

Jal Jeevan Mission
Planning and Management of Rural Water Supply Systems

Contents for a 3-day training on JJM
(with one day field visit)

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DAY - 1

Session – 1: Introduction

Session Outcome

Upon completion of this session, the participants shall:

1. Recall the names of other participants in the training so as to get connected with them during and after the training
2. Be able to relate the purpose of the training with the duties and responsibilities a Gram Panchayat, with specific reference to Jal Jeevan Mission and Operation and Maintenance of Rural Water Supply
3. Recognise the significance of the topics to be dealt with, in various sessions and discuss the relevance of them in his/her locality

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture (with Programme Schedule in hand)

Materials Required

3- Day Programme Schedule and Complete Session Plan
Minute-to-Minute Programme of the Inauguration

Session Outline

- Introduce the participants
- Introduce the purpose of the training (and the training schedule)
- State the importance of the training in the context of duties and responsibilities of GPs as per XI Schedule of the Constitution of India
- Reiterate the importance of the training from the stand point of public health, and government policy on rural water supply / Jal Jeevan Mission
- Explain the definition of 'Functional House Tap Connection' (FHTC).

PROCESS

Welcome and Opening: The trainer welcomes everyone, sets the tone for the training by explaining the prime purpose and the specific objectives of the training. He mentions the names of districts and or blocks where the participants come from. He invites the representatives from state / district administration, and other development partners to address. All of them hint upon the importance of providing adequate quantity of safe water supply to every rural household in rural areas, and the need to put in place a system for sustainable Operation and Maintenance by local bodies.

The session begins with a warm welcome to the participants from the training team followed by an explanation of the objectives of the training and what they can expect to have learnt by the end of the training programme. Emphasis is given on enhancing their capacity to put in place a functional service delivery mechanism at GP level.

Getting to know each other: The trainer will invite all the participants to the middle of the training hall. This activity aims at facilitating the participants to get introduced to each other. Detailed below are suggested activities that can be used by the facilitator to engage with the participants in this opening session. This initial activity should be made so informal that everyone should feel comfortable to talk to each other without any inhibitions. This activity must help defreeze the situation. The trainer should also identify himself with the participants, and be enthusiastic in the training and about everyone.

Activity: After a formal welcome, the trainer must have a plan to let the participants get to know each other. It won't be exciting if they were asked to tell their names one by one. One suggestion could be conducting a paired interview. In a paired interview a participant chooses another participant he wants to talk to. Both of them choose a place a little away; sit for about 5 – 8 minutes to discuss and get to know some details about each other. All the pairs get back to their seats in the training hall. Back in the in-house session Mr A introduces Mr B to the crowd, and vice versa. In the same way, the trainer also gets introduced to the participants. Depending on the size of the group and space available in the venue, participants sit in a circle. The game continues until everyone is introduced. This game can be adapted / improvised so as to make it more fun. The purpose here is bringing in informality and fun in learning.

Once it's done, the facilitator will thank all the participants for their participation in the exercise and will present a brief overview of the design and purpose of the training. If time permits this could be followed by questions from participants on certain aspects of the training such as field visits etc. The trainer shall give appropriate response as per the sessions planned, and the logistics arranged.

TECHNICAL NOTE TO THE TRAINER

If there is a formal inauguration planned, the facilitator must ensure that inaugural speaker's notes are prepared and the speaker is briefed well in advance. The entire training team must be present at this session to welcome the participants and then to participate in the 'ice-breaking' games and exercises and the introduction that follows. Special care needs to be taken to ensure the participants clearly understand what the training is trying to achieve and feel comfortable in the training environment.

Firstly, water supply and sanitation are duties of the Gram Panchayats as per the XI Schedule of the Constitution of India. Secondly, water and sanitation is a State subject. Jal Jeevan Mission or Swachh Bharat Mission are flagship programmes of the Government of India, with a view to providing drinking water to every rural household and to progressively make India clean. At the state level they may be managed by State/District Water and Sanitation Mission of the Public Health Engineering Department or Rural Water Supply Department as the case may be. The fact remains, that at the village level, providing water and sanitation to rural households is one of the mandated duties of Gram Panchayats.

National Jal Jeevan Mission implemented through the state governments with the funds made available by the Ministry of Jal Sakthi. Besides, JJM funds, funds are available under the 15th Finance Commission. The XV FC fund has placed 60% emphasis for water and sanitation related services. Components such as grey water management can be planned with funds from Swachh Bharat Mission. Indeed, the time is very opportune now – in the next 3 – 4 years - for the GPs to put in place a proper water and sanitation services as per the national bench marks. The progress being made by states on JJM shows that providing functional house tap connection (FHTC) to every rural household is well within reach before 2024, as envisioned by the Prime Minister of India.

The definition for FHTC will be explained in detailed in the next session. In brief, it means *providing adequate quantity of safe drinking water to every rural household – through a yard tap connection - throughout the year irrespective of seasons.*

The inaugural session should serve the purposes of: (i) participants getting to know each other; (ii) creating a comfortable learning environment - physically and psychologically; (iii) describing to the participants the objectives of the training; (iv) and discussing what the participants can look forward to learn in each of the session scheduled. Are there any field visit arranged to some well-functioning / well-managed rural water supply system. Encourage experience-sharing among the participants – the elements of governance in place.

Session – 2

Jal Jeevan Mission: The Essentials to Know

Session Outcome

Upon completion of this session, the participants shall:

1. Know the salient features of Jal Jeevan Mission from the Guidelines of JJM and spell out distinguishing features and implementation strategies.
2. Explain the meaning of providing Functional House Tap Connection (FHTC) to every rural household of India
3. Outline the various elements to pay attention to, in order to be able to establish a sustainable water supply system in Gram Panchayats.

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and vides
Play relevant videos

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
White Board with markers

Session Outline

- The Vision and Mission of Jal Jeevan Mission
- Salient / Distinguishing Features of Jal Jeevan Mission
- The meaning of Functional House Tap Connection (FHTC)
- Responsibilities of GPs with regard to SVS and MVS

CONTENT

The Background

In the last five years, due to the emphasis laid by the Government in providing basic services like housing, toilets, electricity, cooking gas, healthcare, financial services, social security, broadband connectivity, roads, etc., the logical aspiration of people now is to have piped water supply within their household premises which will help in improving 'ease of living'. Assured availability of drinking water in the household premises will not only improve the health and socioeconomic condition of rural population, it will also bring down the drudgery of rural women and girls. In this backdrop, Jal Jeevan Mission (JJM) has been launched which aims at providing Functional Household Tap Connection (FHTC) to every rural household by 2024.

The Vision and Mission of Jal Jeevan Mission

Every rural household has drinking water supply in adequate quantity of prescribed quality on regular and long-term basis at affordable service delivery charges leading to improvement in living standards of rural communities. The programme focuses on service delivery at household level, i.e. water supply on regular basis in adequate quantity and of prescribed quality.

The meaning of Functional House Tap Connection (FHTC)

Functional Household Tap Connection (FHTC) is a tap connection to a rural household for providing drinking water in *adequate quantity of prescribed quality on regular basis*.

Functionality – Functionality of a tap connection is defined as having infrastructure, i.e. household tap connection providing water in adequate quantity, i.e. at least 55 Litre per capita daily (lpcd), of prescribed quality, i.e. BIS:10500 standard, on regular basis, i.e. continuous supply in long-term, irrespective of seasons.

Salient / Distinguishing Features of Jal Jeevan Mission

1. **Rural Local Bodies:** The 73rd Amendment to the Constitution of India has placed the subject of drinking water in the Eleventh Schedule and has assigned its management to Gram Panchayats. Keeping this in view, under JJM, Gram Panchayats and local community will play the pivotal role in planning, implementation, management, operation and maintenance of in-village water supply systems including drinking water sources.
2. **Government Departments:** Public Health Engineering Departments (PHED)/ Rural Development & Panchayati Raj/ RWS Departments in-charge of rural drinking water in States will facilitate Gram Panchayats to perform their duties as envisaged in the Constitution.
3. **Cover Every Household:** JJM focuses on the every rural household, whereas the earlier programmes of the Government focused on habitations. Thus, under JJM we are moving closer to reach every household rather than being satisfied ensuring water supply to every habitation. JJM provides tap connection to every household. However, the household can opt to have three delivery points (taps) viz. kitchen, washing and bathing area, and at toilet. Out of the three taps, one tap only will be funded from the Mission. The expenditure incurred on extension of the other two taps will be borne by the households concerned. All the FHTC provided will be linked to Aadhar numbers. The FHTC connection provided is to every rural household, and if there are many animals (cow, buffalo, goat, sheep etc.) animal trough may also be planned to ensure water to animals in the village.
4. **Cover Every Public Institution:** Providing FHTC does not restrict itself only to FHTCs to households. It includes public institutions in the villages such as Panchayat Office, schools, Anganwadi centres, SHG meeting halls, and so on.
5. **Two Types of Schemes:** There will be Single Village Scheme (SVS) & Multi-Village Scheme (MVS) under JJM: The JJM encourages more Single Village

Schemes, which a single GP can manage. Under MVS, bulk water transfer to many GPs takes place. That is transfer of raw/ treated potable water in bulk by means of open channels or pipelines or a combination of both from a source to an area where no local water source is available. The provision of water will be for both domestic and industrial needs in rural. In rural areas, bulk water will be made available at the boundary of the village. Thereafter, Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. will have to manage, operate & maintain as is in a Single Village Scheme. The transfer of bulk water may be on a long-term continuous basis or intermittent and temporary basis, and is to be equipped to measure the supply in terms of quantity, quality and regularity.

6. **Baseline:** There is a baseline prepared, which confirms that status of FHTC in every habitation. This will help find the gap in order to reach households that do not have FHTC as yet keeping in view 100% coverage. This would also include the type of water supply system – is it a single village scheme or part of a multi-village scheme; main sources of water supply; quality of water; and seasonal variations in quantity of water supply etc.
7. **Community Contribution:** There is community cost-sharing i.e. 5% of the project cost in cash and / or kind or labour in hilly and NE and Himalayan state villages having more than 50% SC/ST population; and 10% of the capital cost in other villages. Contribution from CSR, private donations, MPLAD and MLALAD shall be treated as money contributed to overall cost of the project, and not treated as community contribution.
8. **System Sustainability:** The JJM accords priority to retrofitting on-going piped water supply schemes, and subsequently to take up completed piped water supply schemes. That means the infrastructure created over the years is to be dovetailed, retrofitted and renovated first to be able to provide FHTC. The priority is to upgrade the technical installations to the standards required, and to promote more Single Village System only.

9. **Source Sustainability:** For the taps to be sustainably functional there must be source sustainability measures taken at the GP level. This includes augmentation of existing water sources, groundwater recharge, rainwater harvesting, repair and restoration of water bodies, and watershed management. There is a great scope for convergence with MGNREGS because generally over 60% of the works taken up under MGNREGS are related to rejuvenation of traditional water bodies such as irrigation tanks, disused open wells, old ponds and other water bodies. There are also other programmes such as WED-PMKSY that can be used for this purpose.
10. **Survey of Catchment Areas:** Districts may undertake a comprehensive survey of traditional water bodies with details of their present status. Subsequently removal of encroachments in the water-spread area (boundary) of the water bodies can be taken up by relevant Revenue Authorities. Software such as Google EarthPro can help in this regard. Once identified their recovery, renovation including de-silting, construction of in-lets/outlets, catchment area treatment (afforestation etc.) can be taken up on priority.
11. **Water Quality:** Central Ground Water Board – 2018 has identified state-wise groundwater quality hotspots. Out of the 6,834 Blocks in the country, there are 3,559 Blocks affected by one or the other of the water quality problems such as Arsenic, Fluoride, Salinity, Iron, Chloride, Nitrate or Heavy metals. In order to provide immediate relief in such blocks / villages Community Water Purification Plants can be installed to provide at least 8 – 10 lpcd as short term measure for cooking and drinking. Where there are serious groundwater quality related problems, proposals may be floated for setting up Community Water Purification Plants (CWPP) especially in arsenic and fluoride affected habitations as an immediate short-term measure for providing 8 – 10 lpcd. However, while selecting and recommending a given treatment solution / technology the advice of National Green Tribunal (NGT) in this regard may be referred to. Similar other major considerations while selecting a particular technology are: (i) availability of filter media for replacement, (ii)

recovery ratio of water pumped in; (iii) reject water management, and (iv) cost effectiveness of the solution etc.

- 12. Village Action Plan:** A Gram Panchayat Development Plan (GPDP) is a document consisting of overall development of a Gram Panchayat. VAP for water supply is a sub-plan of GPDP, which contains the water supply related plan of a Gram Panchayat. VAP is the main document of the village for all water supply related works, and on its approval by Gram Sabha all funds from different sources will be dovetailed to implement various components of VAP including JJM. No work outside VAP will be taken up in the village for a given year.

Plan prepared by Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. based on baseline survey, resource mapping and felt needs of village community to provide FHTC to every rural household, treat the generated greywater and plan its reuse, undertake surveillance activities, etc. VAP also indicates the fund requirement and timelines for completion of work under the Mission and will be approved by the Gram Sabha. Irrespective of source of funding, all drinking water-related works in the village are taken up based on the VAP.

A plan prepared by District Water Sanitation Mission (DWSM) by aggregating all VAPs and additional work, i.e. bulk water transfer, distribution network, laboratories, etc. to ensure drinking water security in all the villages/ habitations of the district along with financial details and timelines. This is called District Action Plan (DAP). State Action Plan (SAP) – A plan prepared by SWSM by aggregating all DAPs and regional water supply scheme, bulk water transfer and treatment plants, etc. to achieve overall drinking water security in the State and used for financial planning to cover all rural households in State.

