UNDERSTANDING THE IMPACT OF FREE WATER POLICY IN DELHI

July 2020

Center for Water and Sanitation (CWAS), CRDF, CEPT University Devas Pathak Guided by :- Aditi Dwivedi, Upasana Yadav

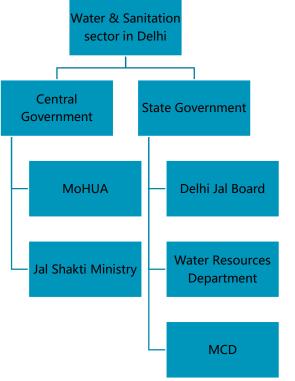






Context of Delhi

The City State of Delhi is located on the banks of Yamuna. Delhi is a unique city as there are many levels of jurisdiction. Right from the Central government, State NCT government, DDA to Municipal corporations different authorities govern Delhi.





17.7 %

day

937 MGD per



For the Water and Sanitation sector the responsibilities are with a parastatal agency called Delhi Jal Board.

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Free Water Policy

20000 litres

DJB will provide 20kl water/household/month

667 litres Free water/household/day

>20000 litres Full tariffs to paid as per given slot

No 10% hike DJB act amended to abolish an annual hike in tariffs

Mandatory Water Meter DJB will only give free water if meters are working

No Sewer Charge

DJB won't charge the sewer charge if the usage is below 20kl

No C1-A category Commercial shops less than 100sq.ft. & not using water for commercial purpose will be exempted

Background

In 2013 AAP published a white paper announcing this policy and included it in their manifesto.

- To provide Water as a Right.
- To provide Free Lifeline water i.e. 20KL necessary for dignified living according to WHO. Provide Universal access of water to all citizens without any bias and providing water free so it can be availed by all.
- Increasing population and decreasing groundwater levels meant that people in Delhi did not get sufficient water.
- Due to corruption and mismanagement there were huge losses of water and money and this policy aims to reduce that.

Source: Aam Aadmi Party. (2015, January 27). https://aamaadmiparty.org/delhi-government-2/highlights-of-works/. Retrieved June 12, 2020, from www.aamaadmiparty.org: https://aamaadmiparty.org/

Need For Study

Provide basic water services to all citizens at no cost Disparity in water supply in different areas

Insufficient and inconsistent water supply across Delhi

Reduce reliance on Groundwater extraction

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Reduce Water thefts and reliance on water tankers Encourage water metering for further efficiency and transparency

Source: Aam Aadmi Party. (2015, January 27). https://aamaadmiparty.org/delhi-government-2/highlights-of-works/. Retrieved June 12, 2020, from www.aamaadmiparty.org: https://aamaadmiparty.org/

Business Standard. (2018, June 13). *Business Standard*. Retrieved May 31, 2020, from www.business-standard.com: <u>https://www.business-standard.com/article/news-ani/delhi-water-is-full-of-arsenic-fluoride-report-118061301053_1.html</u>

SITY Basu, S. (2015, September 17). DownToEarth. Retrieved May 31, 2020, from www.downtoearth.org.in: https://www.downtoearth.org.in/news/why-700-litres-free-

Research Outline

AIM This research intends to study and understand the impact of the Free water policy in Delhi **OBJECTIVES** The objectives of this research work are divided into three parts

SLBs

To study the impact on :

- Water supply & coverage
- Conveyance & Efficiency
- Extent of metering

- Extent of NRW
- Quality

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METHODOLOGY

The methodology of this research work are divided into two parts

RESEARCH QUESTIONS

As this is a research work, the topic will be studied and analysed through a set of defined questions covering various aspects of the research area.

FINANCE

To study the impact on :

- Revenue generation
- Capital costs
- Debts & Deficit
- Funds & Grants
- Financial viability

SOURCE

To study the impact on :

- Demand & Supply
- Changes in usage
- Source sustainability
- Water procurement
- Inter-state conflicts

DOCUMENTS

For this research work the documents to be referred are Govt. websites, press articles, govt. reports, DJB & Delhi Govt. budgets.

Case Study – South Africa Percentage of Population with Free

Free Basic Water Policy

25 litres

Free water/person/day 6000 litres

Free water/household/month

10 litres/minute

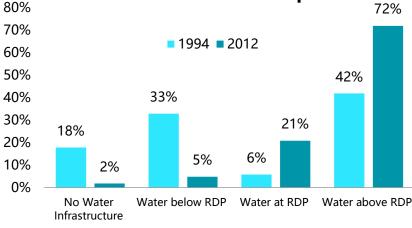
Minimum flow rate to be maintained

200 meters

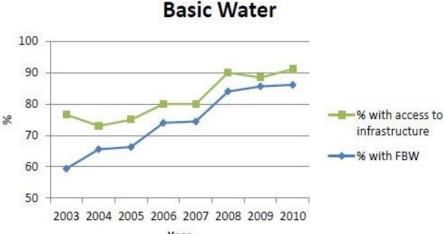
Maximum distance of source from a household 7 days

In a year permitted without supply

Water Infrastructure Comparison



 As a result of water act 1997 and FBW 2001. upliftment of the vulnerable population is seen and basic water infrastructure was made available to all.



Year

- The gap between Infrastructure access and
- FBW in 2010 has been reduced to just 5%.
- As of 2012, the Free Basic Water has reached 86% of Households in South Africa

75% population was served FBW (69% population was poor)

Total 169 municipalities in SA (164 provide FBW)

7 million people had no access to FBW (4.7 Million people (2.2 Million people did not avail the lived in areas without scheme or the local any infrastructure) body did not provide the scheme)

Policy Impact

Impact of free basic water scheme was studied for the municipalities of **Rustenburg**, eThekwini and Polokwane. Some of the Pros and cons are enlisted here.



- Increase in basic services.
- Water metering has increased at household and community level.
- The average household consumption has decreased at certain places.



- Desired water gty is not sufficient.
- Not all households situated in the outskirts are included.
- Steep second block tariffs.
- High amount of arrears.
- Many municipalities are dependent on government funds to operate.

