



**USAID | INDIA**  
FROM THE AMERICAN PEOPLE

*Water for the World Country Plan*

**I. EXECUTIVE SUMMARY**

Due to its large scale and persistent poverty, India bears the largest health burden attributed to poor water, sanitation and hygiene (WASH) globally. In 2015, an estimated 321 Indian children died per day from diarrhea related illnesses and the country loses over 5.2 percent of gross domestic product (GDP) annually due to inadequate sanitation. India has nearly 18 percent of the world’s population, but just four percent of its water resources, which are under increasing stress from several sources, including population growth, climate variability and increased production of water-intensive crops. Tremendous progress has been made since 2014 under the Swachh Bharat Mission (SBM) to end open defecation. In five years the country has achieved nearly 100 percent open defecation free (ODF) status while currently 95 percent of households have access to an improved source of drinking water. However, India still struggles with WASH service provision. Sewage treatment capacity is only 31 percent while only six percent of the bottom quintile household income group has access to piped water. The Government of India (GOI) will now shift to sustaining ODF status gains (“ODF+”), achieving 100% coverage of piped water supply and waste water containment, and the treatment of all untreated fecal sludge (“ODF++”). To fill an estimated financing gap of \$123 billion needed to reach universal access to WASH services by 2030 in India, the GOI has also renewed its emphasis on private sector engagement.

In 2019, USAID designated eight new high priority WASH countries, including India, pursuant to requirements by the Senator Paul Simon Water for the World Act of 2014 and guided by the U.S. Global Water Strategy (GWS) of 2017. In response to India’s designation as a high priority

WASH country, the present document outlines the Mission's Water and Development High Priority Country Plan for 2020-2025. Under this plan, USAID/India will support the GOI to sustain ODF status and achieve ODF+ and ODF++ and market-based approaches to meet the gap in WASH funding.

## II. INTRODUCTION

While India's pro-poor development policies have resulted in remarkable strides in alleviating poverty, it has not enabled all Indians to "catch up," leaving more marginalized groups unable to lift themselves out of poverty. Further, India continues to bear the largest health burden attributed to poor sanitation globally. Although from 2000 to 2016 under-five diarrhea deaths fell by 69.7 percent, diarrhea remains a leading cause of malnutrition and death. The country has the highest number of stunted children, at 40.6 million,<sup>1</sup> and in 2015 an estimated 321 children died per day from diarrhea related illnesses.<sup>2</sup> India loses over \$106 billion (5.2 percent) of its GDP annually due to inadequate sanitation, more money than any other country by a large margin. Additionally, India has just four percent of global water resources, which are under increasing stress due to population growth, pollution, climate variability, extreme weather, urbanization, increased production of water-intensive crops, and inadequate government planning.

## III. WATER AND SANITATION CONTEXT IN INDIA

In 2012, the World Health Organization (WHO) reported that 626 million Indians defecate in the open, more than twice the next 18 countries combined at the time. In 2012, 97 million Indians lacked access to improved sources of drinking water, second only to China. Early in his administration, Prime Minister Narendra Modi made WASH a top priority, primarily through the Swachh Bharat Mission (SBM) and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT). As a result of this focus, in just five years, India achieved ODF status in 100% of rural areas and 97 percent of urban areas. Ninety-five percent of households have access to an improved source of drinking water.<sup>3</sup>

However, India still struggles with WASH service provision. Only 31 percent of sewage is treated;<sup>4</sup> the rest of the septage and sewage is randomly dumped, polluting an estimated three-fourths of the country's water bodies. A 2017 World Bank study notes that while 56 percent of India's top quintile household income group has access to piped water, only 6 percent of the bottom quintile have the same access.<sup>5</sup> Further, vulnerability is a prominent challenge in equity of services, where caste plays a critical role. A child born into a low caste is three times more likely to live in a household where members defecate in the open than is a child born into the higher castes. Finally, to reach universal access to WASH services by 2030, India must fill an estimated financing gap of \$123 billion from scarce public resources and risk averse private

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1 from <https://www.unicef.org/india/what-we-do/stop-stunting>

