GOVERNMENT OF INDIA
MINISTRY OF JAL SHAKTI
DEPARTMENT OF DRINKING WATER & SANITATION

RAJYA SABHA
UNSTARRED QUESTION NO. 4059
ANSWERED ON 30.03.2026

GREY WATER ECONOMY

4059 SHRI KARTIKEYA SHARMA:

Will the Minister of **JAL SHAKTI** be pleased to state:

(a) the steps being taken by Government to develop a Grey Water Economy, including promotion of treatment, reuse and recycling of municipal sewage and wastewater;

(b) the measures undertaken to increase industrial and urban utilisation of treated wastewater in place of freshwater sources such as rivers and groundwater; and

(c) whether Government is considering a water credit framework, including fiscal incentives or tax rebates linked to industries achieving high or 100 per cent utilisation of recycled water, to encourage large-scale adoption?

ANSWER

THE MINISTER OF STATE FOR JAL SHAKTI
(SHRI V. SOMANNA)

(a) to (c) The subject matter of this Parliament Question pertains to Ministry of Housing and Urban Affairs (MoHUA). As per information received from MoHUA:

Sanitation is State subject. MoHUA supplements the efforts of the States through schematic interventions/ advisories. They provide financial and technical support to the States/UTs through various schemes/ Missions such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT)/ AMRUT 2.0 and Swachh Bharat Mission-Urban (SBM-U) for augmentation of basic infrastructure including sewerage/ septage management sector in urban areas.

AMRUT 2.0 has been envisaged to promote circular economy of water through development of city water balance plan for each city focusing on recycle/ reuse of treated sewage, rejuvenation of water bodies and water conservation, etc. Under Sewerage component of AMRUT 2.0 for 500 AMRUT cities, tertiary treatment with end-to-end reuse plan (preferably in Public Private Partnership mode); provision/ augmentation and rehabilitation of sewerage systems with end-to-end treatment and reuse; tapping of used water for recycling; identifying the bulk users of recycled used water and facilitating sale of used water to potential users (e.g. industrial clusters such as textile/ leather/ paper/ power plants/ railways, etc.) are admissible components.

Under AMRUT/ AMRUT 2.0, States/Union Territories (UTs) are empowered to select, appraise, prioritise and implement the projects within the broad framework of Mission guidelines. Under AMRUT, States/ UTs have taken up 889 sewerage / septage management projects worth ₹34,471.1 crore. Under AMRUT 2.0, the State Water Action Plans (SWAPs) comprising of 584 sewerage/ septage management projects with a total cost of ₹65,624.98 crore have been approved so far.

So far, 182 lakh sewer connections [including households covered through Faecal Sludge and Septage Management (FSSM)] have been provided through AMRUT/ AMRUT 2.0 and in convergence in AMRUT Cities and 26,995.61 km of sewer network has been laid/ replaced. Around 6,535 MLD of treated water are reused by the States in industries, horticulture, agriculture, etc.

Further, MoHUA has launched "Jal Hi AMRIT" initiative under AMRUT 2.0 reforms, which aims to incentivize States and Union Territories (UTs) to efficiently manage sewage treatment plants for recyclable treated water meeting environmental standards on sustained basis. The focus of this initiative is building capacity and incentivizing qualitative improvements in the treated discharge effluent. So far, 860 Sewage Treatment Plants have been enrolled (submitted information) via online platform for assessment. To institutionalize circularity, Water Resource Recovery Cells (WRRCs) have been established in 25 States/ Union Territories under this initiative to plan, monitor, and scale resource recovery interventions.

Swachh Bharat Mission – Urban (SBM-U) 2.0 launched on 1st, October, 2021 includes a new component ‘Used Water management (UWM)’. Under UWM component, financial assistance is provided to the Urban Local Bodies (ULBs) with population less than 1 Lakh for setting up of Sewage Treatment Plants (STPs)/ STP-cum-FSTP and laying Interception and Diversion (I&D) structures including provision of pumping stations and pumping main/gravity main upto STP, to ensure that all used water is safely collected, treated and reused to feasible extent. Under SBM-U, 10,877 MLD sewerage treatment capacity has been approved.

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