal Department for overall policy formulation, planning, financing and coordination of two flagship programmes of the Government of India (GoI) namely the Swachh Bharat Mission (Gramin) and the Jal Jeevan Mission (JJM)².



The **Department of Water Resources, River Development, and Ganga Rejuvenation** is responsible for the development, conservation and management of water as a natural resource³.

This brief looks at trends in Government of India's (GoI's) financial trends for the Department of Drinking Water and Sanitation (DDWS) within MoJS.

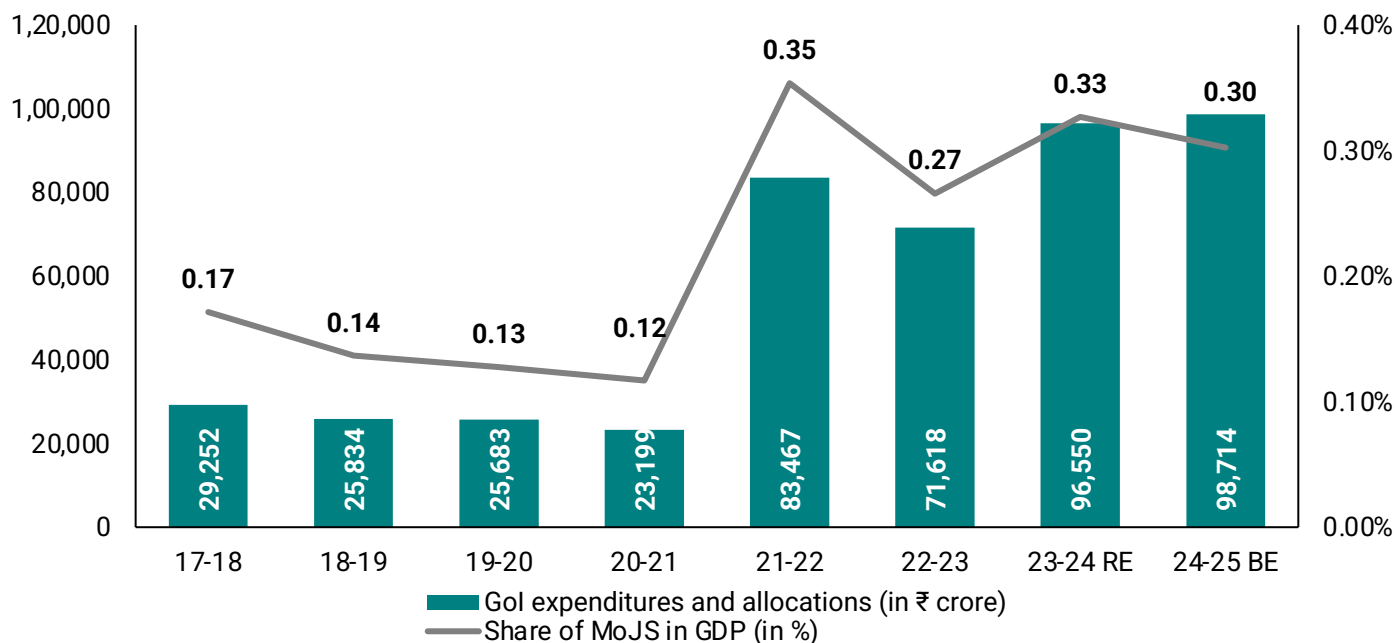


For FY 24-25 Budget Estimates (BEs), allocations for the MoJS stood at ₹98,714 crore. This is a 2.2 per cent increase from previous year's Revised Estimates (REs) and 0.4 per cent increase from its BEs.



In FY 21-22, spending (Actuals) by MoJS as a share of Gross Domestic Product (GDP) increased significantly from 0.12 per cent to 0.35 per cent. Spending reflects GoI releases to states and Union Territories (UTs). In FY 24-25 BEs, however, it fell marginally to 0.30 per cent from the previous year which was 0.33 per cent.

Figure 1: MoJS Financial Trends and Share of GDP



Source: (1) Union Expenditure Budget, MoJS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. (2) Annual and Quarterly Estimates of GDP at current prices, 2011-12 series, MoSPI. Available online at: <https://www.mospi.gov.in/data>. (3) Budget at a Glance, Union Budget 2024-25. Available online at: <https://www.indiabudget.gov.in/>. Last accessed on 23 July 2024.