- 13. GP Level Human Resource for Water Supply:** GPs are to be capacitated to handle the demands of construction, plumbing, electrical, chlorination of water, water quality management, water treatment, catchment protection, and O & M of facilities at GP level. The GP should get in touch with the Skilling Mission (PM Koushal

Vikas Yojana) training centres in the vicinity / nearby town, and plan for skilling of the Panchayat staff and local youth, who are to be used for such purposes.

14. **Programme Convergence:** There is a lot of scope for programme convergence in order to make JJM fully effective. Water conservation, repair and restoration of water bodies can be taken up under MGNREGS; watershed management can be taken up under the Watershed Development Component of PMKSY (which is the erstwhile IWMP); Skill training can be taken up under the PM Koushal Vikas Yojana (PMKVY); Bio-gas under GOBAR-Dhan as well as from the National Biogas and Organic Manure Programme (NNBOMP) of the Ministry of New and Renewable Energy (MNRE) etc.
15. **Incentive Fund:** This is something unique in JJM. The community would be rewarded / incentivised in a phased-manner after the commissioning of the scheme to the tune of 10 per cent of the capital expenditure on their respective in-village water supply scheme. This would serve as a ‘revolving fund’ to meet emergency repair / maintenance of the scheme, which will be replenished by the user group / local community. It must be understood as money to be claimed by the Panchayat one year after commissioning, when the scheme is running satisfactorily. This incentive money is given in a phased manner over a period of five years, which can be used for O & M purposes.
16. **Operation & Maintenance (O &M):** O&M would involve recurring costs like electricity charges, chemicals costs, expenditure on preventive and breakdown maintenance, remuneration of pump operators’ salary etc. The GP / VWSC shall open an account to receive funds for O & M from different sources such as incentive fund from JJM, Finance Commission grants, and community contribution (user fees) to meet the recurring charges. The Gram Sabha shall discuss issues such as payment of electricity bill, wastage of water, fixing monthly water tariff etc.
17. **Explore Innovations:** Elevated Storage Reservoir (ESR) to be measured using modern sensor-based IoT solutions; Meeting the power requirements for pumping

through solar and other less-cost alternatives; Innovative reject water management in the case of community water purification plants; GIS-based mapping for identifying wastewater drainage lines, identifying watersheds / groundwater recharge locations; Artificial glacial reservoirs in order to divert the run-off to freeze and store as glaciers in hilly states.

18. **Priority Villages:** To prioritize provision of FHTCs in quality affected areas, villages in drought prone and desert areas, Sansad Adarsh Gram Yojana (SAGY) villages, etc. Any new schemes in the Aspirational Districts will be taken up under JJM. The completed Swajal Schemes, which do not have the provision of FHTC, are to be retrofitted under JJM.
19. **Greywater Management:** When every rural household will have yard connection, obviously the amount of water that flows out from kitchen and bathroom is going to be very high. Generally, 60 -70% of total water supply in rural areas emerge as greywater from households. When harnessed with right treatment techniques, greywater becomes usable for agricultural, home gardening and other non-potable purposes. Thus, greywater management / set up wastewater management system is a key component under JJM, which will form part of Village Action Plan, and In-Village Infrastructure Plan. XV FC grants to Rural Local Bodies (RLBs) in convergence with MGNREGS can be used liberally for this purpose. The SBM-G can also finance in setting up wastewater recycle and reuse arrangements.
20. **Implementation Support Agencies:** Each State government and DWSM has identified Implementation support Agencies (ISAs) such as NGOs, VOs, SHGs, CBOs for field level support in implementing JJM. Generally, DWSM engages ISAs from the empanelled ISAs enlisted by SWSM. They are made use of for purposes such as engaging in IEC on judicious use of water. Enhance women's participation, formation of VWSC, mobilise community contribution for the scheme etc. ISAs shall be required to provide the last mile connectivity to extend distribution network.

ISAs shall have quarterly plan for the set of villages they are in-charge of. It can be 40-60 villages.

Responsibilities of GPs with regard to SVS and MVS

There are (i) Single Village Schemes (SVS); and (ii) Multi-Village Schemes (MVS) planned under JJM. SVS is planned and managed by Gram Panchayat and or its sub-committee i.e. VWSC /Paani Samiti/ User Group etc. MVS is one connected to some water-grid / regional water supply scheme. However, the role of PHED/RWS Department for construction of in-village infrastructure would remain the same for both SVS and MVS. All the assets created will be geo-tagged. In the case of SVS, the GP shall manage the entire water supply operation and maintenance. In the case of MVS, the Department concerned has to make arrangement to see that the water reaches the Over Head Tank of the Gram Panchayats, from where the GP shall take over distribution to households. Any internal break down within GP level will be attended to GP.

PROCESS

Note to the Trainer

- The best way to open this session could be by asking the participants to aspirations to towards ease of living, and spell out some of the distinguishing features of JJM. What makes JJM stand out compared to the earlier drinking water programmes of the Government of India.
- We can also mention about how massive this task is. What it entails to provide FHTC to 180 million rural households within five years, time? The technical infrastructure required, and the source of water etc. In India, there are water scarce areas, and water abundant areas. Imagine you have to provide adequate quantity of safe water to every household in your village. It's a mandated responsibility of every Gram Panchayat to provide water sanitation services. What does it entail?
- How much water is enough water? What is meant by safe water? How do you ensure quality / safety of water? How do you know, that you have adequate / inadequate

infrastructure to provide water to every household? What is the plan for Operation and Maintenance?

- There is a lot of scope for this session to go on in a participatory way. The discussion should move towards making the participants understand: *the existing facilities for water supply; existing arrangements for operation and maintenance; what's lacking or what is deficient that require improving; plans to make it technically and financially self-sustaining etc.*
- Then we can slowly steer the discussion towards the salient / distinguishing features of JJM; the meaning of Functional House Tap Connection; responsibilities of GPs in Single Village Schemes (SVS) versus Multi-Village Scheme (MVS); elements to pay attention to. In order to ensure the facilities created render sustainable benefits.
- Essentially, the trainer should put across how big this ambitious programme is; and what level of commitment is required to realise this vision. Since Gram Panchayats are at cutting edge level when it comes to successful implementation, the role played by GPs / Village Councils, and the Gram Panchayat functionaries require to be emphasised.
- This training is about 'community-managed water supply system'. It's good to emphasise on the importance of community participation in managing the system, and keep that focus unchanged / unwavering.
- This is about, the idea of establishing a locally managed system for water supply, rather than leaving it to local water man to decide things. The role of VWSC is critical, and we have a separate session on the role of VWSC in this system.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

DAY - 1

Session – 3

Village Action Plan & GPDP: The Essentials to Know

Session Outcome

Upon completion of this session, the participants shall:

1. Recognise how important it is to take the Gram Panchayats into confidence in implementing JJM or SBM-G related programmes
2. Explain what are the constitutional mandates of a Gram Panchayats, with specific reference to JJM including wastewater management
3. Recognise the importance of Gram Panchayat Development Plan (GPDP) and a Village Action Plan (VAP) for rural water supply
4. Explain how enlisting the participation of communities and households to play their part as stakeholders in water management can enhance system sustainability.

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and videos
Play relevant videos

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
White Board with markers

Session Outline

- 73rd Constitutional Amendment to the Constitution
- GPDP – Gram Panchayat Development Plan
- Concept of Perspective Plan and Operational Plan
- Village Action Plan (VAP)
- The Process of Preparing VAP

PROCESS

TECHNICAL NOTE TO THE TRAINER

73rd Constitutional Amendment to the Constitution

In the year 1992, with the 73rd Amendment of the Constitution, a new part named Panchayat was added to the Constitution. This included the new 'Eleventh Schedule' which contains 29 subjects on the functioning of Panchayats. Under this Schedule, the subject of drinking water and sanitation was allocated to Panchayati Raj Institutions. Every State Government in India has state-specific Panchayati Raj Acts. Gram Panchayats (GPs), which are known as Rural Local Bodies (RLBs) came to be legally recognised body to plan and monitor implementation of all development programmes.

GPs could also receive grants and assistance for the completion of the works planned. Along with this, the Panchayat was given the right to collect tax at the appropriate level and use such local revenues for maintenance of facilities provided by the government and for fulfilling the aspirations of the people. As part of their obligations, the Panchayat/ local community had to play a role in recharging of water sources, and in the planning, implementation, management, operation and maintenance of the village water supply schemes.

Gram Panchayat Development Plan (GPDP)

The JJM Guideline says that the Village Action Plan (VAP) under JJM will be integrated with Gram Panchayat Development Plan (GPDP). The same will be reported in IMIS of JJM. Before we get to know what VAP is, or how to prepare one, it will be in order if we get some idea of what a GPDP is.

GPDP is ‘multi-sector development plan’ of Gram Panchayat. This comes out of an annual planning exercise, usually carried out between 2nd October and 31st December in all GPs of the country, so that it is ready for implementation by April the following year. GPDP is prepared through a participatory process, involving all the relevant stakeholders. It aims at identifying people’s aspirations, needs and priorities so as to meet them with available resources under various rural development programmes (of the centre as well as the State). Priorities identified get tied to scheme-funds available in various departments / ministries for implementation. GPDP is the main rural development and poverty alleviation document of a given Panchayat for the year it’s meant for. It’s at once realistic and meets the aspirations of the people progressively over a period of time.

The Concept of Perspective Plan and Operational Plan

The GPDP does three essential things:

- (i) It provides a vision of what the people would like their village to look like – after oneyear – after five years;
- (ii) Sets out clear goals to achieve that vision; and
- (iii) Gives an action plan (along with source of funds) to reach those goals. The GPDPguidelines emphasises every GP to discuss vision in long-term, and at short-term. The long-term plan is for five years, known as Perspective Plan (say for 2020-2024); andthe short-term plan is for one-year, which is the very next upcoming year.

Thus, GPDP is a comprehensive development plan with a view to progressively *improving the overall quality of living* in villages, as well as *sector specific interventions* required to meet the immediate short-falls in essential infrastructures, or livelihoods and employment generation related aspirations of the people. In this sense, the former relates to a *Perspective Plan* about a foreseeable future; and the latter relates to an *Operational Plan* for the

upcoming year for which seeking fund allocation from various schemes is possible.

In an actual GPDP exercise people describe how they want their village to look like after five or ten years. They express *the life they aspire for and shall value living; and the village they shall appreciate and feel esteemed being a resident of*. They are allowed to express their wish-list – for the village in its entirety and for themselves as individuals and households. This helps develop a Perspective Plan for the next five or ten years. Subsequently taking into account urgency, importance, feasibility and practicability, a separate annual action plan is prepared, which becomes Operational Plan for the upcoming financial year. Thus, the GPDP team prudently facilitates local people to draw from a perspective plan to make annual action plan, based on discretion, eligibility as per official norms and funds availability etc.

Planning at the GP level enables the following actions.

- Helps identify the magnitude of development gaps in several sectors of development.
- Prioritizes needs based on prudence and pragmatism so as to set a clear development direction for the village.
- Makes scheme implementing officials logically converge schemes at the cutting edge level so that together they render a multiplier effect in terms of programme benefits.
- This interconnection helps avoid putting the cart before the horse, as it often happens when two or more departments work in solitude, resulting wasteful expenditure.
- Provides for convergence and integration of different schemes / departments/sectors

- Optimises the utilization of resources in the larger interest of people.
- Local bodies get trained in practising democracy and elements of good governance such as transparency at the grassroots level

Village Action Plan (VAP)

We mentioned earlier that GPDP is a multi-sector development plan of a given Panchayat. This multi-sector plan literally is a compilation of many sector-specific sub-plans. It is an assemblage or collection of many sub-plans. It incorporates drinking water sub-plan; sanitation and waste management sub-plan; MGNREGS sub-plan; universal health care sub-plan; literacy and education sub-plan; livelihoods promotion and poverty reduction sub-plan; agriculture development sub-plan; animal husbandry sub-plan; horticulture development sub-plan and so on and so forth. All these (and more) sub-plans are compiled to make a comprehensive multi-sector development plan of that Panchayat, which we call the GPDP.

In that order the outcome of GPDP exercise carried out with a focus on drinking water sub-plan is called 'Village Action Plan (VAP) for water sector of that Panchayat'. This is a sub-plan that should get incorporated into the overall GPDP so that the GPDP document becomes complete. Given the mandate that 50% of the XV-FC funds need to be spent on water and sanitation related works, ideally, components on water and sanitation should occupy a substantial space in the GPDP document of every Gram Panchayat in this country.

A generic format for preparing a Village Action Plan (VAP) for drinking water has been given in JJM Guidelines (pp.97 -102). Once approved by the Gram Sabha, this VAP will be the main document of the village for all water supply related works for the year in reference. The GPDP may have other sub-

plans such as Labour- budgeting and work plans of MGNREGS; Village Poverty Reduction Plan (VPRP) through SHG / NRLM activities etc. The respective nodal officers shall facilitate the GPs to come out with the sub-plans of such schemes they are in charge of. Who all are involved in preparing VAP that should go into GPDP is presented in the next chapter.

100% FHTC means what?

If a census coded revenue village achieves provision of 100% FHTC to all its households located in all of its wards / habitations / Mohallas / Faliya / Majra / Chord / Palli / Kheda / tola, etc. then it would be declared as 100% FHTC village. If a district achieves provision of 100% FHTC to all households in all its census coded revenue villages, then it would be declared as 100% FHTC district. If a State achieves provision of 100% FHTC to all households in all its districts, then it would be declared as 100% FHTC

Functionality Assessment

Functionality of rural household tap connections is usually assessed based on a sample survey.

Functionality of FHTCs will be assessed with following parameters:

i) Quantity, ii) quality and iii) regularity of water supply through FHTCs:

	Fully-functional	Partially-functional	Non-functional
Quantity	≥ 55 lpcd	>40 lpcd <55 lpcd	<40 lpcd
Quality	Potable	Potable	Non potable
Regularity*	12 months or daily basis	9-12 months < daily basis	<9 months < daily basis

i.) Whether sub-committee of Gram Panchayat has been constituted? If

so, does the O&M responsibility lie with them?

ii.) Is water tariff being collected? If so, what's the mechanism in place?