2 World Health Organization 2017 factsheet

3 SDG India Index & Dashboard 2019 -2020, NITI Aayog, 2019.

4 Government of India, Central Pollution Control Board. Inventorization of Sewage Treatment Plants. Control of Urban Pollution Series: CUPS/ /2015. March 2015. Retrieved from: [http://nrcd.nic.in/writereaddata/FileUpload/Ne-wltem\\_210\\_Inventorization\\_of\\_Sewage-Treatment\\_Plant.pdf](http://nrcd.nic.in/writereaddata/FileUpload/Ne-wltem_210_Inventorization_of_Sewage-Treatment_Plant.pdf)

5 World Bank. 2017. Reducing Inequalities in Water Supply, Sanitation, and Hygiene in the Era of the Sustainable Development Goals: Synthesis Report of the WASH Poverty Diagnostic Initiative. WASH Synthesis Report. World Bank, Washington, DC.

sources.<sup>6</sup> Finally, global climate variability is bringing increased temperature and heat waves, as well as increased drought and frequency of extreme precipitation, which are straining sanitation systems and reducing the quality of water sources.

### *Government of India's Water and Sanitation Priorities*

The political will to develop WASH services is encouraging; the Prime Minister continues to prioritize WASH development through vibrant and vocal support for SBM, whose branding is ubiquitous on city billboards, TV graphics, and on all currency notes. More recently, in May 2019, Modi rejuvenated his efforts to address the mounting water challenges the country has been facing over the past few decades by consolidating two ministries--the Ministry of Water Resources, River Development and Ganga Rejuvenation and the Ministry of Drinking Water and Sanitation--into the Ministry of Jal Shakti (MoJS). This prioritization is expected to continue for the next five years at least, with urban WASH under the continued management of the Ministry of Housing and Urban Affairs (MOHUA) and rural WASH under the JSM.

### *Government of India's Current and Planned Strategies and Approaches to Water and Sanitation*

After achieving near ODF status, the GOI will shift to sustaining ODF status gains ("ODF+"); achieving 100 percent coverage of household piped water supply and waste water containment; the scientific treatment of all untreated fecal sludge through either network sewerage or fecal sludge and septage (FSSM) management systems ("ODF++"); and the restoration of urban water bodies. "SBM 2.0" will continue its work to reduce manual scavenging, implement modern and scientific solid waste management (SWM), generate awareness about sanitation and its linkages to public health, augment the capacity of urban local bodies (ULBs), and create an enabling environment for private sector participation.

In the water sector, the new JSM was launched to address water conservation, water recycling, and rejuvenating the highly polluted Ganges River basin. A key MoJS initiative, the Jal Jeevan Mission-Rural (JJM Rural), is focused on providing safe and adequate drinking water to all rural habitations by 2024.<sup>7</sup> AMRUT had been previously launched in 2015 under the MOHUA to improve access to clean water; the urban component of JJM will be implemented through MoHUA while JJM rural will be implemented by MoJS. JJM/AMRUT will target achieving 100 percent piped water supply in all ULBs and 100 percent wastewater containment and treatment in 500 ULBs with a population above 100,000.

Additionally, in its various WASH missions, the GOI has renewed its emphasis on robust data governance, whole-of-government coordination, and, in particular, private sector engagement (PSE). To date, there has been an overreliance on the government for financing the WASH sector. Going forward, the GOI recognizes that increased PSE is essential to not only ensure sustainable financing in the WASH sector, but also to provide expertise in service delivery, develop and improve technology and innovations, and ensure the sustainability of service provision.

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6 Achieving the Sustainable Development Goals in India: A Study of Financial Requirements and Gaps, Technology and Action for Rural Advancement, 2015.

7 SDG India Index & Dashboard 2019 -2020, NITI Aayog, 2019

## *Challenges and Opportunities in the Sector*

According to the Indian Constitution, while local WASH service policy is the responsibility of state governments, implementation is the responsibility of ULBs.<sup>8</sup> The result is a range of institutional approaches across states and cities, leading to inefficiencies in decision making, implementation and monitoring. Worsening this problem is a severe lack of capacity, especially in ULBs. Other problems include politically derived discord in functional relations among administrative levels; staff shortages; frequent transfer of officers; lack of resources in institutions better equipped to handle local needs; routine ad-hoc, instead of demand-based, training; and a lack of dedicated municipal cadre.