Note: Figures are Actuals (or expenditures) between FY 17-18 and FY 22-23, REs for FY 23-24, and BEs for FY 24-25. Expenditures reflect releases to states and UTs.

HOW DOES MoJS ALLOCATE?

- As previously mentioned, MoJS consists of two departments: Department of Drinking Water and Sanitation and Department of Water Resources, River Development, and Ganga Rejuvenation.
- In FY 24-25 BEs, while allocations for Department of Water Resources, River Development, and Ganga Rejuvenation increased by 9 per cent from FY 23-24 REs, those for DDWS remained mostly the same. In FY 24-25 BEs, DDWS was 80 per cent of Gol's allocation for MoJS. The next section closely analyses the trends in finances for DDWS over the years.

Table 1: MoJS Allocations by Department (in ₹ crore)

	18-19	19-20	20-21	21-22	22-23	23-24	24-25 BE
Department of Water Resources, River Development and Ganga Rejuvenation	7,613	7,518	7,262	18,009	14,000	19,517	21,323
Department of Drinking Water and Sanitation	19,993	18,360	17,024	51,037	60,029	77,033	77,391
Ministry of Jal Shakti	27,605	25,878	24,286	69,046	74,029	96,550	98,714
Share of DDWS	72%	71%	70%	74%	81%	80%	78%

Source: Union Expenditure Budget, MoJS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 July 2024.

Note: Figures are REs till FY 23-24 and BEs for FY 24-25.

DEPARTMENT OF DRINKING WATER AND SANITATION

In FY 24-25 BEs, Gol allocated ₹77,391 crore to DDWS, 0.5 per cent more than previous year's REs and 0.2 per cent more than its BEs.

Gol's finances for DDWS can be classified into two main components:



Establishment Expenditure are the costs incurred by Gol for the maintenance and operation of government offices and institutions.



Centrally Sponsored Schemes are schemes implemented by state governments but largely funded by the Union government, with a specified contribution from the states. For larger states, the ratio is 60:40, while for northeastern and hilly states its 90:10.

A majority (over 99 percent) of allocations under DDWS are directed towards two Centrally Sponsored Schemes (CSSs). There are two main CSSs:



Jal Jeevan Mission (JJM) is Gol’s mission to provide safe and adequate drinking water to all rural households through individual household tap connections by 2024.