- iii.) Is there a bore well recharge structure? What are the other source sustainability measures?
- iv.) Has provision been made for grey water management through waste stabilization pond or other structures?
- v.) Has provision been made for rain water harvesting?

The Process of Preparing Village Action Plan (VAP)

As mentioned earlier, a GPDP is a multi-sector development plan of a given Panchayat. It's literally is a compilation of many *sector-specific sub-plans*. The 'sub-plan for rural water supply is called VAP for rural water supply. The VAP, once approved by the Gram Sabha, will be the main document of the village for all water supply related works for the year in reference.

This document may contain the number of habitations in the GP, number of households, current service level; number of households to be provided with FHTC; the local institutions such as school, *anganwadi*, Panchayat Bhavan, SHG meeting hall etc. that require to be provided with functional tap connections; daily water requirements; source of pumping; water quality issues, if any; washing/bathing blocks, if any proposed; adequacy of the source to the population projection; O & M arrangement; capacity building requirements; existing wastewater drainage systems; wastewater disposal arrangement proposed to SBM-G; existing storm water drainage structures; water recharge / storage structures proposed under MGNREGS, WED-PMKSY and other state government schemes; members of Village Water & Sanitation Committee (VWSC) / Paani Samiti approved by the Gram Sabha etc.

For a check-list of data that might be required to prepare VAP. The VAP contains all these information. Therefore, we can say VAP is the final product.

In other words, it is outcome of a process or series of activities carried out as a conscious planning exercise in rural water supply context-specific to the GP in question. The first step in this planning process is *environment creation* for a GPDP exercise, which is taken up after passing a resolution at the GP for taking up JJM in village.

Environment Creation

Environment creation is done partly at the village level, and partly in the official circles in- charge of schemes. All the stakeholders, such as the scheme implementing officials, elected representatives, and a good proportion of the community members come on the same page willing to share the data and information available at their disposal for the purpose of this planning exercise. The officers manifest openness, appreciate local priorities, and recognise GPDP as an opportunity to address realistic issues - issues that affect every household on a daily basis.

The community members appreciate the officials getting off their pedestal in order to listen to the priorities of the rural community. People genuinely participate and share their knowledge of situations and conditions, with a sense of responsible well-being, and not raise empty questions and meaningless rights. If this attitude of mutuality and trust is established, we are ready to embark on GPDP exercise.

As duty-bearers it will be in order if the officials / Engineers from PHED/RWS Department take the first step to contact the Gram Panchayat, and propose Environment Creation meeting as a prelude to taking up GPDP exercise. They can also invite nodal officers from other related schemes such as SBM-G, MGNREGS etc. Preliminary discussion may be held on constitution of VWSC and GPPFT (Gram Panchayat Plan Facilitating Team); community

participation required during the planning process; and the types of data that might be required etc.

Formation of GPPFT and Firming up of VWSC

VWSC: GP and / or its sub-committee, i.e. VWSC/Paani Samiti/ User Group etc. will function as a legal entity as envisaged in the 73rd Amendment to the Constitution of India. Accordingly, every Gram Panchayat has to constitute VWSC / Paani Samiti approved by the Gram Sabha through a resolution. For instance, the VWSC has certain authorities and responsibilities towards improving the water and sanitation facilities, and management. Why is VWSC necessary and what kind of role and responsibilities they can take up are given in Annexure – III as a model by-law for VWSC. The GPs can customise this VWSC, and orient the members of VWSC to follow this by-law as indicative activities they can take up. There is also a model by-law for Rural Water Supply given in Annexure – IV. This annexure can also help VWSC members in their local water governance effort.

GPPFT: The GPDP Guideline suggests formation of a Gram Panchayat Planning Facilitation Team. The main task of the GPPFT is carrying out thematic situation analysis on water supply using survey and/ or PRA methods; identifying service level gaps, and priorities of the people, which should help prepare a draft VAP for rural water supply. The complete tasks that the GPPFT should carry out; and the steps they need to follow to be able to come out with a Village Action Plan (VAP) are discussed in another handbook titled: GPDP within the Framework of JJM available for download under the Publications Section of NIRDPR website. At this moment we clarify, who all make up the GPPFT, or who are all involved in preparing a VAP for rural water supply, that should become part of GPDP?

Who all are involved in Preparing a GPDP of VAP for drinking water?

GPDP is a common point or a junction where two or more departments intersect. Identifying the right combination of intersecting departmental activities is vital for prudent convergence to take place. It implies that right team members be called up to be on board. As mentioned earlier, the GPDP Guideline suggests forming a team called Gram Panchayat Planning Facilitation Team (GPPFT). Some local members and elected representatives can be permanent members of GPPFT, while others can join and leave (log in and log out) as per sector-specific / thematic requirements. An Illustrative GPPFT for preparing VAP for Drinking Water Sector is given below.

Elected local body members	Relevant government officers & Grassroots level Officials	Others
Sarpanch (Panchayat President) Chairperson GP Secretary – Member Convenor Elected Ward Members Members of VWSC / Paani Samiti	– PHED / RWS Dept. Engineers & officials/ concerned. Staff from nearby water quality lab; Block level officers in-charge of SBM-G; and MGNREGS; Irrigation Supervisor / JE from the Irrigation and water Resource Department; Local ASHA, Anganwadi worker	ESR Operator (or Pump Operators as they are called) Local SHGs, if required NGOs, if any working in water sector (selected as ISA Institutional Support Agency).
GPPFT Team may be formed selecting members from the list given above. However, when VAP is prepared and finalised, it must be presented to a larger local group / Gram Sabha.		

In preparing the VAP for drinking water, the SBM-G team from the District Water and Sanitation Mission will also be members of the team GPPFT along with the JJM officials from PHED or RWS Department. The JJM team may facilitate and lead the discussion. Similarly, when it comes to preparing VAP

for ODF sustainability and management of solid waste and wastewater (to prepare ‘sanitation sub-plan’) the staff from PHED/RWS Department shall also take part, however the SBM-G team may take the lead in facilitating the discussion along with the elected local body members.

Orientation to the VWSC & GPPFT members on:

By now, you have idea of what is GPDP, what is VAP, what is VWSC, and what is GPPFT. The VWSC members and the local members of the GPPFT should get at least one-day orientation on planning for rural water supply. Often it’s possible the VWSC members may also be local representatives of GPPFT as well. It is good to involve all the elected members of the Gram Panchayat (including the ward members), the Panchayat Secretary, the ESR Operators, SHGs leaders, if any etc. They need to be orientated on the following:

- Basic understanding about JJM & SBM-G phase - II
- GPDP – the idea of Perspective Plan, Operational Plan
- VAP for Rural Water Supply
- Issues of water quality, quantity, and distributional equity in water supply
- The purpose of converging schemes from different departments
- Model by-law on Rural Water Supply
- Model by-law on VWSC
- The steps involved in preparing a VAP for water and sanitation
- Introduce the formats to be used for assessment of existing facilities/sources(see Annexure -IX)
- How a draft VAP looks like?
- Incentive fund from JJM, aspects of Operation and Maintenance

The process of developing a VAP for rural water supply scheme

The process (or the indicative steps) involved in developing a VAP are:

- Environment creation for a participatory planning exercise (on 2nd October)
- The PHED / RWS Department should take the pro-active step in contacting the GPSarpanch and other functionaries seeking their cooperation and support to form VWSC and GPPF Team in order to conduct the GPDP exercise.
- The PHED/RWS Department should identify nodal officers of other schemes (e.g. SBM-G; MGNREGS, WED-PMKSY etc.) requesting their participation and support.
- Panchayat Resolution for taking JJM in the GP
- Constitution of VWSC in the GP (or firming up if there is one already)
- Identifying and forming GPPF Team for rural water supply planning
- Orientation to the VWSC and local members of GPPFT on GPDP, and the significance of VAP for enhancing rural water supply
- Situation Analysis through PRA, Household Survey and collecting data available with other secondary sources such as Panchayat Office.
- Identifying gaps in service level and infrastructure / facility requirements
- Preparing a Draft Status Report (DSR) / along with Rough Cost Estimate (RCE)
- Presentation of DSR and RCE in the Panchayat Development Seminar at GP
- Identifying Resource Envelop from various Schemes
- Aligning VAP with existing schemes (convergence planning)
- Preparing an indicative Perspective Plan and Realistic Operational Plan
- Finalising the WS-VAP that forms part of the overall GPDP
- Approval of JJM part of the VAP by the Gram Sabha / by the PHED / RWS Dept.
- Report at IMIS of DDWS

- Preparation and finalisation of design, estimates and technical approval as per existing departmental procedures.
- Determination of community contribution and deposit in the bank account
- (Award of work and issue of contract, as per departmental procedures)

In-village infrastructure development and management will be the responsibility of Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. supported by PHED/ RWS Department/ agency and Institutional Support Agency (ISA), whereas infrastructure for bulk transfer of water, distribution systems up to the village boundary will be the responsibility of PHED/ RWS department/board/ corporation, as the case may be. It means in case, the village is to be covered under MVS, the PHED/ RWS Department would ensure the delivery of water from distribution system in to the sump of the village. The role of PHED/ RWS Department for construction of in-village infrastructure would remain the same for both SVS and MVS.

The PHED/ RWS Department would play a key role and provide hand holding support to Gram Panchayat and/or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. in all technical aspects. It would conduct the test and certify the yield of the source both from quantity and quality point of view, prepare the design estimate and help the Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc.

In villages where Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. is unable to execute the work, the PHED/ RWS Department will carry out the task after design estimate, etc. are presented to Gram Sabha and its approval. However, management, operation and maintenance will be the responsibility of Gram Panchayat and/ or its sub-

committee, i.e. VWSC/ Paani Samiti/ User Group, etc.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

DAY – 1

Afternoon

Session – 4

XV Finance Commission Funds: Tied and Untied Components

Session Outcome

Upon completion of this session, the participants shall:

1. Know the effective utilization of XV FC funds for creating / Operation and Maintenance of rural water supply schemes.
2. Distinguish the tied fund and untied fund components under the XV FC grant
3. Distinguish one-time (capital cost) expenses for setting up infrastructure facilities from the recurring expenses month after month in order to support the Operation and Maintenance (O & M) of the unit
4. Funds available for Block and District Panchayats under the XV FC grant

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and videos
Play relevant videos

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
White Board with markers

Session Outline

- Finance Commission
- Tied Grant & Untied Grant
- Indicative List of works taken up at GP level with tied grant

- Indicative List of works taken up at Block / District levels
- Distribution of RLB grants
- Modalities of Release
- Eligible Conditions
- Transfer of grant by the State
- Utilization of FC grants
- Accounting – Auditing and Transparency
- Indicative List of technical and administrative expenses admissible

PROCESS

Note to the Trainer

This necessarily has to be a lecture. These are fact-based, and it involves no opinions. Opinions can come on matters related to how best to use the XV FC funds. State government advisories can provide guidance on how to spend the XV FC funds. These are advisories that the Gram Sabha may consider / refer to. The trainer must logically put across how XV FC funds can be used for effective O & M of facilities (as a critical gap fund), and that it will be unintelligible to invest XV FC funds on creation of facilities. The reason being, that there are many schemes a GP can draw from, for creation of facilities. But, the complete onus of maintenance is with the GP for which the GP - besides collecting user charges - can draw from XV FC funds.

TECHNICAL NOTE TO THE TRAINER

Finance Commission

In accordance to Article 280 of the Constitution of India, every 5 years, the President of India constitutes a Finance Commission to recommend distribution of tax revenues between the Union and the States and amongst the States themselves. The 15th Finance Commission was constituted by the President of India in November 2017 and was, inter alia, mandated to recommend measures needed to augment the Consolidated Funds of the States to supplement the resources of the Panchayats and Municipalities during 2020-2025. The 15th Finance Commission has recommended grants to Rural Local Bodies/ Panchayat Raj Institutions (RLBs/ PRIs) for next five years i.e. up to 2025-26. It has also identified drinking water supply and sanitation as national priority areas for RLBs and therefore 60%

of the fund is provided as tied grant meant for a.) supply of drinking water, rain water harvesting and water recycling and b.) sanitation and maintenance of open defecation free (ODF) status. The spirit of this grant is to enable RLBs to discharge their responsibility of providing assured tap water supply to every home and maintain improved sanitation in villages, which has profound impact on public health.

In this regard, Department of Expenditure, Ministry of Finance, Government of India vide letter No.15(2) FCXV/ FCD/2020-25 dated 14.07.2021 has issued the 'Operational Guidelines for the implementation of the 15th Finance Commission recommendations on Rural Local Bodies grants during the period 2021-22 to 2025-26'.

The 15th Finance Commission (FC-XV) has recommended a total grant of Rs. 4,36,361 crore for Local governments for the award period 2021-22 to 2025-26. Out of this Rs. 2,36,805 crore has been recommended for rural Local bodies(RLBs) and Rs. 43,928 crore for strengthening the primary health infrastructure and facilities in rural areas under the supervision of Panchayati Raj institutions. The amount of funds state-wise, year-wise (tied / untied disaggregated) are available in the Ministry's Website.

The 15th Finance Commission (FC-XV) has recommended a total of Rs. 2,36,805 crore for duly constituted Rural Local Bodies(RLBs) in 28 States for the period 2021-26 including for those areas which are not required to have Panchayats (Fifth and Sixth Schedule areas and Excluded Areas). Out of the total grant earmarked for Panchayati Raj institutions, 60 percent is earmarked for national priorities like drinking water supply, rainwater harvesting and sanitation(referred hereafter as tied grants), while 40 percent is untied and is to be utilised at the discretion of the Panchayati Raj institutions for improving basic services as per component-wise details given below; Untied Grants: FC-XV has recommended Rs. 94,721 crore (40% of total RLBs grant) as untied(Basic) grant.