Source: Muller, Mike. "Free basic water - a sustainable instrument for a sustainable future in South africa." Environment and Urbanization 20(1): 67-87 (2008): 23. July 2020. http://eau.sagepub.com/content/20/1/67

Farrar, Lauren. *The Free Basic Water Policy of South Africa - An Evaluation of its Implementation*. Masters Thesis. University of Cape Town. Cape Town. 2014. Document. Paulina Calfucoy, Jeramia Cibulka, Joseph Davison, Thomas Hinds, Minhye Park. *Improving Free Basic Water Provision in South Africa*. Workshop in International Public Affairs. University of Wisconsin-Madison. Madison: Robert M. La Follette School of Public Affairs, 2009. 06 July 2020. Galvin, Mary. "Leaving Boxes Behind: Civil Society and water and sanitation struggles in." (n.d.): 20. 06 July 2020.

Comparison

South Africa

Quantifytofotverter

Table litite rontway werspeen Tariofn structal hest ode to revealle ritic as Solution Arterieco f thoest.are :-

Rising Block Tariff with Zero first block

 Rising Block Tariff with Zero first block but if water is used The best the set invientative are a segments of the matter quartities the severation of the program as.

Indigent Policy with targeted approach Areas

The jurisdiction of municipalities of South Africa consists of rural villages and for with the with the second of the subsidy of free water. Provision of Services

 The Central Government also provides a large fund Wateruitasuppingle from the maniers of services to thenebber

In the rural areas the water is supplied by Standposts or in some areas it is supplied by drums. Various municipalities according to the availability of their

resources have increased the guantity from 6000 to 9000 and 12000 litres.

Metering, is provided at homes, on community taps and standposts.

Delhi

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free of cost. Rising Block Tariff with Zero first block but if water is used above the set quantity then payment of total water quantity used is to be don**emplementing Agency**

Delhi Jal Board which is a parastatal agency, is responsible for the implementation of the cheme.

Areas

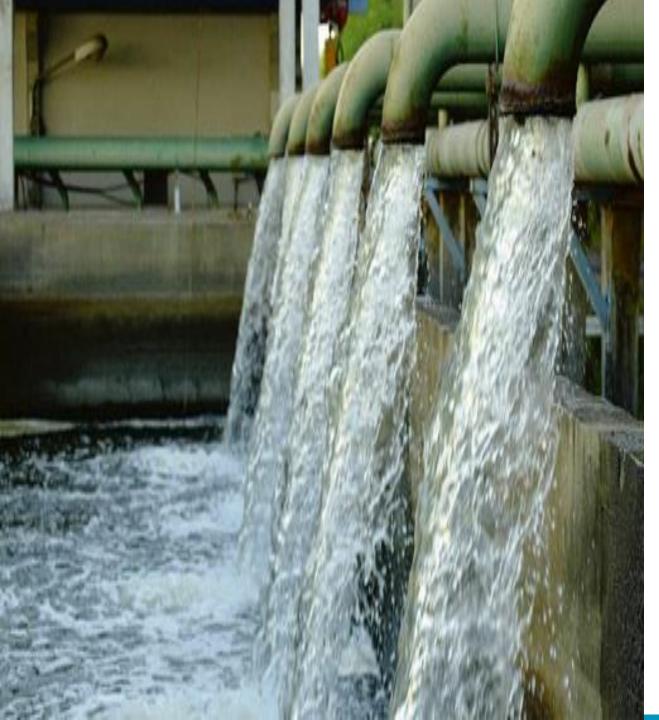
The jurisdiction of DJB consists of National Capital Territory of Delhewriter users pay more and that extra income is used for the subsidy of free water.

The State Government transfers the fund which is utilized to Water is supplied by flipelines the fund which is utilized to water is supplied by flipelines the pughe out the city.

Revisions

No change in the quantity has been made but there was a revision in the tariff blocks Metering

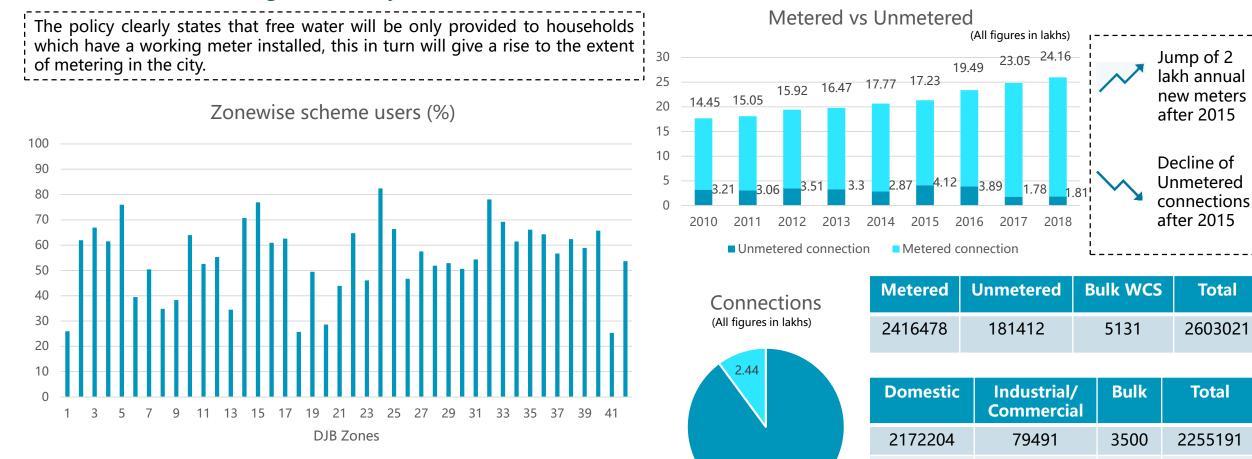
As the water is supplied only through pipelines the metering is compulsory at every household



Effect on Service Levels

- 1. The policy offered free water only to those who had a metered connection. What effect did this have on the extent of metering in the city?
- 2. What effect was observed on NRW?
- 3. Free water will be given only via pipeline which does not cover 100% HHs. What will happen to the rest of the population and how will they get lifeline water free?
- 4. The policy gave free water up to 20000 litres and if the quantity exceeds then the tariffs will be charged for the full usage. Did it impact the usage and what change was observed?

