

## Financial support for projects through assistance from multilateral funding agencies

**Problem statement:** It was noted that the funds available with NRCD is inadequate to bridge the existing sewage treatment gap in the country. In addition, multiple proposals submitted for central funding under NRCP scheme have been rejected in recent years due to shortage of funds. Hence, external funding options such as multilateral funding agencies needs to be explored.

**Intervention:** The Mula Mutha River Project in Pune is being implemented by the Pune Municipal Corporation under NRCP scheme with a loan assistance from JICA. The loan amount is 19.064 billion Yen. The remaining project cost is being shared between Government of India and Pune Municipal Corporation in the ratio of 85:15. Although, the funding pattern for states (other than north-eastern states) is 60:40, here since a significant portion of the project cost is being funded by JICA, central funding for the remaining cost is higher than in other cases.

**Impact:** Financial support has helped the Pune Municipal Corporation to take up such a large project (396 MLD STP) on River Mula Mutha.

**Replicability:** Since 2014-15, proposals amounting to Rs. 5,400 Cr. have been rejected by NRCD citing shortage of funds. Considering the shortage of funds with NRCD, such innovative funding mechanisms such as loan assistance from MFIs will enable large projects to be undertaken under NRCP scheme.

*(Reference: KII with National River Conservation Directorate and Pune Municipal Corporation)*