

India Union Budget 2024-2025

Point of view

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Water, sanitation & hygiene (WaSH)

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Key announcements for the sector

- Priorities for the WaSH sector
 - The Government aims to promote water supply, sewage treatment and solid waste management projects and services for 100 large cities, through bankable projects, in partnership with State Governments and Multilateral Development Banks.
 - Focus of the projects are geared towards the use of treated water for irrigation and filling up of tanks in nearby areas.
- Irrigation and flood mitigation
 - Bihar: Accelerated Irrigation Benefit Programme along with other sources will provide financial support to the of INR 11,500 Crores for projects such as Kosi-Mechi intra-state link project and 20 other ongoing and new schemes including barrages, river pollution abatement and irrigation projects. In addition, survey and investigation of Kosi related flood mitigation and irrigation projects will also be undertaken.
 - Assam: Assistance for flood management and related projects to mitigate flooding from Brahmaputra River and its tributaries, originating outside India.
 - Himachal Pradesh: Assistance to the State for reconstruction and rehabilitation through multilateral development assistance to recover from the extensive losses due to floods last year.
 - Uttarakhand: Assistance to the state to recover from losses due to cloud bursts and massive landslides.
 - Sikkim: Assistance to the state to rebuild and recover from the devastating flash floods and landslides that wreaked havoc across the state.
- Andhra Pradesh Reorganisation Act
 - Full commitment towards financing and early completion of the Polavaram Irrigation Project, which is the lifeline for Andhra Pradesh and its farmers
 - Funds will be provided for essential infrastructure such as water, power, railways and roads Kopparthu node on the Vishakhapatnam-Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor.

- Taxation implications
 - Basic Customs Duty on Plastics: PVC flex banners are non-biodegradable and hazardous for environment and health. To curb their imports, the Govt. has proposed to raise the BCD on them from 10 to 25 per cent.
- Next gen reforms
 - Taxonomy for climate finance: Enhancing the availability of capital for climate adaptation and mitigation related investments.
- Use of technology
 - Public investment in digital infrastructure and innovations by the private sector have helped in improving access of all citizens, particularly the common people, to market resources, education, health and services. We will step up adoption of technology towards digitalisation of the economy.
- Summary of programmatic provisions
 - Ministry of Housing and Urban Affairs (MoHUA)
 - Atal Mission for Rejuvenation and Urban Transformation (AMRUT): INR 8,000 Crore
 - City Investments to Innovate, Integrate and Sustain (CITIS 2.0): INR 225 Crore
 - Swachh Bharat Mission – Urban (SBM-U): INR 5,000 Crore
 - Ministry of Jal Shakti (MoJS)
 - Department of Water Resources, River Development and Ganga Rejuvenation
 - Namami Gange Mission II: INR 3,345 Crore (16.38 per cent decrease in allocation from FY 24)
 - River Basin Management: INR 154.79 Crore (40.72 per cent increase in allocation from FY 24)
 - Ground Water Management and Regulation: INR 325 Crore (7.14 per cent decrease in allocation from FY 24)
 - National Hydrology Project: INR 661.20 Crore (32 per cent increase from FY 24)
 - Pradhan Mantri Krishi Sinchayee Yojana (PMKSY): INR 9,339.37 Crore (8.75 per cent increase in allocation from FY 24)
 - Department of Drinking Water and Sanitation
 - Jal Jeevan Mission: Total allocation is INR 70,162 Crore (0.2 per cent increase in allocation from FY 24)
 - Dr. Syama Prasad Mookerjee National Institute of Water and Sanitation (SPM - NIWAS): INR 95 Crore (6.74 per cent increase in allocation from FY 24)
 - Human Resource Development: INR 5 Crore (94 per cent decrease in allocation from FY24)
 - Swachh Bharat Mission – Gramin (SBM-G): INR 7192 Crore
 - Ministry of Environment, Forest and Climate Change (MoEFCC)
 - Control of Pollution: INR 858.50 Crores (13.5 per cent increase in allocations from FY 24)
 - Conservation of Natural Resources and Ecosystems: INR 43.50 Crore (7.44 percent decrease in allocation from FY 24).

Implications for the sector

- The Union Budget 2024-25 shows a steady commitment to the water and sanitation sector (WaSH), in line with the Government of India's vision towards a 'Viksit Bharat 2047'.
- The Government of India's continued focus on achieving universal access to water and sanitation services is reflected through the substantial funding allocated to the flagship WaSH missions (urban and rural).
- Addressing the implications of climate change, the budget places special focus on response, recovery, rehabilitation and mitigation by not only providing assistance to the affected states (Assam, Sikkim, Uttarakhand, Himachal Pradesh, among others) but also investing in Flood management and mitigation programs.
- The Government lays renewed focus on the importance of a tripartite approach to establishing WaSH infrastructure in urban areas. Focusing on 100 large cities is a testament to the Government's vision of establishing a robust service delivery ecosystem that is efficient, equitable and sustainable.
- The 100 large cities approach's focus on bringing in private sector financing can potentially unlock the access of cities to state-of-the-art technologies, innovations and integrate climate resilient planning with the service delivery ecosystem.
- The use of treated water for irrigation, industries and other purposes portrays the Government's commitment towards circular economy and depicts an informed paradigm shift towards sustainability.
- The transition to low carbon pathways warrants investment and focus in green skilling especially in the waste management sector.
- The government also depicts a strong focus on private sector participation and innovative financing in the entire WaSH value chain. The new interventions will promote collaboration between the governments and the international multilateral agencies.
- The 100 cities initiative provides an opportunity for the States to integrate disaster resilient planning, thereby strengthening the institutions to withstand climate related challenges, address risks, and maximise the value of spending.
- Innovations, nature based systems and adoption of new age technologies in the WASH sector can support governments and policy makers in monitoring and, inform operational decisions thereby contributing to resilient water management.
- To address the issues concerning the sustainability of sources especially in light depleting Ground Water table, the government conceptualised Atal Bhujal Yojna and the continued budgetary focus on this scheme re-emphasises the need for a mission mode approach to ensure ground water recharge and water body rejuvenation.

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