Increase in Extent of Metering The policy offered free water only to those who had a metered connection. What effect did this have on the extent of metering in the city?



 According to a report by the Yamuna Monitoring Committee the Free water is availed by on an average 57.1% of the residents, which is directly proportional to the Active Metered connections.

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Active Non Active

96.3%

From the Sanctioned 24 lakh meters only 21.72 lakh domestic meters are active and billed.

0.1%

3.6%

Source: Delhi Jal Board. (2018, March 15). Delhi Jal Board (Government of NCT of Delhi). (D. J. Board, Editor) Retrieved May 29, 2020, from www.delhijalboard.nic.in: http://delhijalboard.nic.in/content/about-us-3

Total

2603021

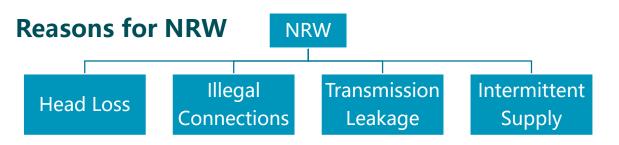
Total

2255191

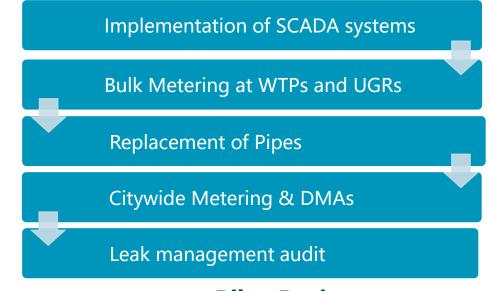
100%

What effect was observed on NRW? Decrease in NRW observed Measures adopted by DJB

NRW – **The Non Revenue Water** is the water supplied but not accounted and doesn't reach the consumers and gets lost during transmission.



Delhi used to have a high rate of NRW losses at **50-60%** which has reduced to **38-47%**. According to a Delhi Government survey, of the **900MGD water produced about 500MGD is not accounted.**



Pilot Project

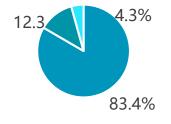
DJB in partnership with the JICA has done pilot projects in 3 areas to reduce NRW by establishing DMAs. 900MGD 600MGD 400MGD DMA consists of Nangloi 2000 1500 Malviya connections Nagar 79% 96 completed Total 1010 to be 67% 62% Vasant established Vihar 36% 朝 哥 24% 8% 2015 2015 σ 2019 2015 IO σ At WTP At primary 201 201 At secondary Household **UGR** outlet outlet UGR outlet *of Delhi).* (D. J. Board, Editor) Retrieve 29, 2020, from www.delhijalboard.nic.in: http://delhijalboard.nic.in/content/about-us-3 CEPT UNIVERSITY CRDF CONTRACT 10

Equitable or Not ? Free water will be given only via pipeline which does not cover 100% HHs. What will happen to the rest of the population and how will they get lifeline water free?

has

from

has



- HH with Pipeline
- Handpump/Tubewell
- Water Tanker

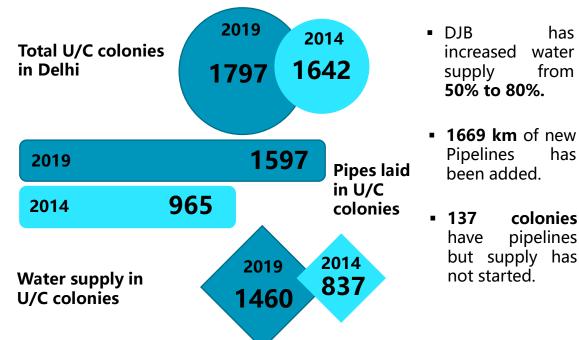
Unauthorized Colonies

16.6%

As the Free water will only be given to

households having active meter in their pipeline connection the rest of the 16.6% households will not be included in the free

water scheme. Unauthorised colonies and Jhuggi Jhopris comprise of the remaining



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Deprived sections problems

The Unauthorised colonies and Jhuggi Jhopris where the water supply is not by regular pipelines face a lot of problems for procuring water.





Economic Burden



Illegal Borewells



Waiting in lines

Tanker Mafia



Illegal connections

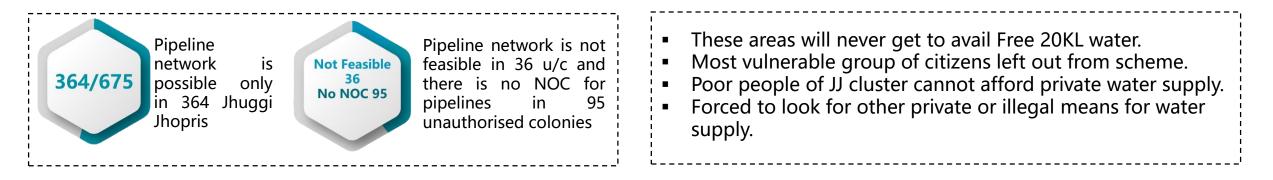


Water Quarrel

Source: Source: Aam Aadmi Party. (2015, January 27). https://aamaadmiparty.org/delhi-government-2/highlights-of-works/. Retrieved June 12, 2020, from www.aamaadmiparty.org: https://aamaadmiparty.org/

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Equitable or Not ? Free water will be given only via pipeline which does not cover 100% HHs. What will happen to the rest of the population and how will they get lifeline water free?



The areas without pipeline supply rely on the following sources for fulfilling their daily needs

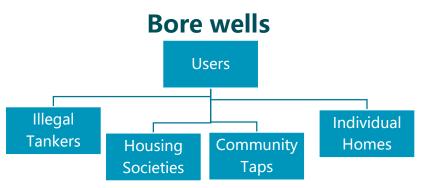
Water ATMs

- To compensate the lack of water supply the DJB has established Water ATMs with private help.
- These ATMs are provided generally in JJ cluster.
- These ATMs provide clean pure drinking water at very low prices from 30 paisa to 5 Rs.
- There are various types of ATMs in Delhi :-

Pi- lo ATM Metro Stations 56 ATMs Rs Rs2/250ml and 5/litre	Sarvajal ATM At JJ & U/C 50 ATMs Rs 0.30/litre	Jana Jal ATM New Delhi 28 ATMs Rs 5/litre
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There are more than 18349 delivery points in Summer season.



