

Evaluating India's Water Policy 2012

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THE NATIONAL WATER POLICY: A GLANCE

The National Water Policy (NWP 2012) proposed a common integrated perspective to govern the planning and management of water resources.

The NWP makes recommendations on several major issues including:

- Adapting to climate change
- Enhancing water availability
- Water demand management through efficient water use practices
- Water pricing
- Conservation of river corridors, water bodies, and infrastructure
- Project planning and implementation
- Management of floods and droughts
- Water supply and sanitation
- Institutional arrangements
- Trans-boundary rivers
- Database and information system
- Research and training needs
- Preparation of a plan of action by the National Water Board based on the National Water Policy

Was NWP 2012 a success ?

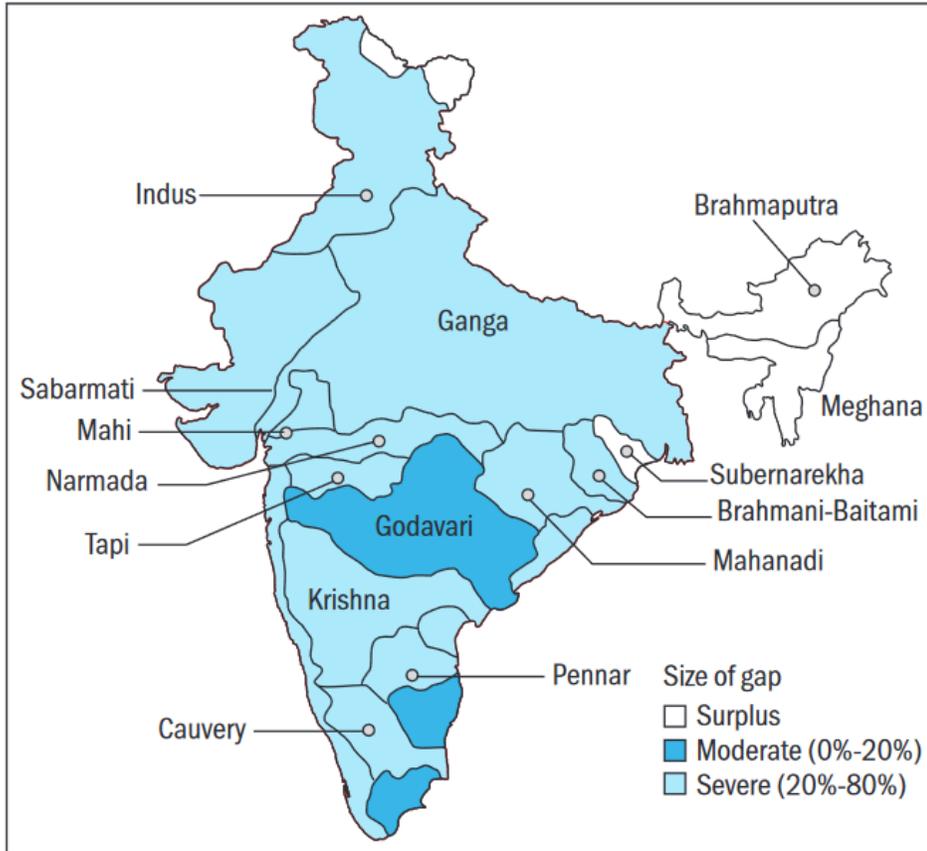


Figure 2: India's Water Supply and Demand Gap

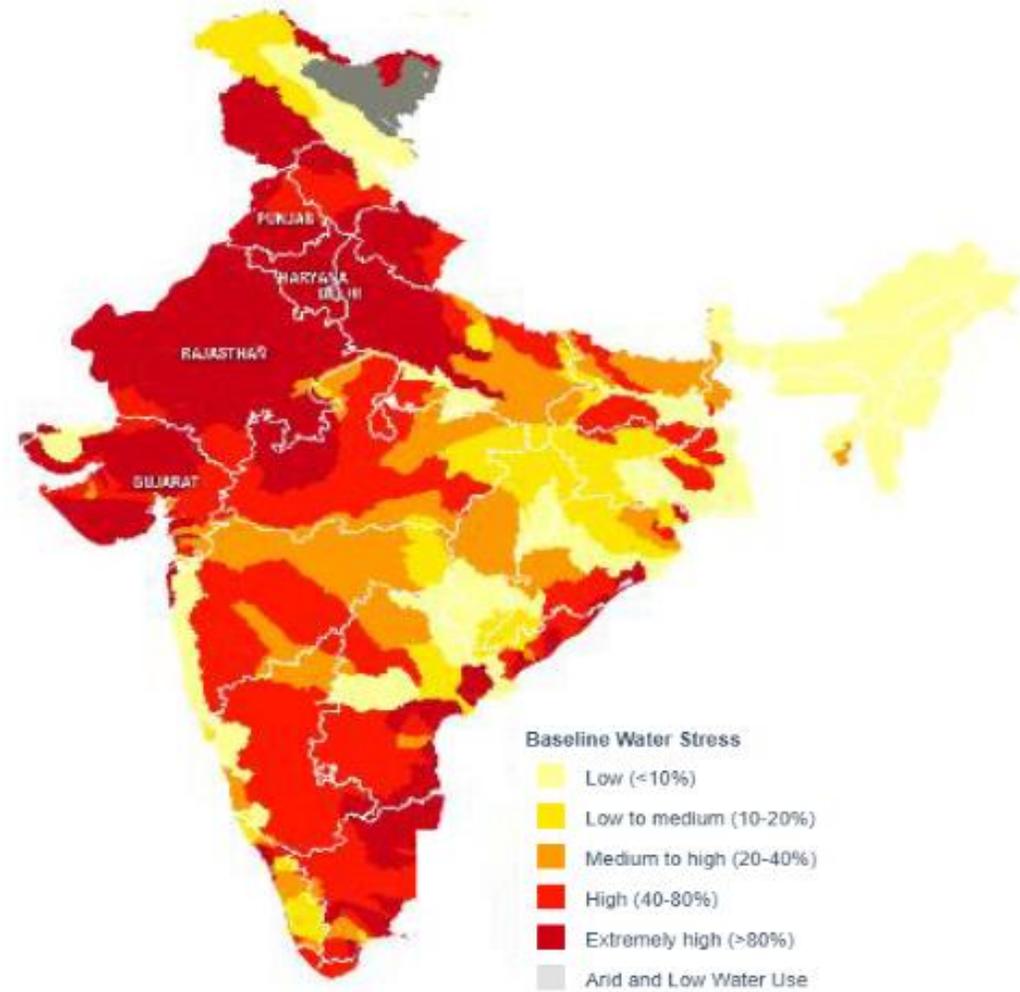
Source: UNICEF, FAO, and SaciWATERs. 2013. *Water in India: Situation and Prospects*

India is undergoing the worst water crisis in its history.

Already, more than 600 million people are facing acute water shortages. Critical groundwater resources –which account for 40% of our water supply –are being depleted at unsustainable rates.

Droughts are becoming more frequent, creating severe problems for India's rain-dependent farmers (~53% of agriculture in India is rainfed). When water is available, it is likely to be contaminated (up to 70% of our water supply), resulting in nearly 200,000 deaths each year. Interstate disagreements are on the rise, with seven major disputes currently raging, pointing to the fact that limited frameworks and institutions are in place for national water governance¹⁹.

Figure 6: Baseline water stress in India^{14,15,16}
Ratio of total withdrawals and total flow (2010)



Facts: Water supply is limited, quality is poor



600 million people face high-to-extreme water stress.