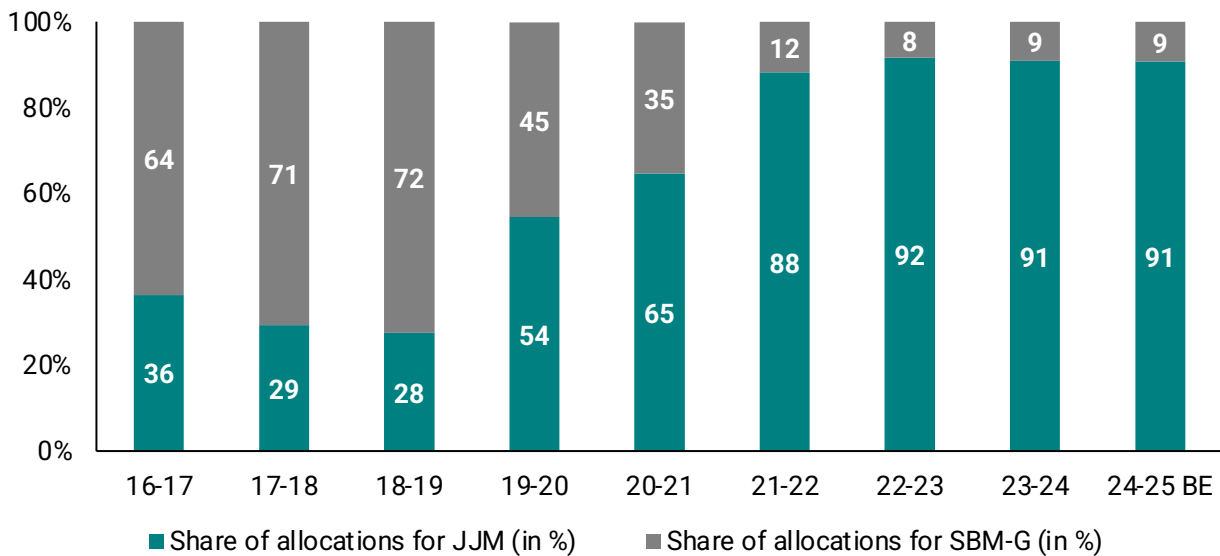


Swachh Bharat Mission-Grameen (SBM-G) is a scheme aimed at eliminating open defecation in rural areas and ensuring sustainability of Open Defecation Free (ODF) status with Solid and Liquid Waste Management arrangements.

Centrally Sponsored Schemes

- Between FY 16-17 and FY 18-19, most DDWS allocations were for SBM-G. This however, changed in FY 19-20 with 55 per cent of the DDWS allocations shifting towards JJM.
- In FY 24-25 BEs, 91 per cent of DDWS allocations were for JJM, same as the FY 23-24 REs, while only 9 per cent were for SBM-G.

Figure 2: Share of DDWS Allocations for SBM-G and JJM



Source: Union Expenditure Budget, MoJS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 July 2024.

Note: Figures are REs till FY 23-24 and BEs for FY 24-25.

- Apart from Gross Budgetary Support (GBS) provided by Gol to finance the schemes and funding from Externally Aided Programmes (EAP), such as loans from the World Bank, Central Road and Infrastructure Fund (CRIF), finances for DDWS can also be leveraged from the District Mineral Development Fund (DMDF), CSR funds, and the Finance Commission.
- For instance, the 15th Finance Commission allocated ₹2.36 lakh crore to rural local bodies to improve water supply and sanitation. Of this ₹1.43 lakh crore or 60 per cent is exclusively for drinking water, rainwater harvesting, and sanitation facilities⁴.

Deep Dive Into Key Schemes

Jal Jeevan Mission

In 2019, GoI restructured and subsumed the National Rural Drinking Water Programme (NRDWP) into the Jal Jeevan Mission with a mission to provide Functional Household Tap Connection (FHTC) to every rural household i.e., Har Ghar Jal, by 2024. A mandatory component of the programme is source sustainability which includes elements of rainwater harvesting, recharge and reuse through grey water management, and water conservation.

Trends in Allocations and Expenditures



The total estimated cost of the mission was ₹3.6 lakh crore between 2019 and 2024 of which GoI's share is ₹2.08 lakh crore, with the rest coming from States⁵. As on 19 July 2024, total expenditure on the scheme had already crossed ₹2.9 lakh crore⁶.



The scheme has seen two big increases in allocations. The first in FY 21-22 which saw allocations tripling, and second, in FY 23-24 which saw a 27 per cent increase over the previous year's REs.



In FY 24-25 BEs, GoI allocated ₹70,163 crore to the scheme, marginally higher than the previous year's REs. Allocations, however, remained significantly lower than the ministry's demand. In FY 23-24, ₹87,526 crore had been demanded by the ministry.



Till 19 July 2024, ₹11,935 crore (17 per cent) of GoI allocations had been drawn by states⁷.



Utilisation under the scheme has been high with most allocated funds utilised over the years.

Table 2: GoI Allocations and Expenditures for JJM

Years	GoI allocations for JJM (in ₹ crore)	GoI expenditure for JJM (in ₹ crore)	% Funds Utilised
16-17	6,000	5,980	100%
17-18	7,050	7,038	100%
18-19	5,500	5,484	100%
19-20	10,001	10,030	100%
20-21	11,000	10,998	100%
21-22	45,011	63,126	140%
22-23	55,000	54,700	99%
23-24	70,000		
24-25 BE	70,163		

Source: Union Expenditure Budget, MoJS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 July 2024.