Tied Grants: FC-XV has recommended a total of Rs. 1,42,083 crore as Tied grant out of which (i) Rs. 71,042 crore (30 % of the total RLBs tied grant) shall be earmarked for 'Drinking water, rainwater harvesting and water recycling' and (ii) Rs.71,042 crore (30 % of the total RLBs tied grant) shall be earmarked for 'Sanitation and maintenance of ODF status, and this should include management and treatment of household waste, and human excreta and faecal sludge management in particular. However, if any RLB has fully saturated the needs of one category and there is no requirement of funds for that purpose, it can utilize the funds for the other category. Such saturation shall be certified by the respective village assembly/Gram Sabha and duly confirmed by the supervising authority of the Panchayats or the State Government.

Indicative List of Works taken up using the Tied-fund

The following are the indicative list of works/ activities to be taken up from 15th Finance Commission tied grant to RLBs/ PRIs for water & sanitation.

A. Water related activities at Village level

1.Long-term sustainability of drinking water supply schemes to provide minimum service level of 55 litre per person per day of potable water on regular basis. Illustrative activities (but not exhaustive) are:

- i) Augmentation of existing water source(s) of drinking water including creation of new sources viz. bore well recharge, rainwater harvesting viz. check dams, rehabilitation of water bodies, watershed and spring-shed management, etc.;
- ii) Providing piped water supply for drinking, handwashing and use in toilets in public institutions like schools, anganwadi centres, ashramshalas (tribal residential schools), health centres, GP buildings, public places like weekly haat/ bazar, mela ground, bus stand, playground/ sports complex, etc.;
- iii) Retrofitting of existing water supply schemes/ systems to improve service delivery for the design period;

- iv) Bringing water from a nearby surface source, bore well, in-village distribution network, overhead tank (ESR), sump;
 - v) Construction of community washing & bathing complex for people having small houses;
 - vi) Construction of cattle trough in drought-prone and desert areas;
 - vii) Greywater treatment and its reuse viz. stabilization pond and associated infrastructure; and Management, operation and maintenance of drinking water supply and greywater management systems.
 - viii) Management, operation and maintenance of drinking water supply and greywater management systems.
2. In case of any new/ additional/ unconnected household in the village, GPs/ VWSCs/ Pani Samitis to provide tap water connection as per the rules prescribed by the State Government;
 3. Water recycling and creation of water recharging structures/ mechanism;
 4. Rejuvenation and de-silting of tanks/ water bodies/ lakes to meet drinking water need;
 5. Abandoned borewells being hazardous to public safety may be sealed, if required; may be converted to recharge structure, for rainwater harvesting;
 6. Taking up emergency breakdown and up-gradation post disasters/ exigencies;
 7. Payment of re-occurring electricity charges of intra-village water supply systems in case of shortfall in spite of collection of user charges and bulk water charges where water is taken from the grid/ external sources;
 8. Human resource on outsourcing basis (Honorarium) and other administrative expenses and Honorarium to contractual staff (within 30% limit); and
 9. O&M expenses of the above-mentioned activities, water audit and petty expenditure up to 10,000/- per month.

A2 Water related activities at District and Block level

1. Disaster preparedness for any emergency/ crisis for rural water supply;
2. Rapid response in the event of natural disasters/ other exigencies for rural water supply.

Sanitation related activities

Indicative list of sanitation related works/ activities at Gram Panchayat Level

- Toilets in public institutions like schools, anganwadi centres, ashramshalas (tribal residential schools), health centres, GP buildings, public places like weekly haat/ bazar, mela ground, bus stand, playground/ sports complex, etc. and their maintenance arrangement.
- Solid waste management arrangement – at household, community, village level
- Plastic waste management
- Wastewater Management
- Menstrual Hygiene Management
- Gobhar-dhan
- Fecal Sludge Management

Indicative list of sanitation related works/ activities at Block and District Levels

- Public toilets construction and maintenance in places where people assemble, where the place is a junction for a cluster of Panchayats.
- Creation of Solid waste sheds for a group of villages where solid waste from a group of villages can be collected and stored
- Setting up of Plastic Waste Management Unit (PWMU)/ Material Recovery Facility (MRF) for a group of villages
- Operation and maintenance of Multi Village (MV)-PWMU/MRF

- Hiring of services for transportation of Plastic Waste from a group of villages to the MV-PWMU/MRF
- Operation and maintenance of multi village wastewater arrangements
- Implementation and Operation and maintenance of Gobardhan Units
- Operation & maintenance of Faecal Sludge Management Plant
- Vehicle for transportation of Plastic Waste from a group of villages to the MV-PWMU

Block/District Panchayats can use the tied grants on the above-mentioned activities independently and/or in convergence with the funds available under various schemes of Central and State Governments with similar objectives/outcomes e.g. JJM and SBM(G), etc.

Distribution of RLB grants by the States:

The Fifteenth Finance Commission (FC-XV) has recommended distribution of Rural Local body grants to all the tiers in the Panchayats i. e. Gram Panchayats, Block/Taluk Panchayats and District/Zila Panchayats and to areas which are not required to have Panchayats (Fifth and Sixth Schedule areas and Excluded Areas). The inter se distribution among all the tiers shall be done by the concerned State Government on the basis of accepted recommendations of the latest State Finance Commission (SFC) and in conformity with the following bands.

Range for Distribution	Gram Panchayat	Block Panchayat	District Panchayat
Minimum	70%	10%	5%
Maximum	85%	25%	15%

States which have a two-tier system with only village and district panchayats, the allocation shall be in the followings bands;

Range for Distribution	Gram Panchayat	District Panchayat
Minimum	70%	15%
Maximum	85%	30%

However, in the event of SFC recommendations not being available, the inter se distribution among all the tiers shall be decided by the concerned State Government within the bands indicated above.

Modalities for Release of grants:

Basic Grants: Basic Grants i. e. 40% of the total allocation will be released in two installments by the Union Government after receipt of Grant Transfer Certificate in the prescribed format and recommendation from the Ministry of Panchayati Raj(MOPR), Govt. of India and fulfillment of the stipulated conditions.

Tied Grants: Tied grants i. e. 60% of the allocation will also be released in two installments by the Union Government after receipt of recommendation from the Department of Drinking Water & Sanitation, Ministry of Jal Shakti, Govt. of India and fulfillment of the stipulated conditions as given below.

Eligibility Conditions for release of Grants:

(A) For the release of Untied and Tied grants:

(I) In order to be eligible for grants, RLBs have to mandatorily prepare and make available online both provisional accounts of the previous year and the audited accounts of the year before previous as entry level conditions to avail the grants. However, for the years 2021-22 and 2022-23, the States need to ensure that at least 25 percent of the RLBs have both their provisional accounts for the previous year and audited accounts for the year before the previous available online in the public domain in addition to MoPR eGramswaraj and Audit Online in order for them to avail of the full grants in that year. For the years 2023-24 onwards, all RLBs need to have both provisional accounts of the previous year and the

audited accounts of the year before previous available online in public domain in addition to MoPR eGramswaraj and Audit Online failing which grants will be released on pro-rata basis depending upon the number of bodies complying to the these conditions. MOPR in consultation with C&AG may devise required formats of Audited and Provisional accounts to be uploaded in e-Gramswaraj/ Audit Online.

RLBs shall be deemed to be eligible for the release of grants detailed in para 2 above, if the rural bodies are duly constituted i. e. if duly elected bodies are in place except for the States/Areas where Part IX of the Constitution does not apply. In case, all the bodies are not duly constituted, grants shall be released to the State on pro-rata basis for duly constituted only.

FC-XV has recommended that all States which have not done so, must constitute State Finance Commission (SFC), act upon their recommendations and lay the explanatory memorandum as to the action taken thereon before the State legislature on or before March 2024. After March 2024, no grants shall be released to a State that has not complied with the Constitutional provisions in respect of the SFC and these conditions.

(B) For release of Tied grants:

Rural Local bodies shall be deemed to be eligible for the release of tied grant if the Department of Drinking Water & Sanitation, Ministry of Jal Shakthi, Govt. of India(DDWS) is satisfied about fulfillment of the following broad conditions:

(I) Uploading of GPDP/ BDP/ DDP in eGramSwaraj (or through DDWS-IMIS) containing details of Annual Action Plan of Village/ block/ District for Sanitation and Drinking Water Supply by the RLBs in the format as may be prescribed by the DDWS. Annual Action Plan for Drinking Water Supply shall include:-Details about Supply of drinking water, rain water harvesting and water recycling. Annual Action Plan for Sanitation shall include:- Status & maintenance of ODF and planning and implementation of SLWM interventions in the local body.

- (ii) Uploading of details about utilization 15th F.C. funds [both components] on the website.
- (iii) Any other conditions which DDWS may deem fit in connection with the stated objective of the tied grant.

Transfer of grant by the State Government:

The Fifteenth Finance Commission (FC-XV) was inter-alia mandated to recommend measures needed to augment the consolidated Fund of a States to supplement the resources of the Panchayats and Municipalities in the State. Therefore, the State Governments on receipt of the Fifteenth Finance Commission (FC-XV) recommended grants from the Union Government shall transfer the same to the Rural Local Bodies/ Excluded Areas concerned only within ten working days. Any delay beyond 10 working days will require the State Governments to release the grant with interest for the period of delay as per the average effective rate of interest on market borrowings/ State Development Loans (SDLs) for the previous year. For the sake of compatibility and operational convenience, local bodies may open a separate bank account for the FC-XV grants and operate the same for all types of transactions including interlinking with eGram Swaraj-PFMS interface.

In order to become eligible for the subsequent installment of the grant, the State Government need to submit Grant Transfer Certificate (GTC) to the Ministry of Panchayati Raj(MoPR) for untied grant, and Department of Drinking Water & Sanitation, Ministry of Jal Shakthi, Govt. of India for the tied grant with copies of both the GTCs forwarded to the Finance Commission Division, Department of Expenditure, Ministry of Finance.

Utilisation of the FC-XV recommended Local body grant

Basic Grants: The basic grants are untied and can be utilised by the Rural local bodies under the twenty-nine subjects enshrined in the Eleventh Schedule to the Constitution, except for salaries & other establishment costs. However, the expenditure required for

auditing of accounts by the State Government approved external agencies may be borne from this grant.

(ii) Tied Grants: 50% of the tied grants can be utilised for the basic services of (a) 'Sanitation and maintenance of ODF status, and this should include management and treatment of household waste, and human excreta and faecal sludge management in particular and the remaining 50% on (b) supply of drinking water, rain water harvesting and water recycling.

The local bodies shall, as far as possible earmark **one half of these tied grants** each to these two critical services. However, if any RLB has fully saturated the needs of one category and there is no requirement of funds for that purpose, it can utilize the funds for the other category. Such saturation shall be certified by the respective village Assembly /Gram Sabha and duly confirmed by the supervising authority of the Panchayats or the State Government.

In case, residents/households within a village/ Gram Panchayat / Block do have access to drinking water due to efforts of State/ Central Government/ various schemes implemented in the past, such Panchayats shall utilize the funds on other sub-components like rain water harvesting, water recycling/ rejuvenation of water bodies in addition to maintaining existing water supply infrastructure.

Accounting and Auditing:

From the year 2021-22, all Rural Local bodies shall maintain their accounts of **FC-XV grants** online on eGramSwaraj and also make payments to vendors/ service providers through eGramSwaraj-PFMS interface. Further, the auditing of the annual accounts are also to be carried out on the 'Audit online' application of MoPR. From 2023-24 onwards, States will receive RLB grants for the number of bodies having both provisional accounts

of the previous year and audited accounts for the year before the previous year available on Audit Online. Therefore, necessary steps may be taken during 2021-22 itself for providing training to the concerned officials on the subject and for opening account in the PFMS/integration with PFMS.

Indicative List of technical and administrative expenses permissible under 15th Finance Commission tied-grant for water and sanitation

1. Payment of professional fees for the services of contractual and outsourcing personnel e.g. accountant-cum-data entry operator, technicians, engineer, (more specifically for projects) etc.;
2. Hiring of support agencies for implementation of Gobardhan projects, plastic waste management and Faecal sludge management (the support agencies can be involved in planning, designing, setting up/managing of projects and their O&M, capacity building, and IEC);
3. Payment of honorarium to swachhagrahis, jal sahiyas, pump operators, plumbers, wire-man, water quality surveillance personnel, etc.
4. Cost of hiring professionals for quality check of civil works;
5. Training of PRI elected representatives and officials, for hiring professionals skilled in the use of software, use of eGramSwaraj and, GPDP planning, reporting etc.;
6. Data Entry costs, including payments to Common Service Centres (CSCs);
7. Updating of accounts, auditing expenses, etc.;
8. Cost of preparation of project reports and technical plans for the implementation of water and sanitation projects;
9. Cost of preparation of GPDP, covering all processes like PRA, IEC, surveys, preparing maps and other documents and holding consultations and cost of essential consumables.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

Session – 5

The Concept of Community-Managed Water Service Delivery

Session Outcome

Upon completion of this session, the participants shall:

1. Explain the need for enhancing community participation in rural water supply to the level of community management
2. Describe what does a community managed system entail
3. Describe the need for functional / working committees at GP level and especially a Village Water and Sanitation Committee (VWSC) for ensuring sustainable water and sanitation for all
4. Spell out the legal standing of VWSC and the need to equip the technical, financial standing in order to ensure sustainable water supply system.