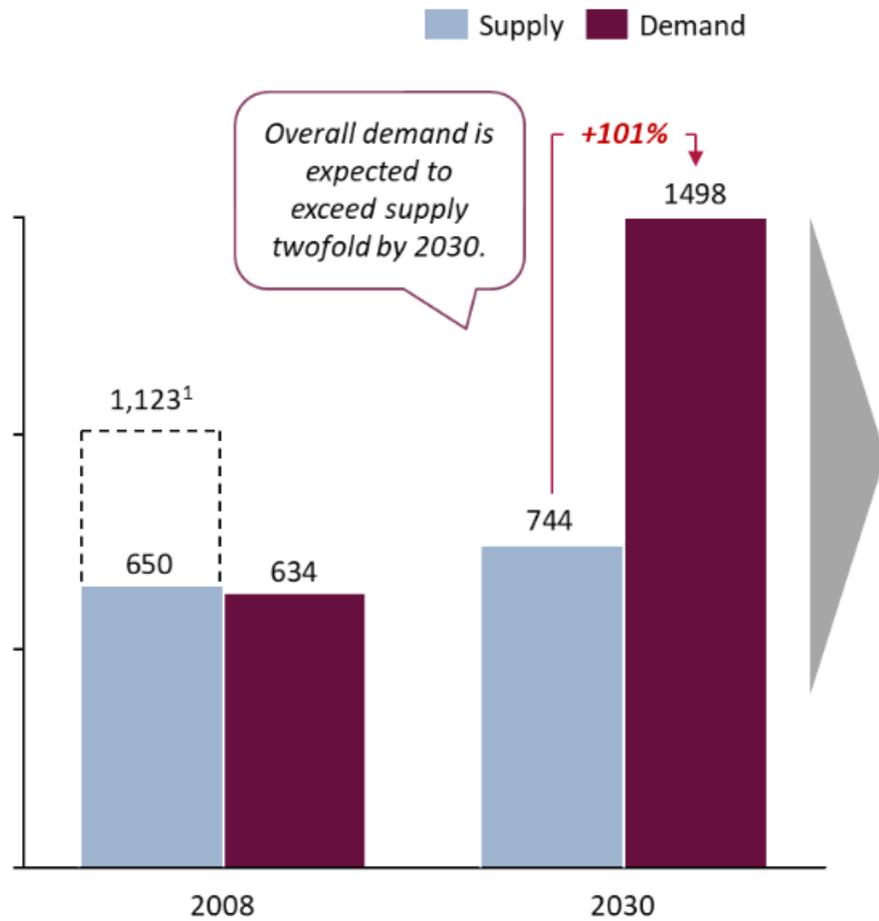


75% of households do not have drinking water on premise. **84%** rural households do not have piped water access.



70% of our water is contaminated; India is currently ranked 120 among 122 countries in the water quality index.

Figure 7: Demand and supply of water in India (forecast)^{20,21}
In BCM (2008, 2030)



Facts: Scarcity is on the horizon



40% of the population will have no access to drinking water by 2030.



21 cities, including New Delhi, Bengaluru, Chennai, and Hyderabad, will run out of groundwater by 2020, affecting **100 million** people.



6% of GDP will be lost by 2050 due to water crisis (under business-as-usual).

Notes: 1. Water supply for 2008 is Narsimhan's estimate of 650, while the planning commission estimate is 1,123, as represented by the dashed portion of the graph 2. Demand for 2008 is based on the planning commission's estimates 3. Supply and demand for 2030 are projections by McKinsey and Water Resources Group (WRG)

Source: Dalberg analysis; CWC Water & Related Statistics 2013; FAO & UNICEF, Water in India, 2013; McKinsey & WRG, 'Charting our water future', 2009; World Bank; Times of India

A unified **Ministry of Jal Shakti** was launched in May, 2019 as an immediate response to the escalating water crisis in India.

The Department of Water Resources, under the Ministry of Jal Shakti, has constituted a drafting committee on 5 November 2019 to revise the existing National Water Policy (NWP). Dr. Mihir Shah, a renowned water expert and a former member of the Planning Commission is chairing the committee. The committee has 10 principal members and it is expected that the committee produces a report within six months of its formation.

40% of Indians will have no access to drinking water by 2030: NITI Aayog

India holds about 4% of global freshwater and 16% of its population

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STAKEHOLDER INVOLVEMENT IN WATER MANAGEMENT

According to estimates, **more than 85% of water utilities** around the world are in government hands and are often run inefficiently.

The NWP 2012 recognizes that water projects involving multiple stakeholders are planned and implemented in a fragmented manner, and that there is need for integration.

But the approach to water development is still sectoral and segmented, and does not encourage coordination amongst various line agencies and stakeholders: Irrigation projects are planned independently of water supply schemes, Groundwater and surface water projects, planned separately, Watershed development projects do not consider catchment hydrology and the committed downstream flows

No agency for regulating water development and allocation at the basin level. **RBOs**, work under the Ministry of Water Resources. They are only concerned with hydrological monitoring and basin-wide water resource evaluation; **have no statutory powers**.

