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Ministry of Drinking Water & Sanitation**

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World Bank support to Swachh Bharat Mission (Gramin)

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has given its approval to the US \$ 1,500 million project of World Bank Support to Swachh Bharat Mission (Gramin) [(SBM(G))].

The Project basically provides for incentivising States on the basis of their performance in the existing SBM-G. Incentivisation of States was approved by the Cabinet while approving the Swachh Bharat Mission (Gramin) on 24th September, 2014. The current approval provides for the mechanism of such incentivisation through World Bank credit.

Under the approved project, the performance of the States will be gauged through certain performance indicators, called the Disbursement-Linked Indicators (DLIs). Following are three DLIs.

- i. Reduction in the prevalence of open defecation: The funds under this result area shall be released to the States on the basis of reduction in prevalence of open defecation amongst rural households in the State, compared to the previous year,
- ii. Sustaining Open Defecation Free (ODF) status in Villages: The funds under this result area, shall be released on the basis of estimated population residing in ODF villages,
- iii. Increase in percentage of rural population served by improved Solid and Liquid Waste Management (SLWM): The funds under this DL1 will be based on the population served with acceptable level of SLWM services.

The States will pass on a substantial portion (more than 95 percent) of the Performance Incentive Grant Funds received from the MOWS, to the appropriate implementing levels of districts, Blocks, GPs etc. The end-use of the incentive grants will be limited to activities pertaining to the sanitation sector.

The project will accelerate efforts to achieve sustained outcomes in sanitation by 2019. The incentive framework introduced through the project will reorient efforts of States towards the SBM(G) 'outcomes' such as reduction in open defecation, sustainable achievement of open defecation - free (ODF) villages and improvement in solid and liquid waste management (SLWM). The project will also put in place a robust and credible independent verification system for annual measurement of improvement in rural sanitation. The project will support the SBM(G) programme in achievement of its objectives of attaining open defecation- free and clean environment. Since poor sanitation is related to ill-health, malnutrition, poor education and poverty; achievement of SBM(G) objectives will have a beneficial effect on all of these. It will therefore ensure a better quality of life for the rural population.

Backgrounder:

The total World Bank credit being obtained for the Project is US \$ 1500 million (Rs. 9000 crore @ US \$ 1=Rs. 60), of which US \$ 1475 million (Rs 8850 crore) is for providing incentive grant to the States and US\$ 25 million (Rs 150 crore) is for providing programme management and capacity support to Ministry of Drinking Water and Sanitation (MDWS). The proposed Project is, therefore, not a new scheme, but part of the existing SBM (G) and provides part-funding to SBM (G) as Externally Aided Project (EAP) credit to support incentivisation of States. In other words, a Performance- based Incentive Grant Scheme, as part of SBM (G), is proposed to be launched through World Bank support credit funds.

The project comes in the background of acceleration of efforts under Swachh Bharat Mission (Gramin) which has a goal to accelerate efforts to achieve universal sanitation coverage, improve cleanliness and eliminate open defecation in rural India by 2019. The program is considered India's biggest drive to improve sanitation and cleanliness in the country. Under the new SBM (G), the focus is on behaviour change and creation of complete open defecation free (ODF) villages. The objective of the proposed programme is to reduce open defecation in rural areas and strengthen the capacity of Ministry of Drinking Water and Sanitation to manage the SBM(G) programme. The project will therefore, support the SBM(G) programme in achievement of its objectives of attaining an open defecation free and clean environment.

VBA/SH