India continues to struggle with gender disparities in WASH service access and the burdens associated with poor WASH access disproportionately impact women. Women have poorer access, yet because of the division of household labor, they spend more of their time collecting water. Higher disease rates associated with poor sanitation reduce women's earning potential, as they turn from income generation to care for the family. Lack of access to proper sanitation facilities and menstrual hygiene management education negatively impacts girls' attendance in schools. Improperly located and poorly designed infrastructure can increase the likelihood of women falling prey to sexual assault. Finally, women face different barriers than men in terms of their involvement in WASH-related professions, such as a lack of support for women in pursuing science, technology, engineering and mathematics degrees, which have traditionally been dominated by men in India.

Population growth, rapid urbanization and industrialization strain India's ability to deliver services, in particular WASH. The urban population is expected to double by 2050 and the World Bank estimates that India must invest \$131 billion over the next twenty years to meet urban sanitation goals.<sup>9</sup> However, the primary sources of financing— the government, through either capital spend or revenues, or bank financing for capex and working capital— fall short while current public and private funding is underutilized. Also, while cost recovery is often associated with the ability to recover both capital and operating costs, in most Indian cities, the utilities are not even able to recover the operating costs. Finally, also challenging will be reconciling improved access to, and the subsequent increased demand for, safe drinking water and safely managed sanitation services with increasingly urgent environmental challenges like river pollution, groundwater depletion, and worsening water quality in urban centers. Climate variability is already affecting many urban centers; erratic rainfall, flash flooding and drought are disrupting the water supply and sanitation services.

All of the above presents opportunities to innovate community-based, decentralized, and affordable safe WASH services and WASH-related policy interventions. This will include substantial engagement with public and private partners to encourage investment and the adoption of new technologies and business models and to ensure those investments build in sustainability, efficiency and conservation principles and best practices.

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8 [http://mohua.gov.in/upload/uploadfiles/files/74th\\_CAA13.pdf](http://mohua.gov.in/upload/uploadfiles/files/74th_CAA13.pdf)

9 World Bank Group. Financial Requirements of Urban Sanitation in India An Exploratory Analysis. March 2016. Retrieved from <https://www.wsp.org/sites/wsp.org/files/publications/Financial%20Requirements%20of%20Urban%20Sanitation%20in%20India.pdf>

## VI. USAID RESPONSE

### *Theory of Change*

USAID's WASH sector work is included in Development Objective 1 (DO) "Human Development of Marginalized Populations in India Improved" of its 2020-2024 Country Development Cooperation Strategy, the goal of which is "India Accelerates its Own Inclusive Development and Fosters Enhanced Regional Connectivity." Within DOI, the development hypothesis that will inform USAID's work in the WASH sector is "if the use of quality services and the practice of healthy behaviors increases (IR 1.1); the GOI has increased its effectiveness in efforts to reform health service delivery (IR 1.3), and private sector investment for improved health and education outcomes is bolstered (IR 1.4); then the human development of India's marginalized populations will be improved (DO 1)."

### *Relationship to the Journey of Self Reliance*

USAID has prioritized three Journey to Self Reliance (J2SR) Country Roadmap metrics--Government Effectiveness, Social Group Equality, and Economic Gender Gap--for investment in three sectors including Child Health which encapsulates the Mission's work in WASH.

### *Program Components*

Given India's rapid urbanization, and because several donors are already working in rural areas, USAID will focus on urban WASH through two work streams; support for the GOI to sustain ODF status and achieve ODF+ and ODF++ and support for market-based approaches to meet the gap in funding for WASH capex and opex.

USAID/India conducted an CDCS level climate risk screening which covered all planned interventions and rated the possible climate risks associated with contemplated interventions as either "moderate" to "high." In the event of a potential scale up of any of the activities either by the private sector or by the GOI, climate risks will be analyzed, and consideration will be included in the design and planning stage.

### *Development Result 1 – Strengthen Sector Governance and Financing*

USAID will support national GOI WASH missions to strengthen policy and implementation for demand-driven planning, fund flow processes and disbursements, and service level benchmarks. More specifically, USAID will support technical assistance for the adoption of new technologies and business models; community engagement tools for planning and implementation; the roll out of e-Learning and WASH curriculum to educational institutions; strengthening management information systems; facilitating ODF certification; and the implementation of annual national WASH surveys. At the state and ULB levels, USAID will support work to streamline procurement, enhance public-private partnerships, identify needs through technology-driven and consultative processes, refine WASH strategies, establish data driven criteria for the dispersal of state funds to ULBs, and develop roadmaps for convergence between WASH and public health missions. Critically important to strengthen financing and promote the sustainability of WASH sector development, USAID/India will prioritize mobilizing private sector resources and corporate social responsibility (CSR) funding, developing new financing instruments to address financial barriers, and promoting investment.