- There are 19661 illegal bore wells in Delhi.
- Recently DJB has sealed 7248 illegal bore wells in a drive.
- CPCB has introduced several fines for illegal groundwater use.

Rs 10000 for Domestic households

Rs 50000 for Commercial complex, institutions Rs 100000 for Industries

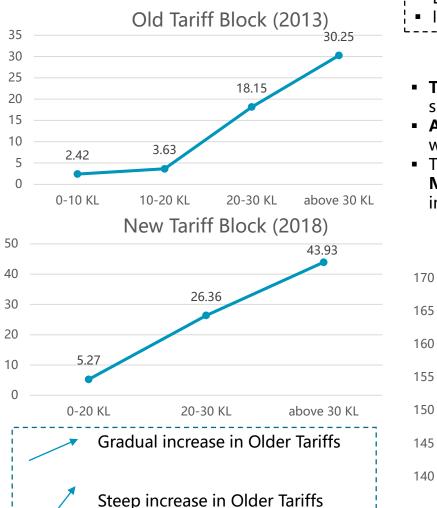
Source: Source: Aam Aadmi Party. (2015, January 27). https://aamaadmiparty.org/delhi-government-2/highlights-of-works/. Retrieved June 12, 2020, from www.aamaadmiparty.org: https://aamaadmiparty.org/

Pelhi Jal Board. (2018, March 15) Pelhi Jal Board (Gevernment of NCT of Delhi). (D. J. Board, Editor) Retrieved May 29, 2020, from www.delhijalboard.nic.in: http://delhijalboard.nic.in/content/about-us-3 JNIVERSITI

New Tariffs reduces Consumption

The policy gave free water up to 20000 litres and if the quantity exceeds then the tariffs will be charged for the full usage. Did it impact the usage and what change was observed?

Trends of Tariff Blocks



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• DJB uses a bimonthly system of billing. They use **Rising Block Tariffs with zero first block**.

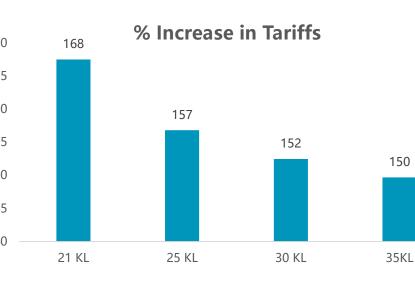
60

40

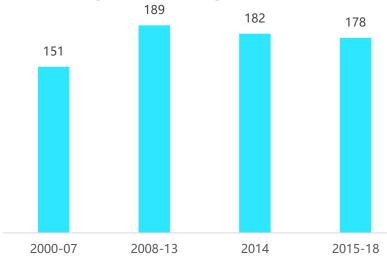
20

0

- If the usage **exceeds 20KL** than the payment for the full usage is to be done.
- The 21KL has a sharp rise of 168% which ²⁰⁰ subsequently reduces.
- As most people will be in (20-30 KL) block they 160 will be at a disadvantage.
- The tariffs are against the rule "Use more Pay More" as above 30 KL block has the lowest increase in tariffs.



Per Capita Consumption (LPD)



- There was **unchecked increase till 2008-13** as Consumption rose to **189 LPD**.
- After 2014, with the implementation of the 20 KL scheme the Consumption has stabilised and even has started to decrease marginally.

Source: The Times of India. (2019, August 28). The Times of India. Retrieved May 29, 2020, from www.timesofindia.indiatimes.com: https://timesofindia.indiatimes.com/city/delhi/aap-govts-free-water-scheme-being-misused-by-severalhousing-societies-ngt-panel/articleshow/70877231.cms

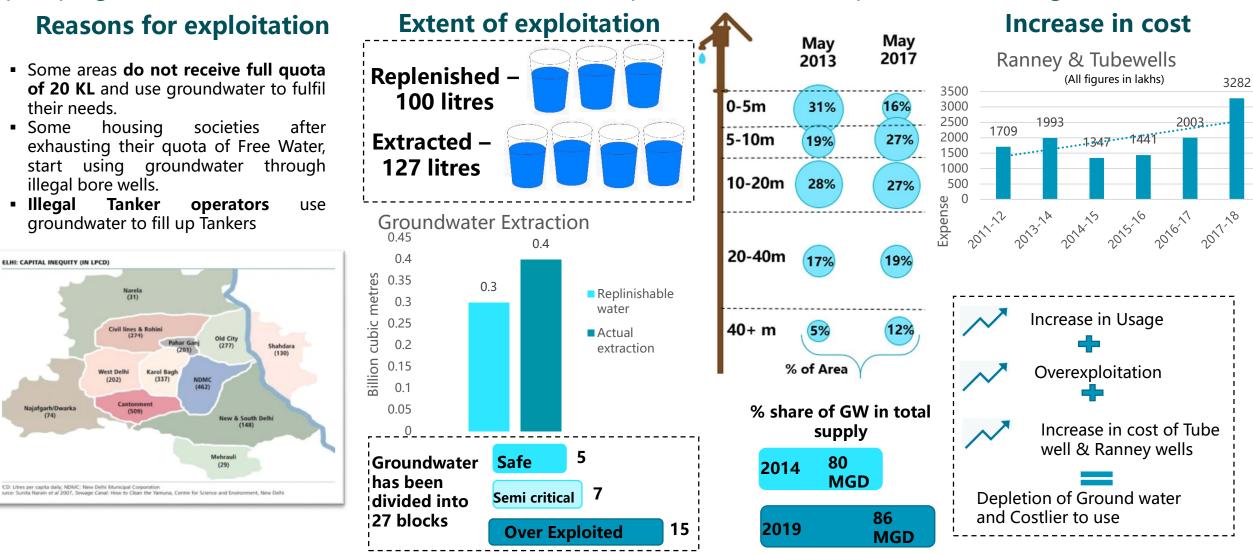


Source Sustainability

- 1. A few reports claim that residents are using up to 20KL and covering up the rest of their need by pumping extra water from bore wells. What are the impacts on the overexploitation of the groundwater?
- 2. With the increasing population, there is a constant increase in demand for water. In such circumstances how will the government assure the free water in future ?
- 3. As Delhi is a water-scarce area, what is the effect on water sharing agreements and Conflicts with neighbouring states?

