Executive Summary

The Accelerated Rural Water Supply Programme (ARWSP) was originally introduced by the Government of India (GoI) in 1972-73 and given a mission approach with the introduction of the National Drinking Water Mission (NDWM) in 1986. In 1999, a Comprehensive Action Plan (CAP 99) was prepared to identify and cover Not Covered (NC) and Partially Covered (PC) habitations, which were not receiving the stipulated norm of 40 litres per capita per day (lpcd) of potable drinking water supply. Further, the Bharat Nirman programme, which was launched in 2005, had a rural drinking water supply component, which envisaged covering of all uncovered habitations and addressing the problems of slip-back and water quality by 2008-09.

The programme was previously reviewed in audit and included in the Comptroller and Auditor General of India's Report No. 3 of 1998 (Chapter 6-National Drinking Water Mission) and No.3 of 2002 (Chapter III-ARWSP). Significant observations in the latter report viz re-emergence of problem habitations, poor planning in implementation of schemes, lack of adequate monitoring of quality of water, inadequate community participation and poor fund management, inadequate and inefficient programme monitoring etc. are still relevant.

Of the total Central Assistance of Rs. 16,104 crore received during 2002-03 to 2006-07, State Governments could utilize Rs. 11,323 crore (70 *per cent*).

A performance audit of the implementation of ARWSP in 26 States, covering the period from April 2002 to March 2007, was conducted between June and October 2007. The draft performance audit report was issued to the Ministry, which sent its response, and also forwarded the comments of 24 states.

The performance audit revealed that despite the investment of more than Rs. 66,000 crore in the rural water supply sector since the I Five Year Plan, there remains considerable need for improvement in rural drinking water supply. Slip back of fully-covered habitations and re-emergence of problem habitations continued to be a major problem.

Surveys of habitations at periodic intervals are important in assessing ground-level coverage of access to safe drinking water. However, there were significant deficiencies in the conduct of 2003 National Habitation Survey at the States, adversely affecting assurance regarding the quality and reliability of the survey data and its utility for planning purposes.

Annual Action Plans (AAPs) in many States were not based on a detailed and comprehensive habitation-wise analysis. Consequently, targets were fixed in an ad hoc manner, which adversely impacted the coverage of problem; priority should have been accorded to completion of incomplete works as well as the habitations based on the extent of problem. Audit recommends that the Ministry should not only insist on timely preparation and submission of AAPs by the States, but also ensure that these plans are habitation-wise; further, details of schemes for SC/ST populations should be specifically indicated in these plans.

There were several instances of deficient financial control, besides instances of inadmissible expenditure and diversion of ARWSP funds in several States. Audit recommends that the Ministry should take penal action against the State Governments in cases of diversion of ARWSP funds for non-approved purposes.

Audit scrutiny revealed numerous deficiencies in execution and implementation of works. These included cases of time and cost overrun, non-completion/ delayed completion of works, non-functional/ defunct works, incorrect prioritization of works, and other cases of wasteful and unfruitful expenditure.

States were not paying adequate attention to water quality, with inadequate infrastructure for testing at the district level, and non-compliance with the periodic testing requirements. Distribution and utilization of field testing kits at the village level was also poor, and projects under the Water Quality Sub-Mission were often delayed or non-functional. State Governments must ensure testing of water samples, including positive samples from the village level, at the stipulated periodicity. Further, requisite number of Field Testing Kits should be procured and distributed to village level functionaries, so that the objective of institutionalizing water quality testing at the grass root level is achieved.

Some States had initiated innovative practices for water sustainability, including implementation of a State-wide water transmission grid, use of IEC campaigns for promoting water conservation, and use of remote sensing technology for assessment of impact of recharge structures. However, many States did not take adequate measures for ensuring sustainability of water resources, especially ground water. The proportion of schemes relying on ground water sources was very high. The Ministry should ensure that States accord due importance to the sustainability component, as suited to their local environment. In the absence of adequate attention being paid to sustainability, the slip back of habitations may continue to remain major area of concern.

There were significant deficiencies in the implementation of the demand-driven, participatory approach of Swajaldhara. In many cases, the beneficiary contribution, which is at the core of Swajaldhara, had not been fully received. Further, there were numerous cases of non-execution and delayed execution of Swajaldhara schemes.

Thus the performance audit findings reflect that there is low assurance regarding (a) realistic identification of all problem habitation, (b) proper matching of execution of works with problem habitations, (c) quality of water and (d) sustainability of the resources. These areas need to be addressed with ground level approach as the efficacy of simply pouring money into schemes and achievement of some numbers (coverage of problem habitation & works executed) disregarding ground situation will remain questionable for addressing the drinking water needs of the problem habitations.