Scheme Progress

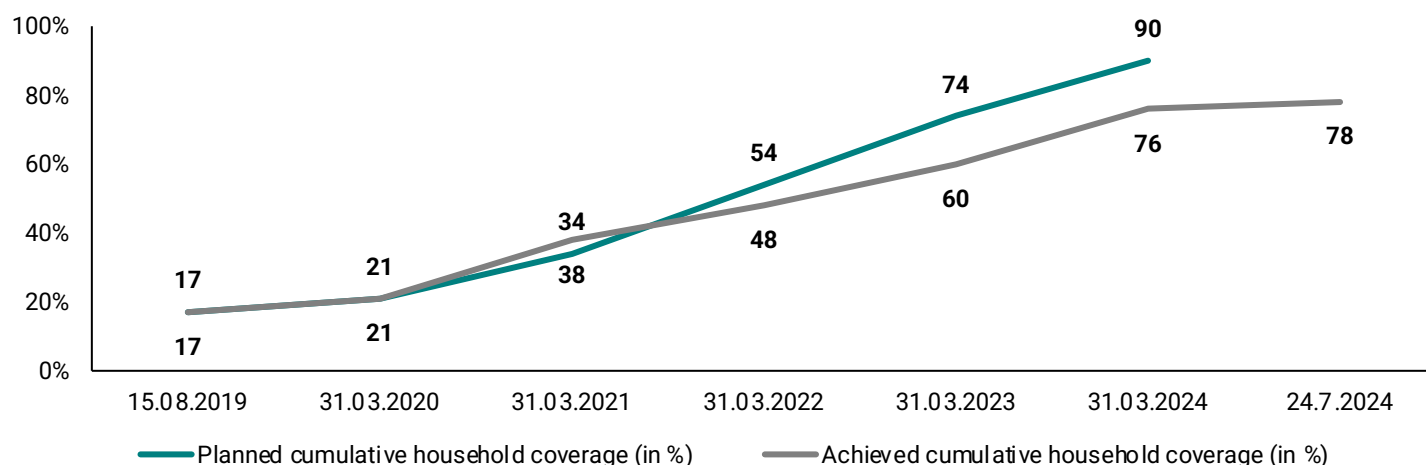


The scheme set a target to provide individual household tap connections to 19.32 crore rural households by 31 December 2024. At the start of the Mission on 15 August 2019, only 3.24 crore households or 17 per cent had a functional tap water connection (FTC). JJM, thus, is set to provide an additional 16.08 crore households with FTCs.



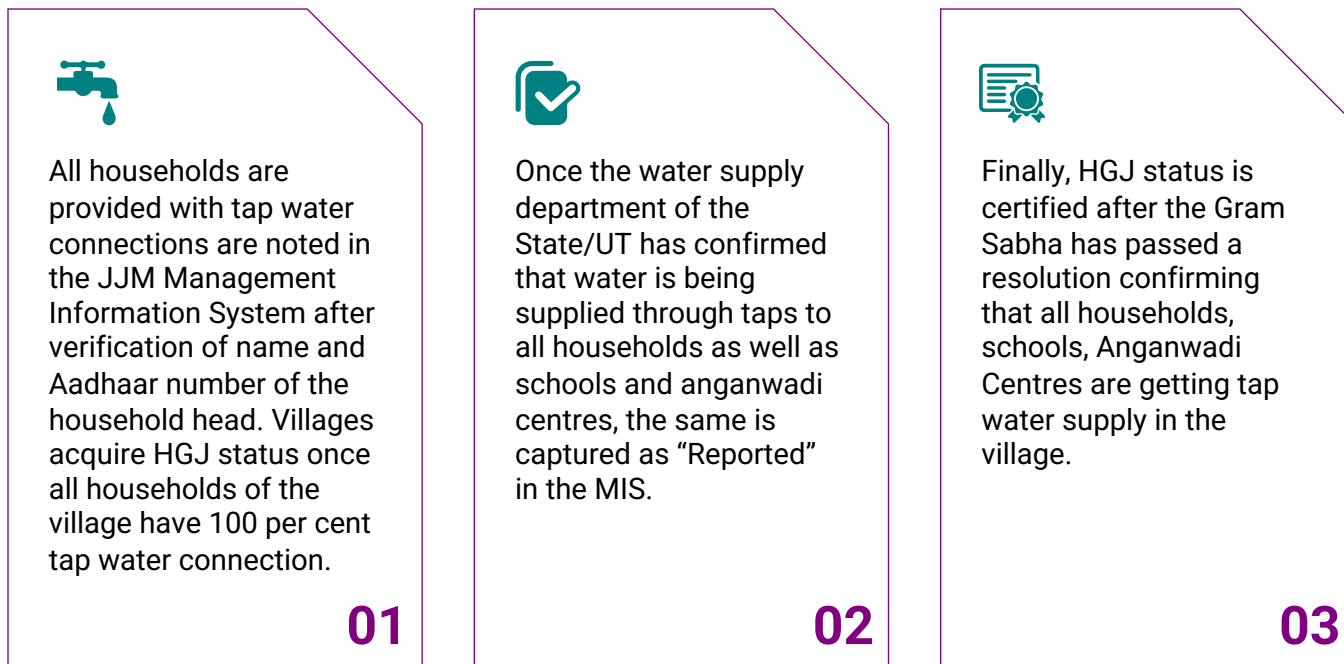
Progress has been slower than anticipated post FY 22-23. While the scheme had planned to achieve 90 per cent of the target number of households by FY 23-24, as on 19 July 2024, 78 per cent of the target had been achieved covering 14.99 crore households⁸.