## *Development Result 2 – Increase Sustainable Access and Use of Sanitation and the Practice of Key Hygiene Behaviors*

With near ODF-free status, the primary sanitation issue has become FSSM. Addressing city wastewater has conventionally been done by building sewer systems, however, these systems are expensive and time consuming. Also, in India, 100 percent treatment of waste requires managing septage/sullage from on-site systems given that these account for a majority of household systems. Substantial private sector investment will be required with policy and regulation development to reach that goal. As mentioned above, USAID will encourage investment in WASH through credit guarantees; CSR funding; and technical support on procurement reform, licensing and regulation. USAID will also support behavior change activities focused on the sustained use of toilets, school WASH programs and FSSM.

## *Development Result 3 – Increase Sustainable Access to Safe Drinking Water*

To increase access to safe drinking water, USAID will support decentralized solutions, including PSE, community-based business models for drinking water supply, water financing reforms, urban water body conservation, technology solutions for water quality monitoring and more efficient urban water supply economics including cost recovery. USAID will also support GOI institutions with local-level capacity building, the development of a knowledge base of good practices and technologies, and competitive monitoring as an implementation accelerator.

## *Development Result 4 – Improve Management of Water Resources*

Because approximately 70 percent of India's sewage is randomly dumped, polluting much of the country's water bodies, improving sanitation will directly improve the management of water resources. Through its support for the SBM and AMRUT Missions, USAID will additionally support the National Mission for Clean Ganga, a newly rejuvenated priority for Prime Minister Modi. USAID will also support the urban iteration of the JSM under AMRUT to promote awareness on water reuse and conservation, recharging ground water reservoirs and the rejuvenation of surface water bodies at a national scale. USAID will further support in the creation of a strong knowledge base of good practices and other learnings which would enable evidence-based policy actions and sustained outcomes.

At the end of five years, USAID/India aims to achieve the following results:

- Increased sustainable access and use of sanitation and practice of key hygienic behaviors.
- Increased access to safe drinking water among the vulnerable population.
- Improved policies and institutional capacity for WASH sector governance.
- Enhanced financing leveraged and mobilized from private and public sources.
- Increasing gender equality through their roles in public or private sector institutions or organizations

## Ongoing WASH Activities

Name of Project	Start Date	End Date	Implementing Partner	Total estimated cost	Mechanisms	Geography
Level Up for Taps and Toilets in Slum Homes	1/20/15	1/19/21	CURE	4,477,969	Cooperative Agreement	Delhi, Rajasthan, Himachal, Uttarpradesh
Sustainable Small Water Enterprises for Health (SEWAH)	12/20/19	12/19/22	Safe Water Network	3,000,000	Cooperative Agreement	Pan India
Moving Towards Sanitation for All (MISAAL)	9/27/19	9/26/21	Urban Management Centre	4,224,721	FAA	Gujarat, Rajasthan, Odisha
Loan Guarantee	9/27/19	9/26/28	USDFC	1,566,000	LPG agreement	Pan India
Toilet Board Coalition (TBC)	9/13/19	12/23/23	TBC	1,000,000	Field support Cooperative agreement	Pan India
Technical Assistance to GOI for Swachh Bharat Mission	6/18/18	6/17/21	WASHi	7,100,000	FAA	Pan India

### USAID/India Budget

This plan is costed based on prior year resources still available for programming and the FY 2020 estimated allocation of \$6 million.

## V. STAKEHOLDER ENGAGEMENT

To achieve the expected results, the Mission will participate in the following WASH platforms:

- The Bill and Melinda Gates Foundation and USAID collaborate closely on urban WASH issues.
- Urban WASH Alliance :An open WASH alliance consisting of development partners (UNICEF, World Bank, GIZ, BMGF, etc.) to share technical knowledge and experience.
- Safe Water Network Alliance: USAID directly supports the Safe Water Network Alliance to provide access to safe drinking to people at the bottom of the pyramid and to create a viable marketplace for sustainable, affordable decentralized water treatment and sale.
- Toilet Board Coalition platform: USAID directly supports the Toilet Board Coalition, a business-led partnership and platform to address the sanitation crisis by accelerating sanitation economies.
- National Fecal Sludge Septage Management Alliance: The alliance currently comprises 24 organizations across the country working towards FSSM solutions.