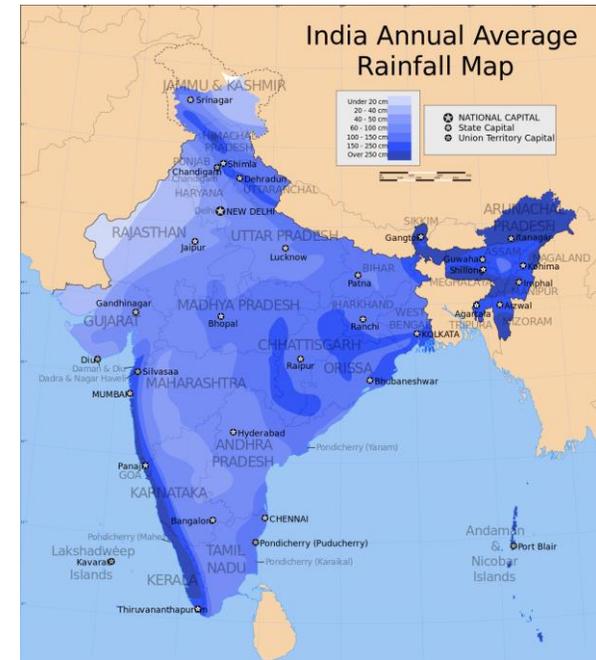
POLICIES FOR CHECKING OVER-EXPLOITATION

“Declining groundwater levels in over-exploited areas need to be checked by undertaking artificial recharge measures”

But the regions which are experiencing problems of depletion do not have surplus runoff from rainfall. Most of the basins in these regions are “closed”. Therefore, there will be no gain at the basin level

What is not recognized in the policy is the fact that the demand for water is extremely low in regions of high-water endowment & vice versa.

The water-rich regions are extremely poor in arable land and Land rich regions have very limited water resources and almost fully exploited



The strategy should be investment in water transfers from abundant regions, which can provide gravity irrigation, while augmenting groundwater recharge in water scarce regions

WATER ALLOCATION AND PRICING

No formal 'rules' exist for allocation of surface water for competing uses from river basins, though drinking water gets priority in water allocation when water is scarce. There is “ad hocism” in allocation decisions, which does not take into account the demands and available supplies and regular water audits

For groundwater, though normative rules exist, no mechanism exists for enforcing these rules, as use of groundwater is mostly in the private domain, with many millions of users

NWP 2012 recognizes that economic principles need to guide pricing of water. But, mere use of economic principles does not address the issue of water allocation across different sectors, and this would lead to compromising on several of the water management goals.

The use of economic principles suggests that net marginal returns from the use of water should be a basis for its price, when water is used for “production” purposes. Following this criterion without rules and mechanisms for water allocation can lead to industries taking away all the water, in water scarce regions.

FRAMEWORK LAW ON GROUNDWATER

The NWP talks of the National Government's intent to declare groundwater as a public good through enactment of a 'framework law'.

Further, it goes on to say that groundwater, needs to be managed as a community resource, held by the state under the "*Public Trusts Doctrine*" to achieve the goals of food security, livelihood and sustainable development for all. But, it is silent on what provisions of the law can be used by the communities to manage groundwater sustainably.

There are around 25 M direct users of groundwater in India. There is no fee for groundwater withdrawal furthermore, there are no direct or indirect regulations on groundwater use. Declaring an 'open access resource' as public good through the enactment of a law won't change anything, except giving rise to an accentuated demand and conflicts. The real crisis is the absence of groundwater management institutions in the public domain.



One proposal is to vest the Gram Panchayats with the powers to regulate groundwater. But, the Panchayats have neither the financial, technical and managerial resources, nor the institutional capacity.

The institutional capacity will only come from powers to enforce "*ownership rights*" amongst all potential users. A separate law would be required to define and enforce water rights

THE BIGGER PICTURE

Table 5. Descriptive statistics for water administration.

Survey 2017–2018	Mean	St.Dev	Min	Max
Functional capacity balance	40.5	24.32	0.0	63.0
Independent water pricing body	43.0	17.58	22.0	64.7
Accountability and regulatory mechanisms	63.8	9.16	51.0	73.9
Validity of water data	64.2	10.62	47.0	77.8
Science and technology application	60.4	10.31	46.7	72.7
Survey 2014–2015				
Functional capacity balance	10.2	6.64	0.0	22.0
Independent water pricing body	12.1	11.56	0.0	24.0
Accountability and regulatory mechanisms	54.3	3.50	47.5	59.7
Validity of water data	55.4	3.59	50.0	58.8
Science and technology application	50.5	1.71	49.0	54.4

From “*Water Governance in India: Evidence on Water Law, Policy, and Administration from Eight Indian States*”:
a study by Masood Ahmed and Eduardo Araral, Lee Kuan Yew School of Public Policy, NUS Singapore.