Figure 3: Planned and Actual Coverage under JJM



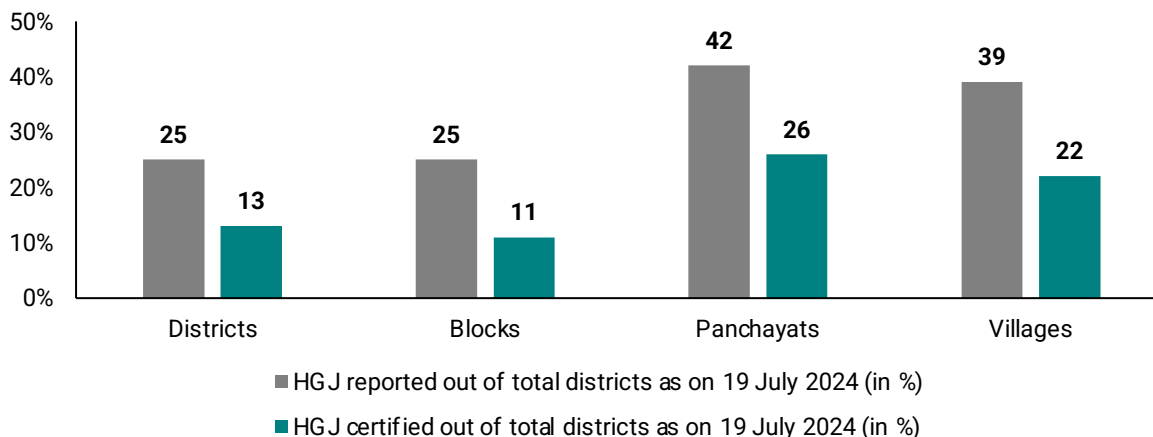
Source: JJM Management Information System (MIS). Available online at: <https://ejalshakti.gov.in/JJM/Login.aspx>. Last accessed on 19 July 2024.

- States which lag in the provision of FHTCs include West Bengal and Rajasthan (51 per cent coverage each), Kerala (53 per cent), Jharkhand (54 per cent), Madhya Pradesh (64 per cent), Andhra Pradesh (73 per cent), and Odisha (74 per cent)⁹.
- As per the Standing Committee Report on Water Resources in FY 22-23, the reasons for slowdown as reported by the Ministry include long gestation period of Multi Village Schemes, terrain challenges, lack of dependable ground water sources, slowdown due to the COVID-19 pandemic, and presence of contaminants¹⁰. Concerns have also been raised on the high dependence on groundwater sources.
- There are three steps in Har Ghar Jal (HGJ) declaration process:



- As on 19 July 2019, a total of 4 states namely Punjab, Haryana, Goa, and Arunachal Pradesh and 2 UTs had been certified as HGJ.
- Across the country, 39 per cent of villages had reported HGJ status and 22 per cent of all villages had certified HGJ status.

Figure 4: Proportion of Har Ghar Jal Achieved



Source: JJM MIS. Available online at: <https://ejalshakti.gov.in/JJM/Login.aspx>. Last accessed on 19 July 2024.

