

Executive Summary

Key Facts

About the Programme	<ul style="list-style-type: none"> The National Rural Drinking Water Programme (NRDWP) was launched in April 2009 by modifying the Accelerated Rural Water Supply Programme (ARWSP) and subsuming earlier sub-missions/schemes. The objective of the Programme is to provide safe and adequate water for drinking, cooking and other domestic needs to every rural person on a sustainable basis.
Deliverables	<p><u>By 2017</u></p> <ul style="list-style-type: none"> All rural habitations, government schools and <i>anganwadis</i> to have access to safe drinking water. 50 <i>per cent</i> of rural population to be provided potable drinking water (55 lpcd¹) by piped water supply. 35 <i>per cent</i> of rural households to be provided household connections.
Programme Funds [2012-17]	<ul style="list-style-type: none"> ₹ 89,956 crore (Central share ₹ 43,691 crore and State share ₹ 46,265 crore) provided for the Programme. Expenditure incurred was ₹ 81,168 crore.
Achievement against Deliverables set for 2017	<ul style="list-style-type: none"> Coverage of rural habitations increased by only 8 <i>per cent</i> at 40 lpcd and 5.5 <i>per cent</i> on the basis of 55 lpcd during 2012-17 despite the expenditure of ₹ 81,168 crore. Only 44 <i>per cent</i> of rural habitations and 85 <i>per cent</i> of government schools and <i>anganwadis</i> provided access to safe drinking water. Only 18 <i>per cent</i> of rural population provided potable drinking water (55 lpcd) by piped water supply. Only 17 <i>per cent</i> of rural households provided household connections.

¹ Litre per capita per day

Key audit findings	<p>Planning and Fund Management</p> <ul style="list-style-type: none">• Annual Action Plans of States lacked bottom-up approach.• ₹ 8,788 crore out of available funds of ₹ 89,956 crore (10 per cent) remained unutilized.• ₹ 359 crore of scheme funds diverted for ineligible purposes.• ₹ 304 crore blocked with State Water and Sanitation Mission and executing agencies. <p>Program Implementation</p> <ul style="list-style-type: none">• Poor execution of works and weak contract management resulted in works remaining incomplete, abandoned or non-operational as well as unproductive expenditure on equipment with a financial implication of ₹ 2,212.44 crore. <p>Monitoring</p> <ul style="list-style-type: none">• There was no mechanism for ensuring authentication and validation of data entered in Integrated Management Information System in several States leading to data inconsistency.• Overall monitoring and oversight framework of the Programme lacked effectiveness and there was inadequate community involvement.
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Key findings in the Report

The National Rural Drinking Water Programme (NRDWP/Programme) was launched with the objective of providing adequate safe water for drinking, cooking and other domestic needs to every rural person on a sustainable basis. The 12th Plan aimed at providing all rural habitations, schools and *anganwadis* with safe drinking water by December 2017. It also envisaged that at least 50 per cent of the rural population will be provided piped water supply at 55 lpcd within the household premises or at a distance of not more than 100 meters from their households. NRDWP is being implemented in the States through its six components and through other focused schemes. During the 12th FYP period (2012-17), a total of ₹ 89,956 crore (Central share of ₹ 43,691 crore and State share of ₹ 46,265 crore) was provided for the Programme of which ₹ 81,168 crore was spent during this period.

The Programme failed to achieve the targets that were set for achievement by 2017 viz. (i) all rural habitations, Government schools and *anganwadis* to have access to safe drinking water, (ii) 50 per cent of rural population to be provided potable drinking water

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(55 lpcd) by piped water supply and (iii) 35 per cent of rural households to be provided household connections. As of December 2017, only 44 per cent of rural habitations and 85 per cent of Government schools and anganwadis could be provided access to safe drinking water, only 18 per cent of rural population provided potable drinking water by piped water supply and only 17 per cent of rural households were provided household connections. The overall coverage of rural habitations increased only by eight per cent at 40 lpcd and 5.5 per cent at 55 lpcd after incurring expenditure of ₹ 81,168 crore during the period 2012-17.