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and videos
Play relevant videos

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
White Board with markers

Session Outline

- Causes of Poor Maintenance of the Rural Water Supply System
- Community Participation / Community Management
- The elements of community management

- Technical Management & Technical capacity requirements
- Financial Management & Operation and Maintenance Requirements
- Procedure of Awarding Contract
- Customization of Contract Documents to suit local needs

PROCESS

Note to the Trainer

This session must put across the message that Gram Panchayats are squarely responsible for providing water supply as per the norms of JJM / Government of India. It can have user groups. It can appoint Village Water and Sanitation Committee (VWSC) approved by the Gram Sabha etc. To be able to do it, enlisting community participation is of paramount importance. The Panchayati Raj Act and JJM Guideline demand a shift of ownership and responsibility from the State to the Rural Local Body, i.e. Panchayats. For a GP to be in a position to operate and maintain the facilities, GP as an institution need capacities of (i) community management; (ii) technical management; and (iii) financial management. Clarifying the responsibilities of GP, and putting it across convincingly is the challenge a trainer has. The key to this session is enhancing *community participation* and collective responsibility.

TECHNICAL NOTE TO THE TRAINER

Community Participation

The basic tenet of Panchayati Raj system is community participation, and community decision-making. We noted already that as per the XI Schedule of the Constitution, all the essential services such as drinking water, solid waste management, and wastewater management are to be managed by the Gram Panchayats. Gram Panchayat consists of all the households in a GP. They are the users of various services. In other words, they make ‘the community’ in any rural habitation. They need to participate in planning, and fully involve themselves in managing and maintenance so that the facilities created render sustainable benefits.

Poor Service Delivery

There are many problems associated with rural water service delivery. They include: Not enough water supplied, Irregular supply, Non-functioning or inadequate water systems,

Increased water demand, Polluted water sources, Pit taps, Missing taps, Illegal connections, Technical skills missing, Inadequate funds for O&M, Leaking tanks, pipes and taps, No maintenance, Water being wasted at collection points, High electricity bills, water conflicts, Irresponsible users or Panchayat functionaries, Water quality problems, Depleted groundwater and so on.

Causes of Poor Service Delivery by local bodies

The community expects that the government that built the facilities should maintain them as well. The government expects that the user community should assume the responsibility of managing and maintaining the water supply system created. In Essence: No Community Participation. Causes precisely are: absence of a management system, inadequate local institutions, and no revenue collection mechanism in place. The user community ends up blaming the government or the local body.

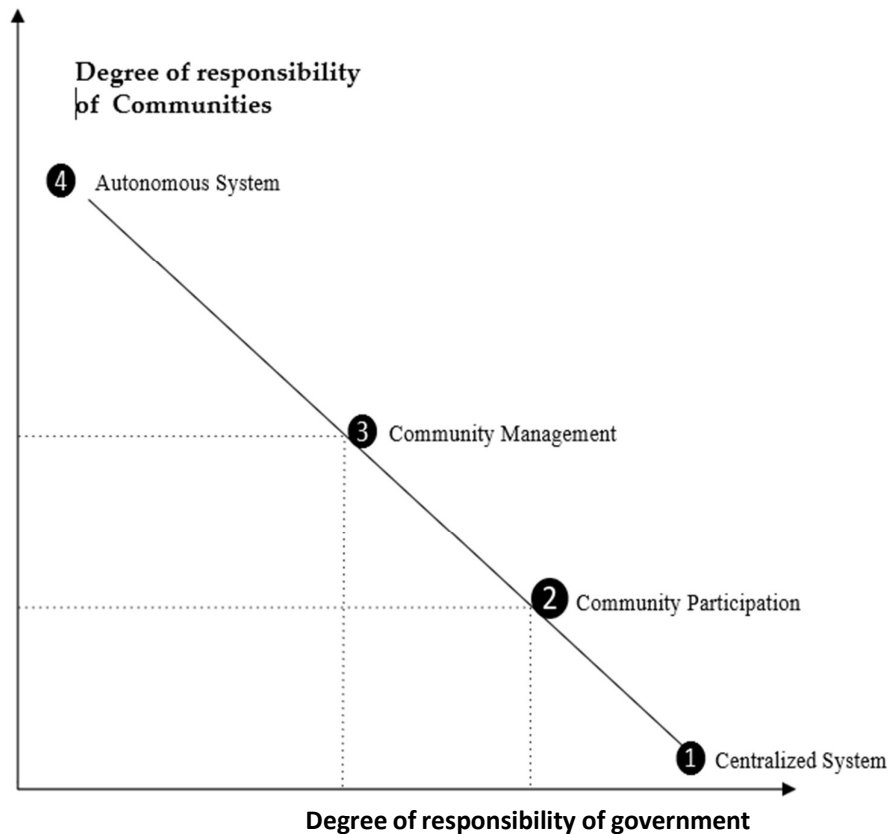
In practice, provision of drinking water in rural areas is often viewed as centralized - a responsibility of the state government / or by the Gram Panchayats. Community involvement or user involvement must be emphasized in several aspects such as water saving, reducing the unaccounted-for water, and taking responsibility to arrest leakages in time etc.

Community-management

Community-managed services, as opposed to state-managed services, have come up as alternative service mechanism in many parts of the world. This is quite logical going by the principle of subsidiarity, which states that institutions in-charge of essential service delivery / daily service delivery such as water and waste management should be close to the user community. State can only support through directives, advisories, training, capacity building, and providing other facilitation required. Effective service delivery at the cutting edge can happen only through elected local bodies [Gram Panchayats].

This is highly acceptable - theoretically and conceptually. How to operationalize the concept of community-managed service delivery? What does it entail require proper understanding. It has to be translated on the ground, and the Gram Panchayats have to be prepared accordingly.

Fig.1.2. Degree of Responsibility of the Government and the Community



- In **①** the government is responsible for everything and the communities have no legal authority in such a centralized system. This system has proved to be very inefficient, especially with regard to Operation and Maintenance of rural water supply and sanitation systems.
- In **②**, the communities have a certain degree of responsibility ranging from participation in labour to payment for services. The government still keeps an important role in the management of the system. This situation, which is now commonly accepted and implemented in many projects around the world, corresponds to community participation but not community management.
- In **③**, communities manage their system, but still rely on technical assistance and support. This situation corresponds to community management.
- In **④**, communities are autonomous; very few communities in the world have been

able to sustain their activities in a completely autonomous way.

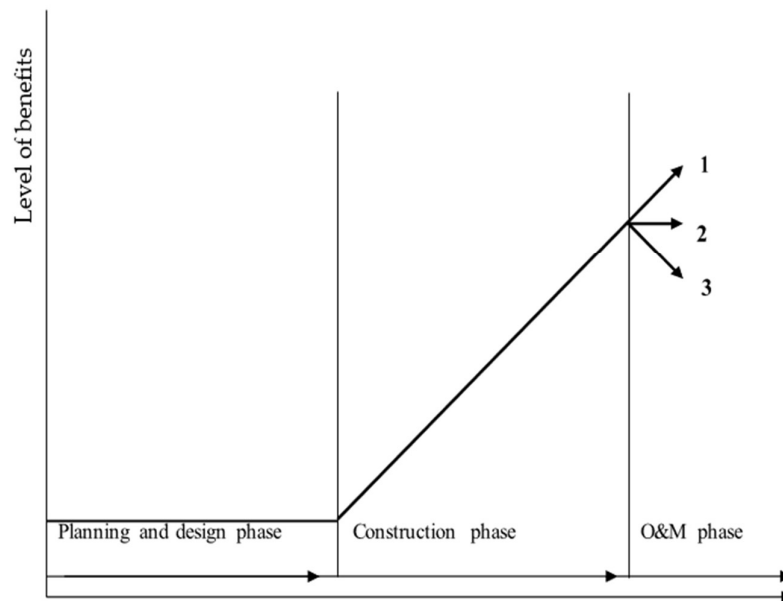
The main consequence of this process from government to community level is that it increases the financial, operational, technical, and managerial burden at the local level, which most communities do not have the capacity to carry. This process must therefore rely on accompanying measures such as:

- Building the capacity of communities in technical, financial and managerial terms.
- Reinforcing the role of local authorities in coordination with communities, and giving the technical and financial means to do so.
- Promoting the participation of local nongovernmental organizations and small private firms (formal and informal) in the provision of services (technical assistance, training, repairs, spare parts provision).
- Changing the role of government institutions from provider of services to coordinator and facilitator.

Operation and Maintenance in the Context of Sustainability

Sustainability depends to a large extent on effective and efficient operation and maintenance. Many factors and processes that contribute to sustainability have a direct influence on operation and maintenance. Sustainability can be analysed in time, as shown in the Figure 1.3 on project phases (WHOc, 2000).

Fig. 1.3 Sustainability in the Project Phases



- 1& 2: Development reaches sustainability
- 3: Unsustainable development

- Careful Planning and design of O & M must already be completed during the planning and design phase
- Sustainability starts at the planning phase
- What are the factors that influence sustainability

Many federal governments all over the world have resorted to go in for arrangements that are close to the users of service (or services delivered by the market) rather than centrally managed. The Government of India, under the JJM has shifted the responsibility of providing drinking water supply to the local bodies [Gram Panchayats]. This is essentially community-management. For uninterrupted water service delivery to take place at the village level, capacity enhancement of local bodies is sine-quo-non. The essentials of Community management are:

- Institutional Management of the Water Supply System
- Technical Management of the Water Supply System
- Financial Management of the Water Supply System

Institutional Management (GP)

By institution is meant the elected local body [Gram Panchayat] that's responsible for water service delivery at village level. That is a local body constitutionally / legally recognized by Government of India. The Panchayati Raj Act of States gives the responsibility of water supply to the GPs. The Panchayat Rules stipulate the formation of a Village Water and Sanitation Committee (VWSC) in each VP for managing domestic water supply. It's reiterated by JJM guidelines also. These provisions give legal framework for setting up institutional management, which we need to capacitate and strengthen.

JJM follows a 'bottom-up approach and is being implemented as a decentralized, demand driven, community-managed water supply systems so that Gram Panchayats or its sub-

committees such as VWSC, or Pani Samitis are able to manage, operate and maintain water supply to every rural household in the village.

The emphasis is on 'service delivery' & 'functionality': Under JJM, to achieve the goal of every rural household getting adequate quantity of safe water every Gram Panchayat and/or its sub-committee i.e. VWSC/ Pani Samiti will have to function like a public utility. For this, a massive programme of capacity building and skilling through various empaneled agencies has been undertaken at all levels, especially at the village/ community level so that the village community is able to understand and manage local utility in its best form. A set of guidelines, called the 'Margdarshika for Gram Panchayats and Village Water & Sanitation Committee (VWSC)' has been issued to make them aware of the basic groundwork which is to be done at their end.

Technical Management

This means being able to keep the technical installations / facilities functional. This is essentially about maintenance of various types: (i) preventive maintenance, (ii) attending to minor breakdowns and (iii) responding to emergency breakdowns. This would require training of local power pump operators, hand-pump mechanics and maintaining stock of spares and essential tools. The watermen need to be fully trained in attending to periodical and minor repairs. This also includes periodical checking of water quality & chlorination. This is about enhancing the technical capacity of GPs to manage water supply uninterruptedly. This also includes measures taken for source sustainability so that the system is dependable and remains functional irrespective of seasons.

Trained manpower: For the purpose of uninterrupted water supply, and to attending to repairs and breakdown in water supply, the GP may need trained manpower. Such skilled and unskilled manpower requirements can be fulfilled by making use of programmes like DDU-GKY (Gramin Koushal Yojana). This can be

done in batches by an arrangement with the nearest Skill Training Centre recognized by the DDU-GKY or at RSETI (Rural Self Employment Training Institutes). This can be arranged Block-wise or District-wise. This can also become a source of income to those trained. It is likely to help run rural water supply in an uninterrupted way.

Financial Management

This means being able to meet 100% of the Operation and Maintenance (O & M) expenses at the GP level. The strategy can be through collecting user charges and other own source revenues of GPs, where XV FC fund can be used as a critical gap fund. The expenses in water supply generally include: EB bill, Operators salary, repairs and replacement of components. User community taking care of the O & M would enable the government to make capital investments in partially covered and uncovered villages instead of investing in the same old villages for O & M of facilities. Gram Panchayats becoming self-reliant in terms of O & M will make sense Gram Panchayats being addressed as elected 'local governments'.

Legal Framework

For all these to happen, the Gram Panchayats should function realizing the constitutionally recognized role of an elected local government executing the powers and functions of a local self-government. For instance, the GPs have all the powers to decide on the amount of user charges, they think is reasonable. Some State governments have issued G.Os to get a deposit amount (as decided by the GP) for providing FHTC. State governments have also stipulated through G.Os that monthly user charges / service charges be collected from all FHTC holders. It is possible that a certain percentage of the house tax / property tax collected can be used for O&M of water supply. The government can also incentivize GPs to

enhance local tax revenues, and also facilitate revenues through non-tax incomes. Effective implementation of such provisions, and demanding other necessary Government Orders can help several GPs bring about self-propelling water supply management system.

VWSC – as the local committee

Gram Panchayat and/or its sub-committee, i.e. Village Water and Sanitation Committee (VWSC)/ Paani Samiti/ User Group, etc. It is envisaged under JJM that the community will play a lead role in planning, implementation, management, operation and maintenance of in-village water supply infrastructure thereby leading to FHTCs to every rural household. The willingness of community, reflected through Gram Sabha resolution and community contribution, will be the foremost criterion for planning of water supply system in villages.

Membership Composition: GP and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. will function as a legal entity as envisaged in the 73 Amendment to the Constitution. Gram Sabha will decide whether GP or its sub-committee will carry out the responsibilities of water supply management in the village. Wherever the sub-committee is chosen, i.e. VWSC/ Paani Samiti/ User Group, etc. it may be headed by Sarpanch/ UpSarpanch/ GP member/ traditional village head/ senior village leader as the Gram Sabha may decide and Panchayat Secretary/ Patwari/ Talati may act as Secretary. It may consist of 10-15 members comprising elected members of Panchayat up to 25% of the composition; 50% women members (key to success); and remaining 25% may consist of representatives of weaker sections of the village (SC/ST) proportional to their population. Ordinarily, tenure of sub-committee may be kept at 2-3 years so that Gram Sabha during the JJM period (and beyond) will have option to reconstitute the sub-committee.