Component-wise Allocations

Broadly, JJM allocations includes the following five sub-components under the Union Budget:



Main Programmatic Expenditure



Water Quality: this includes allocations for Dr. Syama Prasad Mookerjee National Institute of Water and Sanitation (SPM - NIWAS) erstwhile National Centre for Drinking Water, Sanitation and Quality



Information, Education, and Communication (IEC)



Support Activities such as Research, Management including funds for Management Information Systems and Monitoring and Evaluation



Other expenditures include human resources conferences, seminars, exhibitions, assistance to institutions etc.

In FY 24-25 BEs, 99 percent of the budget was for the main programmatic expenditures.

Quality



Contamination of drinking water sources are monitored habitation wise and village wise. As on 19 July 2024, 80,402 habitations had water quality issues¹⁰.



The 'Drinking Water Quality Monitoring & Surveillance Framework' is a guiding tool for setting up and strengthening drinking quality testing laboratories and providing technical support to implementing agencies. As per the JJM guidelines, up to 2 per cent of the allocation to states and UTs can also be used for Water Quality Monitoring and Surveillance.



In FY 24-25 BEs, ₹95 crore was allocated for Quality, specifically the Dr. Syama Prasad Mookerjee National Institute of Water and Sanitation (SPM–NIWAS) erstwhile National Centre for Drinking Water, Sanitation and Quality. This accounts for less than 0.1 per cent of the total allocations for JJM.



Actual expenditure for this component has been even lower. In FY 20-21, 77 per cent of Gol's allocations were spent. This decreased to 44 per cent in FY 21-22 and 38 per cent in FY 22-23.



At the state level, there are total 2,163 laboratories with the highest number of laboratories being in West Bengal (224), followed by Maharashtra (178)¹¹.

Information, Education, and Communication

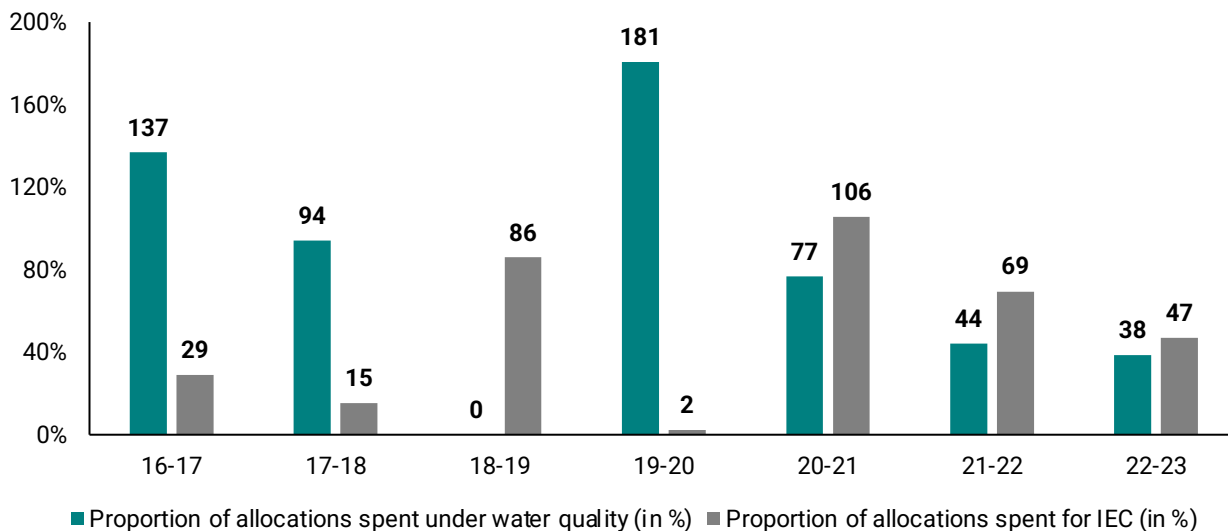


The JJM is based on a community approach to water and, thus, IEC is an important component of the scheme.



In FY 24-25 BEs, ₹70 crore was allocated for IEC, the same as the previous year's REs. Utilisation of funds, however, has been low. In FY 22-23, 47 per cent of allocated funds were spent, down from 69 per cent in FY 21-22.