Depletion of Groundwater

A few reports claim that residents are using up to 20KL and covering up the rest of their need by pumping extra water from bore wells. What are the impacts on the overexploitation of the groundwater?

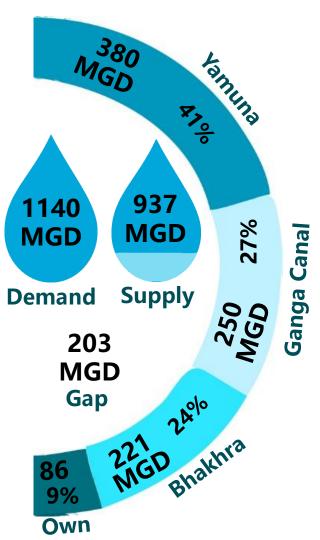


Source: Narayanmoorthy, A. (2014, January 1). Business Line. Retrieved May 31, 2020, from www.thehindubusinessline.com: https://www.thehindubusinessline.com/opinion/Is-free-water-supply-bad-economics/article20707179.ece

Business Standard. (2018, June 13). Business Standard. Retrieved May 31, 2020, from www.business-standard.com/article/news-ani/delhi-water-is-full-of-arsenic-fluoride-report-118061301053_1.html

Impact of Increasing Demand

With the increasing population, there is a constant increase in demand for water. In such circumstances how will the government assure the free water in future?



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2021 Demand projection will rise to 1380 MGD.

Plugging the Gap

2 new WTP to be set up. 50 MGD at Dwarka and 150 MGD at Chandrawal.

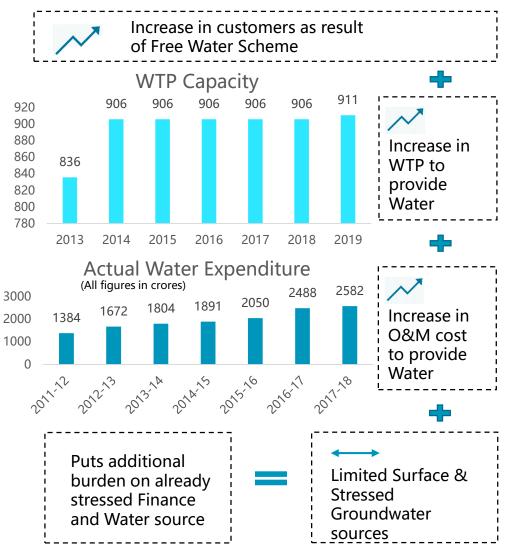
1000 acre Underground reservoir to be constructed at Palla (Delhi-Haryana border) to store Yamuna Monsoon water.
70 Ranney wells to be installed to extract 10MGD.

Revival of **200 water bodies** to restore **groundwater levels** across the city.

Concrete lining in Ganga canal will reduce losses and save an additional **150 MGD**.

Based on **NeWater Singapore**, **70 MGD** treated wastewater to be mixed with river water for an **11 km** stretch to cleanse it naturally and increase the water quantity.

Increase extent of Rain water harvesting.

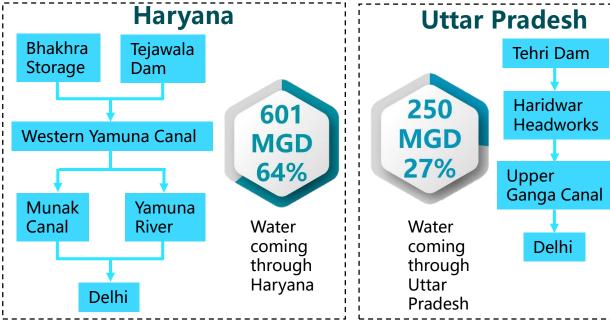


Source: Aam Aadmi Party. (2015, January 27). https://aamaadmiparty.org/delhi-government-2/highlights-of-works/. Retrieved June 12, 2020, from www.aamaadmiparty.org: https://aamaadmiparty.org/

shi, M. (2018, April 9). The Indian Express. Retrieved from www.inndianexpress.com: https://indianexpress.com/article/cities/delhi/hardlook-delhi-water-crisis-yamuna-haryana-supreme-court-delhi-jal-board-5129332/

Impact of Water sharing between States

As Delhi is a water-scarce area, what will be the policy's impact on the existing sources? What is the effect on water sharing agreements with neighbouring states? Water Dispute with Haryana



Haryana Riots 2016 – A Warning



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Jat community protests for reservation turned violent.

- Protestors damaged a part of the Munak canal.
- Supply to Delhi was disturbed and there was water scarcity for a few days.
- Just 240MGD was produced instead of an installed capacity of 820MGD.

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	ADVERTISEMENT
	cs of Yamuna water, Haryana tells Delhi high court

THE TIMES OF INDIA

Haryana threatens to stop water supply to Delhi

ood up against the interests of people of Harvana. Please construct a separate canal for Delhi from Nancal dam (Puniab) and

pital. Going into the background of the water sharing. Dhankar said Harvana was allotted 3.5 MA (million acre feet) water and Delhi 0.2 MAE from Nangal dam. Harvana brings Delhi's share of 0.2 MAE through Bhakra Main

Because of the burden (of) Delhi, Haryana is not able to receive its 498 cusecs of water. Apar 30 cuseos of water of Yamuna canal to Delhi through Western Yamuna canal," said Dhani