Tenure: In case the tenure of elected members of Panchayat in the sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. has ended due to any reason then the DWSM may ensure the continuation of sub-committee till such time the GP is reconstituted. Similarly,

in States where the elected GP does not exist, the sub-committee, i.e. VWSC/ Paani Samiti/ User Group may be headed by traditional village leaders/ senior village leader as the village council may decide and tenure will be specified. For GP or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. there needs to be an operational by-law, about which we shall discuss. Such a by-law can provide the framework for operation of the VWSC. It can serve as a set of rules or source of reference for action initiatives of VWSC.

User Groups: If stand-alone water supply systems are planned in scattered settlements/ habitations, user groups may be formed in such settlements/ habitations who are to own, manage, operate and maintain the water supply system. Such user groups will be accountable to Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti, etc. of the Gram Panchayat. The Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. will discharge the following functions:

- i.) provide FHTC to every existing rural HH and any new HH that may emerge in future, and ensure that scattered households located away from main settlements also get FHTCs;
- ii.) ensure preparation of Village Action Plan (VAP) for water supply scheme;
- iii.) plan, design, implement, operate and maintain the in-village water supply schemes and decide seasonal supply hours;
- iv.) procure construction services/ goods/ materials from agencies/ vendors as finalized by SWSM through centralized item rate tendering;
- v.) mobilize and motivate the community to contribute 5% or 10% of in-village infrastructure capital expenditure, as the case may be. The contribution may be in the form of cash and/ or kind and/ or labour;
- vi.) supervise construction of in-village infrastructure including source sustainability, greywater reuse, water conservation measures, etc.;
- vii.) open bank account/ use existing account of GP for community contribution and depositing O&M service charge. In case an existing account is being used, it

- should be ensured that a separate ledger is to be maintained for contribution and incentive;
- viii.) create and maintain register for accounts which should reflect community contribution in terms of cash and/ or kind and/ or labour; costs towards construction; O&M costs/ water tariff collection and incentive received;
 - ix.) mobilize community for PRA activities;
 - x.) firm up and collect water tariff/ user charges;
 - xi.) will be responsible for management and regular O&M of in-village water supply system including local water sources;
 - xii.) record drinking water asset details in GP/ village asset register;
 - xiii.) facilitate trials runs on scheme completion;
 - xiv.) facilitate third party inspection and functionality assessment;
 - xv.) hold periodic meetings at least four times in a year and maintain minutes/ record of the same;
 - xvi.) ensure water quality testing using Field Test Kits (FTKs), periodic testing at laboratories & disseminate the same among community and undertake sanitary inspection. Engage/ train rural youth/ students/ women to carry out these activities;
 - xvii.) may engage a dedicated person to ensure water quality test using FTKs, as per the respective State policy; xviii.) undertake social audit;

Management Options

If the GP has too many works to carry out, it may also consider the option of engaging private players including local SHGs to take up operation and maintenance of water supply systems. The following are some of the options to manage. We shall get to know about engaging private players / contracting out in a subsequent session (Session 7).

- Engaging Non-state providers in Rural Water supply.
- SHGs – Self Help Groups

- O & M Contract to private service providers
- Social Enterprise model run by GPs & entrepreneurs.
- NGOs specialized in WS services
- NGOs and Registered societies operate Water ATMs and community water purification plants in water quality affected areas.

In order to engage such third-party agencies in rural water supply or waste management services, the GPs must equip itself in matters such as preparing a tender document, floating a tender, and contracting out etc.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

Session – 6

Model by-laws for local governance of water supply

Session Outcome

Upon completion of this session, the participants shall:

1. Identify the need for written down rules, and norms for managing and regulating water supply at the local level
2. Get hold of model by-law for Rural Water Supply, and a Model by-law for VWSC so that there is a common understanding in any community when it comes to managing water supply at the village level.
3. Recognise the place of elected local body and its constituent committee (VWSC) in managing water supply at the local level
4. Define the role, and explain the functions of VWSC as a committee approved by the local Gram Sabha.
5. Explain the provisions of a water supply by-law, and how such rules and norms help regulate water supply in an efficient way

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and vides
Play relevant videos
Coaching

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
Copies of model by-law for each participant

Session Outline

- What is a model by-law?
- Clarity on the role of Gram Panchayat in arranging water supply
- Legality of Community-based Institutions such as VWSC
- The need for and the provisions of a model by-law for Rural Water Supply
- The need for and provisions of a model by-law for VWSC

PROCESS

Note to the Facilitator

The trainer can open this session with a picture of a football ground, where the players in fight with each other because they started playing with ‘no rules’. With each player having his own rules, you cannot play a game. This is to say that be it a game of football, or cricket or shared use of any facility, there needs to be certain agreed set of rules. In absence of it, there is chaos, confusion leading to the facility to fall apart. Thus, for any dignified transaction in the society, we need to follow certain set of rules so that there is order – be it playing football / cricket or use of a public toilet.

In this session, we shall see what rules and procedures can help achieve sustainable rural water supply. We shall see 1. Model-by-law for Rural Water Supply; 2. Model by-law for VWSC.

TECHNICAL NOTE TO THE TRAINER

What is a model by-law?

This is a set of rules and local norms developed by the Panchayat functionaries, approved by the Gram Sabha. This is called by-law because a set of rules officially approved by the Gram Sabha is a law applicable within the jurisdiction

of the Panchayat. In other words, since a GP is a local level government, when these set of rules and norms are approved by the Gram Sabha it becomes a law everyone in the GP has to abide by.

Implementation of Water Supply by-law rests with a local committee, which we call Village Water and Sanitation Committee (VWSC). VWSC is usually an elected body or a body partly elected and partly nominated as approved by the Gram Sabha. VWSC derives its powers from the Gram Sabha to implement these by-laws. For the powers and functions of VWSC, there is another by-law so that VWSC becomes a Gram Sabha approved body to implement the model by-law for water supply.

Legality of community-based Institution

Gram Panchayats have to abide by the respective State Panchayati Raj Act. The Panchayati Raj Act provides the power to the Gram Sabha to lay down their own rules, regulations, and even by-laws for managing various services including water supply. Important management issues at GP level are: adoption and enforcement of by-laws and regulations, financial issues such as budgeting, revenue collection and expenditure control, procurement of services and materials, personnel administration, planning and implementation of facilities, operation and maintenance, monitoring and reporting, protection of water sources and consumer awareness creation. This is a kind of decentralization and empowerment, coupled with greater responsibility, at the grassroots level.

Several countries are now implementing decentralization policies. The main aim for implementing a decentralization process is greater efficiency, effectiveness and sustainability of public services. It is based

on the assumption that local institutions can better respond to the needs of the population, and therefore adapt strategies and policies to the local context. Central level institutions must change their role from provider of services to that of coordinator, facilitator and support. This can be done by: (i) transfer of responsibilities from State to the lowest appropriate level (the Village Panchayat); (ii) “de-concentration” of activities from national to local levels; and (iii) transfer of various activities to other actors such as local bodies or NGOs and the private sector as it may be appropriate.

Model by-law for Rural Water Supply

The following are some of the provisions that go into the model by-law for water supply. This is indicative. The GP functionaries are expected to go through it in an Executive Committee meeting and customize / finalise these set of rules to suit local conditions.

Model by-law for VWSC

Similar to the model by-law for water supply, every GP needs to have a model by-law for VWSC. This aims at clarifying the roles, responsibilities and powers of the members of VWSC. This makes the VWSC members clear about what is expected of them, what is within their powers to decide about rural water supply. A model by-law is given below. The GP functionaries are expected to go through it in an Executive Committee meeting and customize / finalise these set of rules to suit local conditions.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

Session – 7

Professionalising Services through Contracting out: Options

Session Outcome

Upon completion of this session, the participants shall:

1. Recognise the need for professionalising rural water supply in order to adhere to certain service level standards for all the FHTC holders.
2. Recognise that GP managing water supply does not have to always mean GP managing directly, and that rather it could mean managing through a service contract agreement with a service provider
3. Know the basics of service contract agreements, bidding, and selection of a professional service providers on contract basis
4. Discuss list of model contracts and customise it or compose one that will be suitable for a given GP / cluster of GPs
5. Know a schematic of broad model contract typologies for engaging professional external agencies for water supply at GP level, and prepare a call for Expression of Interest / bidding procedures, and fair and transparent means of selecting an agency for awarding the contract

Duration

60 minutes (45 minutes active lecture, followed by 10 minutes discussion, and 5 minutes to transition into the next session).

Method

Lecture with PowerPoint, and videos
Play relevant videos

Materials Required

Relevant lecture with PowerPoint
Videos already selected and ready to play
White Board with markers

Session Outline

- Basics of Contract Management (Third Party Engagement & Service Contracts)
- Types of Model Contracts Introduced
- Required licenses, sanctions, permissions and compliances
- Provisions for Contract in State PR Acts
- Model Contract Typologies for RWS
- Guidance for Selection of Contracts
- Procedure of Awarding Contract
- Customization of Contract Documents to suit local needs

PROCESS

Note to the Trainer

Put across the point clearly that GP managing solid waste does not have to always mean GP managing directly, and that rather it could mean managing through a service contract agreement with a professional waste management service provider

Getting into a service contract agreement with a private agency / NGO requires familiarity with ‘contract management rules’ such as how to call for Expression of Interest (EoI) /competitive bidding process, how to prepare a bid document, how to shortlist and select agencies, and how to get into an agreement with them, how to define the scope of work, terms of payment, dispute settlement mechanism, and how to execute the contract and so on.

In this session, we shall introduce various types of contract agreements, and the sample for each one of them. We shall also discuss the scope of work with each type so that the GPs are able to decide, what suits them the best.

The GPs need to get familiar with tender procedures (as per state government rules), and in this section, we shall provide an overview of calling for bids, scrutinizing bids, and how to select an appropriate agency, and award the service contract. It has many legal and official procedures we need to introduce to the GP in this part of the module.

TECHNICAL NOTE TO THE TRAINER

Basics of Contract Management

Following are other essential aspects to be considered by the GPs while deciding to contract out solid waste management services:

- The GP should identify services that can be effectively provided by the existing staff and available financial resources.
- Subsequently, services which would need to be outsourced due to limited in-house technical know-how, capability, and financial resources should be identified.
- Benefits and potential issues with outsourcing services which the GP cannot provide (as identified above) should be fully evaluated and understood. Justification note for the need to contract out identified services should be prepared.
- Commercial or economic feasibility of the services to be contracted out has to be ascertained. The appropriate contract models and their benefits need to be assessed for each of the services that has to be contracted out.
- Sharing of all possible risks (technical, operational, and financial) between GP and the operator should be detailed out.
- Where land acquisition is involved, the GP has to stand in for the contractor in addressing such aspects.
- Contracts should specify the range of technology or technologies that can be adopted after the GP undertakes a thorough assessment of available technologies for specific services.

The GPs should consider separate contractor for every outsourced service such as drinking water supply, waste management service etc. However, where it is feasible and cost-effective services such as maintenance of sanitary complex and drainage cleaning may be combined to a single contractor. While deciding about outsourcing, the project

must be clearly defined. The ToR of the contract should be based on a Detailed Project Report (DPR) developed.

ToR for Waste Management

On ascertaining the benefit of outsourcing services, the GP shall prepare a ToR which shall include at least the following:

- Detailed description of scope of work
- Specific outcomes or outputs of the services and performance standards for the services to be contracted / Service Level Benchmarks
- Specified duration of the service to be contracted and time lines for provision of services
- Minimum qualification and experience of the bidder required
- Minimum staffing and equipment required for delivering the services
- Envisaged monitoring and evaluation requirements
- Management structure and reporting
- Tender evaluation procedure
- payment mechanism
- Adequate social and environmental safeguards to ensure equitable service provision
- Confidentiality clause; and
- Service level guarantee mechanisms

Provisions for Contract in State PR Acts: The respective State Panchayat Raj Acts and Rules have issued there under contain rules and regulations of contracting for public works including water and sanitation services. These are further supplemented by the advisories issued by the MoPR and Finance Departments on procedural matters relating to tenders, contracting as well as delegation of financial powers. The GP needs to consult such state-specific procedural matters.

Basic Elements of Contract: The basic elements of contract include contract creation, contract execution, and contract implementation. These are briefly described below.

S.no	Description	Significance
1	Contract	In the context of GP, contract delivery of public services etc through third parties. The contracted services are carried out by these parties in accordance with the terms and conditions laid down in the contract. The “Contractor” is the service provider selected for performing the tasks mentioned in the contract.
2	Contract Engrossment	Contract engrossment is the process of preparing the final agreed form of contract and its schedules and appendices so that it can be executed.
2	Contract Execution	Contract execution is the process of signing an agreed contract, after which its terms and conditions become binding on the parties to the contract.
3	Contract Implementation	Contract implementation is the process where the parties to the contract perform the duties mentioned in the contractual agreement. The terms and conditions mentioned in the agreement are kept in mind in the performance of the contract.

Phases of Contract Management : Contract Management usually involves 3 key phases i.e. Pre-Award Phase, Award Phase and Post Award Phase. These are described below briefly.

S.no	Contract Management Phase	Activities carried out
1	Pre- Award phase	During this stage, GP focuses on the reason for establishing the contract and deciding whether the contractor can fully fill the terms of the contract to meet the waste management services required at the GP.
2	Award Phase	This is the middle phase when the contract is awarded which includes all the paperwork to make the agreement final.
3	Post-award Phase	In the post-award period, the terms and conditions of the contract are implemented and services are delivered to the satisfaction of both parties.