Figure 5: Utilisation of Allocations for Water Quality and IEC



Source: Union Expenditure Budget, MoJS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 July.

Swachh Bharat Mission— Grameen

Launched on 2 October 2014, the Swachh Bharat Mission (Grameen) aims at achieving Open Defecation Free (ODF) status for all rural areas. As on 2 October 2019, all villages in the country had self-declared themselves ODF. The Mission is currently in its second phase which focuses on ensuring sustainability of ODF status.

The second phase includes:

- Solid Waste Management (SWM) activities including collection and segregation of non-biodegradable and biodegradable waste
- Liquid Waste Management (LWM) activities through soak pits, Waste Stabilisation Ponds, etc.
- Faecal Sludge Management (FSM) at the district level
- Inclusion of new eligible households for individual household latrine construction
- Community Sanitary Complexes construction
- Sustained IEC activities including through Swachhagrahis or village level volunteers

Trends in Allocations

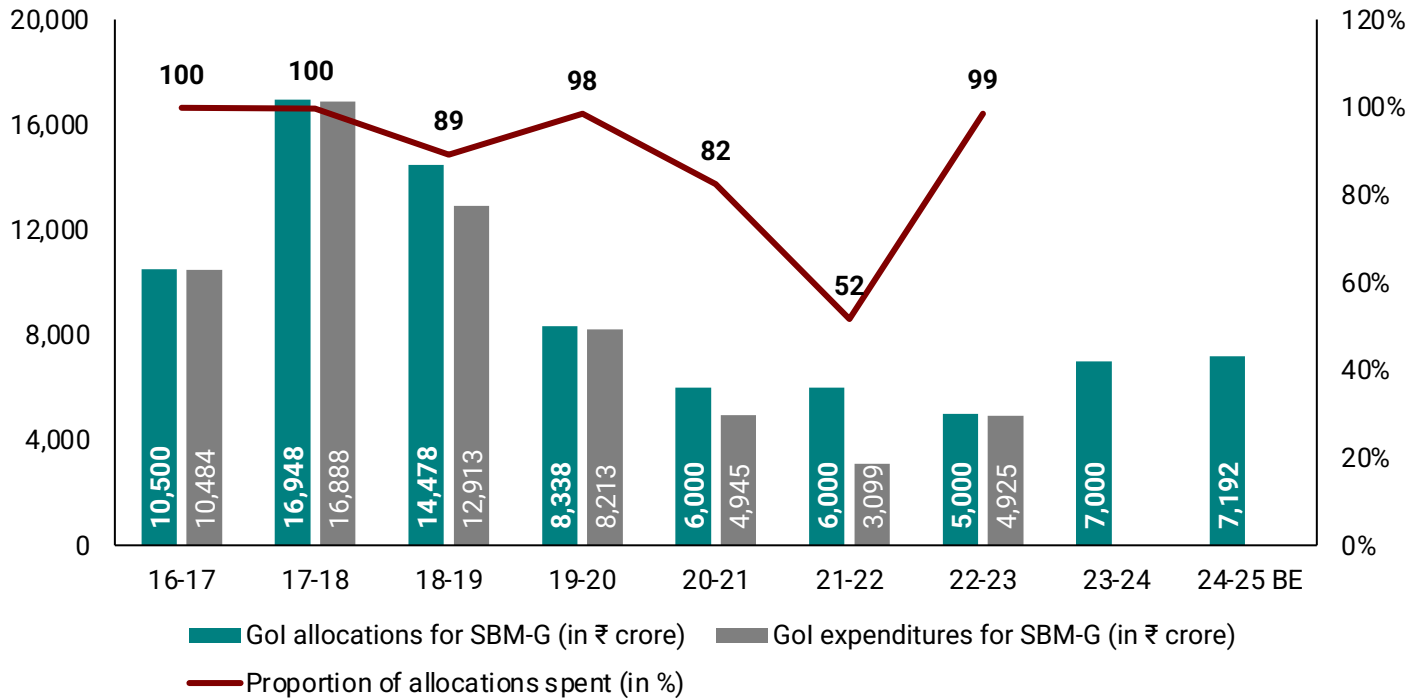


In FY 24-25, GoI allocated ₹7,192 crore for SBM-G. This is a 3 per cent increase compared to the previous year's REs.