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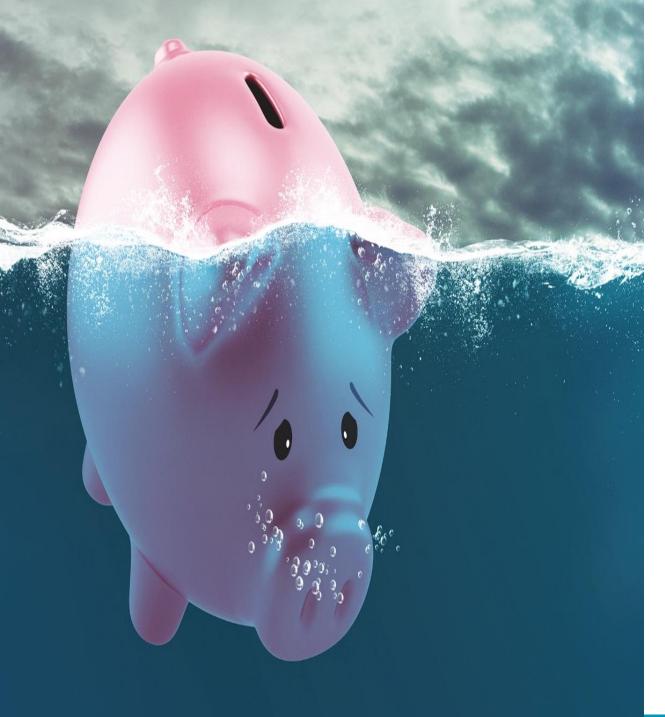
Uttar Pradesh threatens to stop water supply to Delhi ar Pradesh has threatened the Aam Aadmi Party (AAP) government in Delhi with stopping drinking water supply if it did not eek the flow of water from 16 drains into the Yamuna VDIA Updated: Feb 09, 2014 22:32 IST

Haryana claims that Delhi is wasting 300 cusecs of water in leakage and pilferage . Instead of asking more water it should plug the leakages first.

Delhi claims that Haryana is not honoring the **1981 agreement** and is providing only 330 cusecs against the agreed amount of 498 cusecs per day

Impact

- As 64% water comes through Munak Canal, it is the most important source for Delhi.
- The 2016 riots serve as a warning that if the source is compromised then Delhi will be left with acute shortage of water.
- Also disputes are there on this main source.
- So the provision of Free Water scheme may be risky and not feasible if the status quo of Munak canal changes.

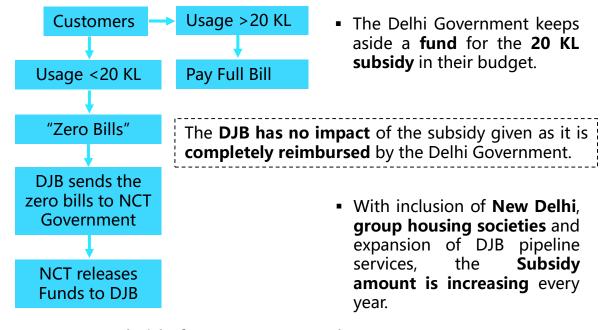


Finance

- 1. What other impacts were seen on the revenue generated by DJB? Will it gain profit or incur a loss? If it will incur loss then how will the DJB fill the gap?
- 2. The Delhi govt announced an arrear waiver scheme in 2018. What were the reasons, benefits and losses due to this?

Funding Free Water and Legacy Loans

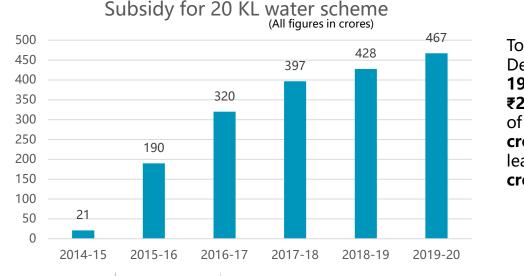
DJB Fund Arrangement



					-		() in figur			
Financial Health										
Sr. No.	Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18		
1	Total Income	191,196	215,528	200,447	196,119	239,216	243,894	250,240		
2	Actual Expenditure	138,364	167,211	180,411	189,121	204,978	248,775	258,207		
3	Interest on Loan	221,052	234,422	246,874	285,844	297,372	305,941	312,091		
4	Depreciation	22,373	22,473	22,473	46,463	46,463	49,643	24,861		
5	Total Expenditure	381,788	424,106	463,394	523,404	582,235	652,851	604,615		
6	Gross Deficit (1-5)	-190,592	-208,578	-262,947	-327,285	-343,020	-408,956	-354,375		
7	Interest on Loan due but not paid	221,013	221,868	246,840	285,844	297,372	305,940	312,091		
8	Depreciation	22,373	22,473	22,473	46,463	46,463	49,643	24,861		
9	Net Surplus/Deficit (7+8+9)	52,794	35,763	6,365	5,022	815	-53,373	-17,423		

Impact of Legacy Loans

The Budget final tables shows **DJB is in deficit**. This is due to the **large interest amassed** on Loans taken by the DJB during its formation year.



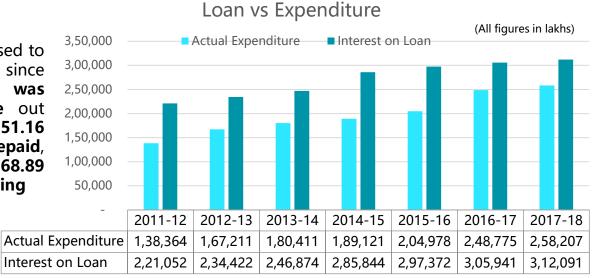
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CRDF CONTRACT