Model Contract Typologies for SWM

Not all contracting models are suitable for each of the SWM operations. GP functionaries may adopt one or more of the following contracting models:

- **Contract out Collection and Transport only:** Contractor may be assigned only for door to door collection through vehicle arranged by him, and deliver at the segregation shed. The contractor provides the appropriate vehicle or vehicles with driver(s). He appoints his own sanitary workers who go in the vehicle for waste collection. Once segregated waste are collected from 100% of the households (and other areas as mentioned in the scope of work), the vehicles deliver at the segregation shed of the GP. Arranging for vehicles, maintenance, fuel, wages / salaries to be paid to the drivers and sanitary workers rest with the contractor.
- **Contract out only Treatment of Waste:** It may be defined in the scope of work that the GP shall arrange to collect segregated waste from door to door, and delivers at the segregation shed. Once segregated waste reaches the segregation shed the responsibility of the contractor begins. He arranges trained sanitary workers for secondary / tertiary segregation, and his skilled manpower treat such waste into respective streams in a scientifically acceptable way. It may include composting, vermin-composting, bio-methanation, incineration of sanitary waste, making refuse derived fuel (RDF), sending for recyclers, and consigning the residual / inert waste to a sanitary landfill etc.
- **Contract for Supplying only Unskilled and Skilled Manpower:** A contractor may provide only trained manpower – skilled and unskilled for the GP to be able to handle the waste in appropriate manner. This is like manpower contract service as demanded by the GP. The GP shall manage the entire task, by making use of the manpower supplied by the contractor. The GP shall sign a contract specifying the number of trained (skilled and unskilled) manpower required for specific tasks on certain payment terms to the contracting agency.
- **End-to-end Waste Management Service:** A GP may decide to hand over the entire solid waste management service to a professional waste management service provider. The scope of work may be defined as starting from door to door collection, to transport to treatment and proper disposal. The GP shall only monitor and review the work, and makes payments as per terms agreed.

The GPs may decide to bundle certain services while contracting out SWM operations to build accountability and efficiency in the system.

For professional operation and maintenance of SWM services at the GP level, the MoPR has issued guidelines for selection of contracts

Options for GP for Selection of Contracts: As there are wide-ranging variations in demographic size, geographic location, types of infrastructure facilities in view, the GPs have to choose the appropriate type of contract as per the local needs to ensure cost-effective utilization of resources. The following are the option for selection of contract for solid waste management services in the GPs

Individual GPs: Going by the size of Gram Panchayat based on population, and settlement pattern – and taking into aspects such as GPs with scattered habitations and has multiple habitations, number of streets, institutions, shops and establishments, the GP can opt for one of the following contract model

S.No	Type of Contract	Suitability and Justification
1	Contract for Comprehensive Waste Management Service	<ul style="list-style-type: none"> This is to provide end to end waste management service starting from preparing the community for segregation, door to door collection, transport, and scientific treatment and disposal. If the population of the GP is more than 5,000 and / or with scattered habitations and has multiple habitations or streets, then the GP can opt for this model. The Contractor responsible for regular operations, maintenance, providing collection vehicles with drivers, trained sanitation workers, skilled and unskilled HR, uniform, tools and equipments . The entire responsibility lies with the contractor.
2	Contract for O&M of Plant / Equipment	<ul style="list-style-type: none"> The GP may decide to set up vermi-compost unit, or bio-gas units, or toilet linked bio-gas providing gas to a community kitchen etc. In such cases the technical management of such units / plants and equipments may require engagement of trained professionals. The GP may decide to contract out such components which involve professional engagement. Everything else will be taken care of by the GP appointed sanitation workers. If it's in the scope of work, the Contractor may coordinate with special service providers for treatment and disposal of hazardous solid wastes. A model contract agreement for O & M of Plants and Equipment is available in MoPR website.

3	Contract for Supply Skilled and Unskilled manpower as required by the GP	<ul style="list-style-type: none"> If the GP has set up population of the GP is less than 5,000 and / or with one or two habitations, fewer shops and establishments, the GP can opt for this model. The contractor shall provide only skilled and unskilled (trained) manpower as required by the GP. This is like a manpower service. It's the responsibility of GP to take up entire waste management service making use of the manpower provided by the Contractor. The GP prescribes the number of skilled / unskilled persons required.
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Minimum Mandatory Technical & Performance Specifications or Project Information Memorandum

- Brief description of the project
 - Scope of Work
- General technical design requirements and standards
- Specific design requirements and standards for each facility
- Operation and performance requirements
- Existing infrastructure

Cluster of GPs: For the purpose of cost-effectiveness, it would be better for a single agency to cater to multiple GPs located nearby.. In such a scenario, the cluster of GPs may mutually decide to choose a single agency for delivery of the professional services under any of the model contract type mentioned above. The agency can be chosen from a list of applicants at the district level. The agency will need to enter into a separate contract with each of the GP in the cluster. The respective GP will be responsible for the payment to the agency according to the quantum of work in its jurisdiction.

Small GPs: Many GPs may not have sizeable work to be accomplished or financial resources at their disposal to enter into a contract with a professional agency. Some GPs may have a SVS with extremely simple water supply arrangements. Such GPs can appoint one trained persons take care of all services related to drinking water supply

Best Option for GPs: The best option will be to deploy local human resources for the execution of the contract services. This will not only provide improved services levels in the GPs but also generate employment and result in betterment in the livelihood of the rural

population. The GP can enlist youth groups, self-help groups (SHGs), Start-up Village Entrepreneurs (SVEPs) and educated unemployed youth who could be trained for carrying out O&M of the services.

Tendering, Contract Management and Supervision

Clause 15 of SWM Rules – 2016 states that that the local authorities (in this case the GP) shall facilitate construction, operation and maintenance of solid waste processing facilities and associated infrastructure on their own or with private sector participation or through any agency for optimum utilisation of various components of solid waste adopting suitable technology adhering to the guidelines issued by the Government of India from time to time through SWM Rules – 2016 or as under the Swachh Bharat Mission-G, and as per standards prescribed by the Central Pollution Control Board (CPCB) or respective State Pollution Control Board (SPCBs).

Undertake on their own or through any other agency construction, operation and maintenance of sanitary landfill and associated infrastructure for disposal of residual wastes in a manner prescribed under these rules.

Make adequate provision of funds for capital investments as well as operation and maintenance of solid waste management services in the annual budget ensuring that funds for discretionary functions of the GP have been allocated only after meeting the requirement of necessary funds for solid waste management and other obligatory functions of the GP as per these rules.

GPs may enter into contract with private service providers for provision of specified SWM services such as collection, transportation, treatment, processing, and disposal of waste. Private service providers have to be held accountable for maintaining required standards of services as well as its effectiveness and efficiency.

Adequate care should be taken while preparing tender documents to ensure that only those firms with requisite qualifications and experience are considered. The following aspects should be kept in mind:

- The tender should clearly specify the technical and financial capability required to perform the task proposed to be outsourced. The qualification criteria should be standardized. It should provide equal opportunity to all those who have a capability to undertake the task. It should not restrict competition between big players; at the same

time, it should not allow incompetent, inexperienced, or unqualified parties to enter the fray. The eligibility criteria should be limited to what is required to perform the obligation; this shall enhance healthy competition and create a pool of entrepreneurs to provide SWM services.

- Standardise prequalification criteria should support only those firms having adequate resources and expertise
- Selection of bidders should be based on technical and financial bids and specified criteria. This could be done in several ways:
 - The GP may prescribe minimum qualifying standards for technical bids; financial bids of only those bidders who meet the minimum qualifying standard may be opened unless otherwise justified.
 - GP may give higher weightage to qualifications and experience in cases where higher skills are necessary (for example, where bio-gas is converted as CNG, or converting waste into bio-gas to power to light street lights, marketplaces etc.).
- Awarding contracts to single party all aspects of water and sanitation services covering water supply, Community Sanitary Complex, SWM services etc. may be avoided, as it can create unmanageable situation if the contractor ceases to operate. Multiple contracts are desirable so that if one contractor fails, another can take over until other arrangements are made.
- A transparent and stringent monitoring and evaluation system should be developed to ensure that contractors perform their obligations.
- Long term contracts should provide for a periodic revision of tariffs based on predetermined parameters and create implementation mechanisms to ensure sustainability of the contract.
- GPs should ensure timely payments for contracted services.
- GPs should ensure adequate in-house capabilities for appropriate contract monitoring.

Engaging with Professional Waste Management Agencies

After a DPR, a transparent procurement process should be adopted for the selection of an agency by following these standard procedures:

- Preparation of expression of interest (EoI), request for proposal (RFP), and concessionaire agreement
- Obtaining approval from concerned authority
- Issue of notice for pre-qualification or EOI

- Short-listing of firms
- Issue of RFP to the shortlisted firms
- Conducting pre-bid meeting
- Receiving technical and financial bids in separate packets in response to the RFP and opening of technical bids
- Evaluation of the technical bid document received
- Opening of financial bids of the bidders (minimum three bids would be desirable)
- Evaluation of financial bids
- Selection of most preferred bidder
- Negotiation and signing of agreement
- Award of contract

Tendering Process for Engaging Third Party

The GP has an option of adopting a single stage selection process or a two-stage selection process for awarding contracts to the contractor.

Single Stage Process

In a single stage bidding process, technical and financial bids are submitted simultaneously in response to a RFP. The selection of the preferred bidder is envisaged through an evaluation of a three-part proposal received from interested bidders:

- **Part I – Response to qualification:** Pre-qualification will be based on the documents received from bidders in response to the qualifying criteria laid down by the GP. The idea is that the technical and financial offers of bidders, who do not qualify at this step, will be returned unopened.
- **Part II – Technical offers:** Technical offers in the proposals from bidders who qualified at the end of first stage will be opened and evaluated against predetermined criteria. Financial offers of bidders, who do not qualify at this step, will be returned unopened.
- **Part III – Financial offers:** Financial offers from proposals of those bidders whose technical offers are qualified shall be opened and scrutinized. Only those financial offers which are in accordance with criteria laid down in RFP shall be evaluated.

Two stage process

The two stage selection process is characterised by an initial prequalification stage, followed by RFP stage, which is applicable only to pre-qualified bidders.

Stage 1: Qualification stage: The request for qualification (RFQ) specifies the minimum qualifications required for participation in the tender. Suitability of interested parties or consortia will be assessed by the tender in accordance with the provisions of the RFQ. At the end of this stage, the authority will shortlist suitable pre-qualified applicants who are then eligible for participation in the second stage of the bidding process (the “bid stage”).

Stage 2: Letter of invitation: After the bidders have been shortlisted under the RFQ for the aforesaid project, GP should invite the bidders to procure the RFP with the objective of submitting a technical and financial proposal.

Request for Proposal (RFP) from GPs

The RFP is a document that GPs prepare to elicit bids from potential vendors. The quality of an RFP is very important for successful project management because it clearly delineates the deliverables that will be required. This RFP includes statements that reflect various assumptions and assessments by the authority in relation to the project. Such assumptions, assessments, and statements do not contain all the information that each bidder may require. The RFP should be organized into three sections:

- Section I: Instruction to bidders
- Section II: Minimum mandatory technical and performance specifications or project information memorandum
- Section III: Concession agreement

Section I: Instruction to Bidders (ITB)

The instruction to bidders specifies procedures to be followed by bidders in preparation and submission of their proposals and provides information on submission, opening, evaluation of proposals, and award of concession. Indicative contents of the instruction to bidders include the following:

- General conditions
 - General responsibilities of bidding
 - Fraud and corrupt practices

- Contents and submission of proposal
 - Cost of proposal
 - Number of proposal
 - Eligibility and pre-qualification
 - Bid security
- Performance guarantee
 - Guidelines for submission of proposal: The bidder shall submit the proposal in accordance with the guidelines prescribed in the RFP and ensure that the proposal is complete in all aspects. The GP reserves the right to reject proposals that do not conform to the guidelines prescribed.
- The proposal shall be submitted in three parts, viz.,
 - Part I: Response to pre-qualification requirements
 - Part II: Technical offer and
 - Part III: Financial offer
 - Proposal due date and validity period
 - Late submission of proposal
 - Modifications, substitution or withdrawal of proposal
 - Verification of information and site visit
 - Right to accept or reject any or all bids
- Eligibility and pre-qualification
 - Technical capacity as per eligibility criteria
 - Financial capability
 - Lock in periods
- Evaluation of bids
 - Confidentiality and non-discriminatory process to be defined
 - Clarifications

- Evaluation: Part I – Response to pre-qualification requirements
- Evaluation: Part II – Technical offer
- Evaluation: Part III – Financial offer
- Notification and issue of LoI
- Conditions precedent for issue of letter of award
- Authority's right to accept or reject proposal

Volume II:

Minimum Mandatory Technical & Performance Specifications or Project Information Memorandum

- Brief description of the project
- Scope of work
 - General technical design requirements and standards
 - Specific design requirements and standards for each facility
 - Operation and performance requirements
 - Existing infrastructure

Volume III: Draft Service Contract Agreement

The draft concession agreement specifies various details pertaining to the project in its various articles. Formats for information to be provided by the bidder are specified in the various schedules of the concession agreement. The various Schedules to be included in the concession agreement shall include: Details of project sites; Construction requirement for waste processing facilities; Technical scheme for SWM facility; Service level condition and penalties etc.