Except for FY 21-22 where only 52 per cent of allocated funds were spent, utilisation under the scheme has been high. In FY 22-23, 99 per cent of the allocations were spent.

Figure 6: GoI Allocations and Expenditures for SBM-G



Source: Union Expenditure Budget, DDWS, FY 17-18 to FY 24-25. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 July 2024.

Note: Allocation figures are REs till FY 23-24 and FY 24-25 are BEs.

Component-wise Allocations



Allocations for SBM-G consist of funding through Programme Component and EAP, expenditure on repayment of interest from loans, IEC, Monitoring and Evaluation, Management Information Systems, Human Resource Development and Professional Services, and Research.



The scheme guidelines recognise the need for intense behaviour change campaigns including inter-personal communication for achieving sustainable sanitation outcomes. Thus, 3 per cent of programme funds are allocated for IEC and capacity building.



In FY 24-25 BEs, 84 per cent of the allocations were for programmatic expenditure and 14 per cent was for repayment of interest. IEC activities accounted for only 1 per cent.



Utilisation of IEC funds has been low. In FY 20-21, 47 per cent of IEC allocations were spent. This decreased to 16 per cent in FY 21-22 but rose to 64 per cent in FY 22-23.

Scheme Progress



Till FY 21-22, a village was declared as ODF plus status if it sustains its ODF status, ensures solid and liquid waste management, and is visually clean.

As on July 19, 2024, 5.47 lakh villages (93 per cent of all villages) had achieved ODF plus status, 3.47 lakh had arrangements for SWM, and 4.84 lakh had arrangements for LWM.



Considering feedback from states, the criteria for declaring a village was subdivided into three different categories:

ODF Plus – Aspiring

ODF Plus – Rising

ODF Plus – Model



The goal for each village is to achieve ODF Plus – Model status.



As on 19 July 2024, there were 28 per cent of ODF Plus Model verified villages in the country. States and UTs with the highest proportions included Sikkim (100 per cent), Kerala (99 per cent), Puducherry (95 per cent), and Gujarat (93 per cent).

References

¹ Government of India, (2024), Budget Speech. Available online at: https://www.indiabudget.gov.in/doc/budget_speech.pdf.

² Department of Drinking Water and Sanitation, Ministry of Jal Shakti, About Us. Available online at: <https://jalshakti-ddws.gov.in/en/about-us>

³ Department of Water Resources, River Development, and Ganga Rejuvenation, Ministry of Jal Shakti. Available online at: <https://jalshakti-dowr.gov.in/>

⁴ Report of Fifteenth Finance Commission for 2021-26. Available online at: <https://fincomindia.nic.in/commission-reports-fifteenth>.

⁵ Lok Sabha, Parliament of India, (2023), Twenty First Report on Demands for Grants (2023-24) of the Ministry of Jal Shakti (Department of Drinking Water & Sanitation).

⁶ This includes Actual Expenditures till FY 22-23, REs for FY 23-24, and BEs for FY 24-25.

⁷ Department of Drinking Water and Sanitation, Jal Jeevan Mission Dashboard. Available online at: <https://ejalshakti.gov.in/jjmreport/JJMIndia.aspx>. Last accessed on 19 July 2024.

⁸ Department of Drinking Water and Sanitation, Jal Jeevan Mission Dashboard. Available online at: <https://ejalshakti.gov.in/jjmreport/JJMIndia.aspx>. Last accessed on 19 July 2024.

⁹ Department of Drinking Water and Sanitation, JJM Dashboard. Available at: <https://ejalshakti.gov.in/jjmreport/JJMIndia.aspx>. Last accessed on 20 July 2024.

¹⁰ Lok Sabha, Parliament of India, (2023), Twenty First Report on Demands for Grants (2023-24) of the Ministry of Jal Shakti (Department of Drinking Water & Sanitation).

¹¹ Department of Drinking Water and Sanitation, JJM Water Quality Management Information System. Available online at: <https://ejalshakti.gov.in/WQMIS/>.

About ResGov

The Foundation for Responsive Governance (ResGov) is a Section 8 not-for-profit working to strengthen the capabilities of government and communities to ensure public initiatives reach the most vulnerable.

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