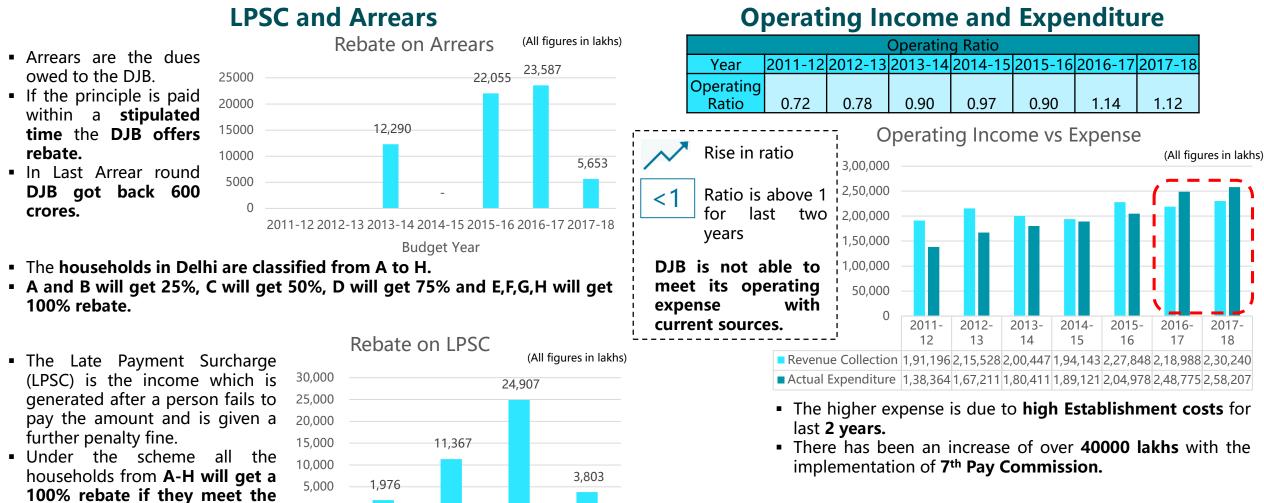
CWAS FOR WATER AND

Total loans disbursed to
Delhi Jal Board since3,41998-99was₹26,620.04crore out
of which only ₹351.16
crore was repaid,
leaving ₹26,268.891,41,9₹26,268.89
crore as outstanding1,4



(All figures in lakhs)

Not able to meet OpEx



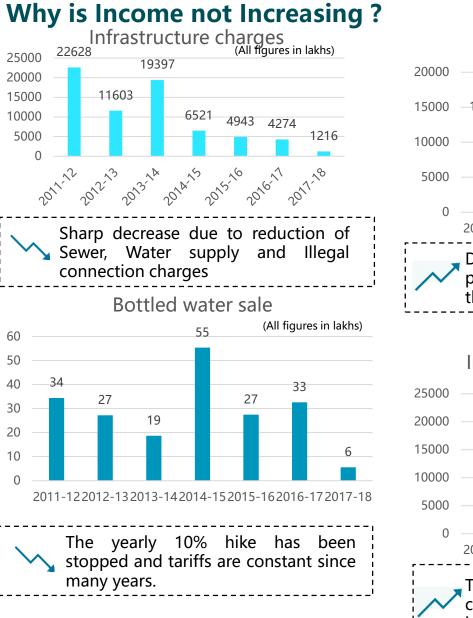
- 2014-15 2015-16 2016-17 2017-18
- The Rebate on Arrears and LPSC helps in clearing some backlog as people are encouraged to pay tariffs .

required criteria.

• These arrears and LPSC in turn also cause stress to the total income generated by the DJB.

- There is deficit even after excluding Loans, Depreciation, LPSC and arrears.
- Govt. is giving assistance to DJB to cover this OpEx
- Dues are settled and not carried forward to next year.

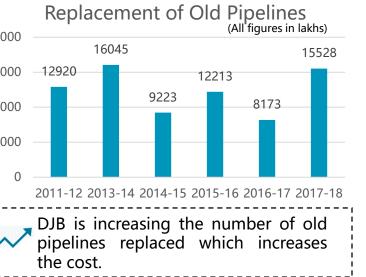
Reasons for Gap in OpEx



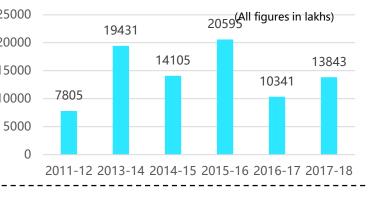
CWAS FOR WATER AND

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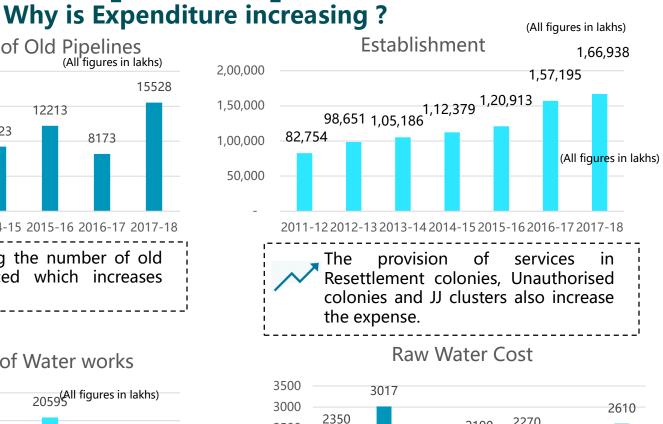
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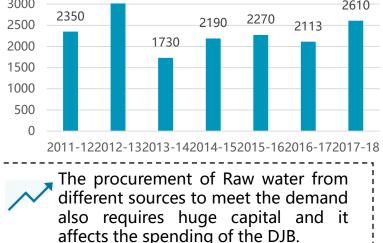


Improvement of Water works



To fulfil the water demand the capacity of waterworks are being increased which increases the cost.





2

Conclusions

Impact on SLBs



Noticeable increase in extent of metering and NRW is also decreasing significantly despite increasing coverage and customers

Large amount of customers able to benefit from "Zero bills" (57%) however equity emerging as an issue due to infrastructure issues in certain areas. Those that need this policy the most cannot avail it.

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Impact on source sustainability



New tariff structure seems to be successful as households are trying to limit *municipal water* consumption below 20KL limit. Per capita demand has stabilized and also marginally decreased.