Implementation of the Scheme was marked by lack of proper planning and funds management and delivery as well as ineffective execution of works that resulted in undue delays and expenditure that failed to yield the expected results or benefits. The total financial implication of the audit findings works out to ₹ 2,875 crore, which was a very significant 15 per cent of the expenditure of ₹ 19,151 crore, covered during our test check of various aspects of scheme management and implementation.

The NRDWP was an important element in Government of India's commitment to achieve the United Nations Sustainable Development Goal Number 6 which relates to ensuring availability and sustainable management of water and sanitation for all. The Ministry had informed (September 2017) that while its objective was to provide drinking water to every Indian household, it would require approximately ₹ 23,000 crore annually till 2030 (at present cost) to achieve this goal and given the present level of outlays, the SDG cannot be realized solely through NRDWP efforts.

Audit noted that while NRDWP may not be the sole effort required to achieve the SDG, it was nevertheless an important measure towards that end and shortfalls and deficiencies in its implementation including unfruitful expenditure would further impede and make difficult the achievement of the Goal.

(A) Planning and Delivery Mechanism

The planning and delivery framework established at the Centre and States deviated from the Programme guidelines. Twenty one States did not frame Water Security Plans and deficiencies were found in preparation and scrutiny of Annual Action Plans such as lack of stake holder and community participation, non-inclusion of minimum service level of water in schemes and absence of approval of State Level Scheme Sanctioning Committee for schemes included in the plans. The apex level National Drinking Water and Sanitation Council set up to co-ordinate and ensure convergence remained largely dormant. Agencies vital for planning and execution of the Programme such as State Water and Sanitation Mission, State Technical Agency, Source Finding Committee and

Block Resource Centres were either not set up or were not performing their assigned functions. These constraints both in terms of planning and delivery ultimately affected achievement of Programme goals and targets.

(B) Fund Management

NRDWP is implemented as a Centrally Sponsored Scheme with cost being shared between the Central and State Governments. Ministry's expectations that the States would be able to compensate for reduced Central allocation by increasing their own financial commitment to the scheme taking into account the increased devolution based on the recommendations of the 14th Finance Commission was belied. Thus, the overall availability of funds for the Programme declined during the period 2013-14 to 2016-17. However, even the reduced allocations of funds remained unutilised. There were delays of over 15 months in release of Central share to nodal/implementing agencies. There was also diversion of funds towards inadmissible items of expenditure and blocking of funds amounting to ₹ 662.61 crore with State Water and Sanitation Missions and work executing agencies.

(C) Programme Implementation

The Programme failed to achieve the targets that were to be achieved by end of 2017 as brought out above. This was attributable partly to deficiencies in implementation such as incomplete, abandoned and non-operational works, unproductive expenditure on equipment, non-functional sustainability structures and gaps in contract management that had a total financial implication of ₹ 2,212.44 crore.

Further, only five *per cent* of quality affected habitations had been provided with Community Water Purification Plants and there was slow progress in setting up such plants out of funds provided by NITI Aayog. Sustainability plans were either not prepared/implemented or not included in the Annual Action Plans. There was inadequate focus on surface water based schemes and a large number of schemes (98 *per cent*) including piped water schemes continued to be based on ground water resources. Operation and Maintenance plans were either not prepared in most of the States or had deficiencies leading to schemes becoming non-functional. As a result, incidence of slip-back habitations has persisted.

Lastly, lack of required number of labs at States/district/sub-divisional level resulted shortfall in prescribed quality tests of water sources and supply thereby compromising the objective of providing safe drinking water to the rural population.

(D) Monitoring and Evaluation

Data in the Integrated Management Information System (IMIS) of the Programme lacked consistency and accuracy due to insufficient authentication and validation controls. Expert teams for inspection, Vigilance and Monitoring Committees to monitor and review implementation of Programme were either not established or were not functioning in the planned manner. Social audit of the Programme to measure beneficiary level satisfaction was not conducted. Hence the overall monitoring and oversight framework lacked effectiveness and there was inadequate community involvement in this exercise.