However, this is putting stress on GW extraction

5

Will be difficult to assure the scheme in future as there is a huge gap in supply and demand esp. with interstate water disputes

Impact on Finance



DJB's fund deficit is being highlighted - this is due to legacy loans

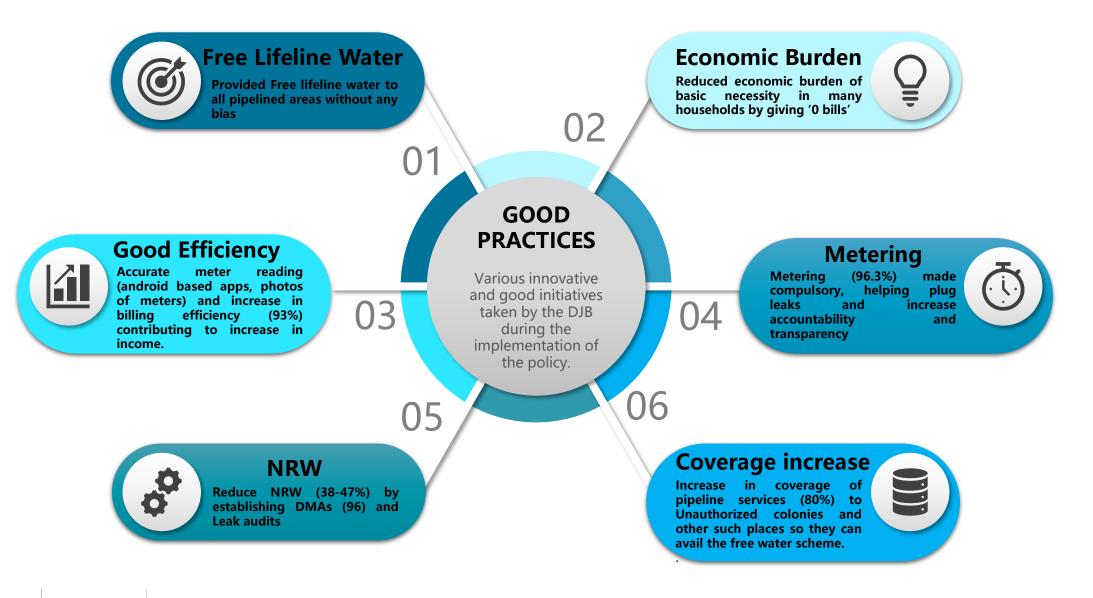
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However, DJB not able to cover OpEx also and needs regular nonplan assistance. State govt is clubbing compensation for free water with this annual assistance.

8

Reduced income due to some aspects of this policy (reduced infrastructure charges, no traiff hike, arrear scheme) but also due to unsistainaible expansion

Good Practices



CWAS FORWATERAND SANITATION CRDF INTERVIEW

Recommendations & Suggestions

Slopped Tariff

Provision of gradual slopped tariffs by adding extra 1 or 2 blocks with gradual rise in tariffs for the 20-30 KL part. This will ease the burden on the lower income group and reduce accumulation of 'Arrears'.



Equitable Policy

If they really want to serve the vulnerable group then provide allotted Free Water by Tankers, provide coupons for Prepaid Tube well services to draw water, provide free water by delivering drums of decided free water to Unauthorized colonies, Jhuggi Jhopris, Urban villages and other such areas.

2

4

Legal Action

Strict action to be taken against the illegal tanker mafia using illegal bore wells and even DJB bore wells to extract Groundwater to supply water to bridge the demand gap. Strict action should be taken against DJB official found colluding with the water mafia.

Reduce Rebates

6

Reduce the rebates on arrears and LPSC given regularly to the citizens so as to increase the income generation of the DJB.

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Regulation of Groundwater

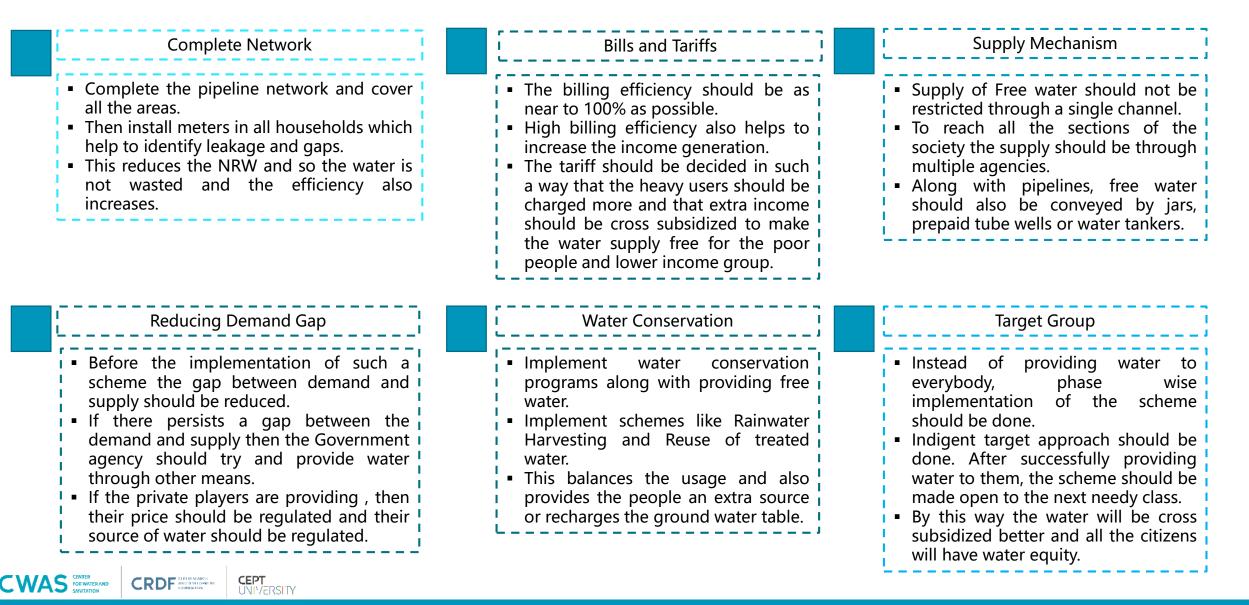
Regulation of public and private bore wells to reduce water thefts and illegal extraction and discourage overuse.



3

To reduce reliance on stressed water sources and reduce the cost of raw water, by increasing use of treated water, strict and mass implementation of Rain Water harvesting scheme.

Learnings for Other Cities from Delhi





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Thank you

https://cwas.org.in

About us 🔪

The Center for Water and Sanitation (C-WAS) at CEPT University carries out various activities – action research, training, advocacy to enable state and local governments to improve delivery of services.

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