Suggested Contents of Proposals from Bidders

The proposal shall include the following contents in the formats prescribed by the GP authority:

Response to pre-qualification requirement

- Bid security (as defined)

- Fees for RFP (as defined)
- Covering letter for proposal submission
- Details of bidder or bidding consortium
- Power of attorney of authorized signatory of bidder
- Memorandum of association (in case of proposal submitted by a consortium)
- Power of attorney of lead member (for consortium proposal)
- Format for board resolution of bidder or bidding consortium members
- Format for non-criminality
- Format for anti-collusion certificate
- Details and proof of technical capacity
- Details and proof of financial capacity
- Litigation history
- Certificates from a practising Chartered Accountant in India certifying net worth as per clause 3 (a) supra, along with the documents (if any) as required under relevant clauses.
- Copy of memorandum and articles of association or registration document
- Technical Offer
 - Formats for technical proposal
 - Technical plan for project facilities
 - Details of expert team with curriculum vitae
- Financial Offer
 - Project cost break-up sheet indicating costs of all services or components of the contract
 - Detailed break-up of operating costs & revenues

Tender Documents: .The tender documents shall consist of:

- a) A complete description of services to be provided and service level standards to be maintained
- b) A complete specification of the materials to be used and manpower to be as per SLB fixed by the Gram Panchayat

Invitation of Tenders: : All tenders shall be invited in sealed covers by the Panchayat Secretary by a notice in the local newspapers having maximum circulated in the district,. The tender notice shall also be up-loaded on eGramSWARAJ portal. The notice shall specify,

- a) When and where the draft contract document may be inspected.

- b) The precise form of tendering, i.e manner of quoting rates for each item of work included in the schedule.
- c) When and to whom tenders are to be submitted.
- d) When and where the tenders shall be opened
- e) The amount of earnest money which should accompany the tender
- f) The amount and nature of security required in case the tender is accepted
- g) That the GP reserves the right to reject any or all the tender received without assigning any reason.

Opening of Sealed Tenders: The Panchayat Secretary shall at the time and place specified for the purpose open the sealed covers containing tenders in the presence of such of the tenderers or their authorized agents as maybe present. On opening the tenders, the Panchayat Secretary shall initial all corrections, which may have been made by the tenderer and attested by him. If there are corrections unattested by the tenderer, a note of such corrections shall be made on the tender when it is opened.

Maintenance of Tender Register: After the tenders are opened, they shall be tabulated and posted in the tender register. The Panchayat Secretary shall scrutinise the entries in the register and shall certify that the tabulation is correct with reference to the original tenders. The tender register together with the tenders shall be placed before the Gram Panchayat at its next meeting for disposal.

Acceptance or Rejection of Tenders Procedure: The lowest tender shall ordinarily be accepted. In case it is considered undesirable to accept the lowest tender, the next lowest tender shall be considered. In every case of rejection of a tender clear and convincing reasons shall be recorded .The tenders shall be disposed promptly within six weeks from the date on which they are opened

Agreement: The GP should conclude the contracts through a written agreement.. The terms of contract must be precise and definite, with no ambiguity or room for misinterpretation. The contract shall be initially for a period of one year and can be extended further on observation of satisfactory performance on mutually agreeable financial terms. These contracts should be legally validated by a team of lawyers, which shall be empanelled at the district level.

Customization of Contract Documents/ Agreement: The contract should be executed in the format prescribed by the State Government or in the model format communicated by MoPR.

PowerPoint Slides

(Ready to use PowerPoint Slides for use by the trainer)

Session – 8

Financial Planning, Economics and Bearing the O & M Costs

Session Outcome

Upon completion of this session, the participants shall:

1. Distinguish one-time (capital cost) expenses for setting up infrastructure facilities from the recurring expenses month after month in order to support the Operation and Maintenance (O & M) of the water supply system
2. Make an assessment of O & M expenses through a rough budgeting exercise so as to have a clarity on the economics and financial sustainability
3. Estimate and examine the likely expenses to be incurred in O & M of the water supply system, and the sources of income / funds to be able to meet the O & M expenses in order to ensure operational sustainability
4. Identify the gap between ‘expenditures and revenues’, if it works out in surplus or deficit so as to find ways to make up the deficit.

Duration

60 minutes

Method

An active lecture may follow a GD on budgeting exercise.

Materials Required

Relevant lecture with PowerPoint

A blank budgeting format (hard copy and soft copy)

A list of expenses that generally a GP has to meet out in providing sustainable water supply.

White Board with markers

Session Outline

- Capital cost & cost of Operation and Maintenance (O & M)

- List out the items under operation cost, and those under maintenance
- Involve in actual budgeting exercise
- Find out surplus / deficit
- Discuss ways to reduce the expenses, or increase the revenues
- Discuss other possible sources of funds to meet the expenses, if the expenditures are likely to be more than the revenues. In other words, if the budget worked out, turns out to be a deficit budget.

PROCESS

Note to the Facilitator

Open the session with a discussion on expenditures involved in water supply and the income sources. Write down on the white board the items of expenditures involved in operation and those the GP has to incur as maintenance expenses. The trainer can give a blank budgeting format for dry run of expenses and income. Based on that, a discussion can be initiated.

The trainer must have ideas to offer in terms of expenditure reduction, income augmentation, and other possible sources of funds from the government or from out of the Own Source Revenues of the GP.

TECHNICAL NOTE TO THE TRAINER

What are the Costs Involved in Rural Water Supply?

- Creation of physical facilities / infrastructure by the Government – PHED / RWS Department)
- Operation expenditures (mainly electricity charges for pumping water, waterman's salary plus chlorination expenses), which the GPs are expected to bear
- Maintenance expenditures (setting right repairs, leakages, replacing worn out components etc.), which the GPs are expected to bear
- Providing for Replacement. Accumulate funds to be able to construct new facilities (after 30 years life time of the infrastructure), which is a distant dream.

JJM fund will not be utilized for any single house/ farm house that are far away from village/ habitation.

Full cost Recovery from user community means, recovery of:

- Operation Costs
- Maintenance Costs
- Replacement Costs

O & M Cost Recovery means recovery of:

- Cost of Operation (salaries, electricity, chemicals)
- Cost of Maintenance (spare parts, burst pipes, regular servicing, up-keep of buildings, replacement of worn-out parts).

O & M Budgeting Exercise

	Expenditure Items	Income / Revenue Sources
1.	Salaries of water men	Income from FHTC holders
2.	Electricity bills / pumping	Income from PF users
3.	Chemicals / chlorination	Income from House tax
4.	Burst in pipelines / tap changed	Utility taxes (Water, waste management)
5.	Replacement of worn-out parts	Non-tax revenue (income from trees, fishpond, lease rental etc.
6.	Preventive Maintenance	
7.	Break down maintenance	
8.	Pump room upkeep	
	Excess / Deficit?	Excess / Deficit?

Comparison of Income & Expenditure

There must be a brainstorming exercise on expenditures and revenues. In most cases, it is deficit budget that is worked out. If it turned out to be a deficit budget, we need to initiate a discussion on ‘ways to reduce the expenses, if any’; secondly, we can provide another perspective towards ways to enhance income from water supply or from other local revenues (of tax and non-tax revenues). Then we can consider how much of the XV FC funds can be used for operation and maintenance expenses. We must also bear in mind that the XV FC funds are meant not only for water, but also for sanitation.

Why is the income less?

- We can analyse this along with the participants. The probable reasons could be: we think probably, many house households do not pay water charges. But water is an essential service, the GP cannot stop supply.
- Besides economics, there are also socio-political reasons why the Panchayat functionaries are not able to insist on payment.
- The poor households resist paying when many relatively well-to-do families do not pay.
- The bank interest that is supposed to come from the deposits collected from FHTC, if any, is zero because many GPs use up the deposit in break down maintenance.

Why is the Expenditure more?

- The amount of water supplied to each household in many of the GPs is almost double of what the Government prescribes as standard norm 55 or 70 lpcd.

- Over pumping of water results in fat EB bill. Water pumped and then wasted. There is unaccounted water due to leakage in pipelines etc. which are not attended on time.
- For the size of population, the facilities available (esp. water tank, pumping facilities) are generally more than the standard norms. Thus, maintenance of the excessive infrastructure involves excess expenditure.

The Way forward

- The facilities (technical infrastructure) provided in GPs should not exceed what is required as per technical standards and norms.
- Any community level water purifications plant / RO Plants should be considered only based on a water quality test report, not just because an NGO or CSR is ready to provide it. NGT regulations on this matter require to be borne in mind.
- Studies show that on an average 35% of the water pumped is wasted (over used).
- If over pumping is done, it should be made known to the public in the Gram Sabha meetings *that money meant for development purposes is spent on paying EB bill.*
- The XV FC funds must be used only as a **critical gap fund** – meaning to fill in any deficit even after collecting user charges.
- 60% of the XV FC fund is meant for water and sanitation related works. It must be used as a critical gap fund, and NOT as the prime source to draw from to meet O & M expenses.
- Paying EB bill using 15th FC funds amounts to *‘transfer funds from one government department to another, which actually should have been used for development purposes.*
- If the amount of water pumped / distributed cannot be reduced to max 70 Lpcd, differential tariff / slab rate tariff may be fixed so as to be able to meet the extra cost it may result in, like it is done in the case of EB bills.

- Fixing ‘water meters’ could be tried to reduce water wasted / demonstrate the amount of over-use. Eventually to collect user charges based on the amount of water a family uses.
- The state government may consider incentivizing such as, GPs that adhere to the 70 lpcd norm may be recognized and incentivized – *even non-monitory*.
- Another option to consider relates to management - GP managing WASH facilities does NOT always have to be GP directly managing. It can be contracted out to a third party, like it is done in the case of some Town Panchayats / Municipalities.
- But again revenue generation is important to pay the third party agency, to whom it is contracted out.
- When contracted out, payment terms can be fixed keeping the ceiling at only 70 Lpcd is supplied.
- Budgeting of Income and Expenditure on water, waste management and drainage cleaning etc. must be carried out as an exercise in Gram Sabha meetings.
- The best option to collect water and sanitation service charge is to collect annually along with House Tax, calling it as ‘Utility Charges’ combining water supply and waste management services. Demand Note must be raised accordingly.
- Incentivize GPs that make full cost recovery to pay for itself the O & M cost.
- The State Finance Commission (SFC) Grant can be tied to over 95% collection of house/property tax; and over 80% collection of utility charges such as water & waste management.
- GPs that collect more than 95% House Tax as prescribed by the government norms may be given an equal amount as incentive, which helps augment the Own Source Revenue.

Panchayats can enhance Own Source Revenue (OSR)

Gram Panchayats must move on to enhance through tax and non-tax revenues. A list of possible tax revenues, and non-tax revenues are given below. This is an indicative list given

in the Panchayati Raj Act. Depending on local conditions GPs can consider to invoke / implement.

Tax Revenues

- Professional Tax
- Trade Licence /Fees
- Trade Tax
- Land revenue
- Surcharge on Land Revenue Tax
- Taxes on Plantation
- Duty on Transfer by Sale (stamps and Registration fees)
- Property Tax on Residential Building
- Property Tax on Non-Residential Building
- Toll Tax
- Ferry / Water Ways (wherever this is a practice)
- Taxes on entry of Goods into Local Area
- Taxes on Passengers/ Pilgrims
- Share of net proceeds assigned to Panchayats

Non-tax Revenues

- Income from rental (shops rented out)
- Buildings rented out
- Land rented out (for e.g. mobile tower etc.)
- Meeting hall/ training hall rented out
- Chairs / tents rented out
- Fish pond (open auction)
- Fruit bearing trees (open auction – mangos, tamarind)
- Charges collected for extra water supply – marriage
- Extra Charges collected from marriage houses - for wastes
- Charges on temples that generates lots of garbage

- Income from temple shops
- Care-rentals (on cycles, bikes kept safe in bus stands etc.)
- Pay and use toilet auction income (maintain clean)
- Water supplied to private schools / anganwadis etc.
- Cable TV / Entertainment tax (cinema halls)
- Advertisement tax

Convergence of FC-XV recommended funds

The successive Finance Commissions have recommended recovery of user charges for the provision of water supply services and revision of their rates commensurate with inflation so that at least the full O&M cost of providing these services is recovered. Therefore, the GPs/ VWSCs to ensure that households pay monthly user charges for water and sanitation services.

The FC-XV in Chapter 7 of its Final Report for the period 2021-22 to 2025-26 has inter-alia recommended tied grants for supporting and strengthening the delivery of basic services which are national priorities like Drinking water for all, sanitation, etc. The Government of India has also launched some schemes aimed at similar outcomes like Swachh Bharat Mission Grameen (SBM-G), Jal Jeevan Mission, etc. In order to sustain the achievements made in these schemes, all the three levels of Government need to join hands in the spirit of Cooperative Federalism.

Therefore, rural local bodies may utilise tied grant components in convergence with any other scheme aided by the Union Government with similar outcomes and jurisdiction with the ultimate aim to cover maximum population within the jurisdiction of the concerned local body or to improve the quality of the assets proposed to be constructed for the purpose. However, 15th Finance Commission grants should not be used as a State share/contribution towards any particular scheme. While the Gram Panchayats shall

operate the tied grants for tapping locally available resources for achieving the objectives/goals, convergence with national schemes at block or district panchayats level will ease the operations as well as resource transfer for such schemes. Therefore, Block Panchayats and District Panchayats may explore the possibility of such convergence within their respective jurisdiction.

Legal Framework

For all these to happen, the Gram Panchayats should function realizing the constitutionally recognized role of an elected local government executing the powers and functions of a local self-government. For instance, the GPs have all the powers to decide on the amount of user charges, they think is reasonable. Some State governments have issued G.Os to get a deposit amount (as decided by the GP) for providing FHTC. State governments have also stipulated through G.Os that monthly user charges / service charges be collected from all FHTC holders. It is possible that a certain percentage of the house tax / property tax collected can be used for O&M of water supply. Effective implementation of such provisions, and demanding other necessary Government Orders can help several GPs bring about independent water supply management system.

The XV FC fund alone is not enough!

The Guidelines of JJM clearly puts across about the decision that all users of FHTC shall pay. 10% Incentive fund that GPs become eligible to get. The 60% of the XV FC funds is meant NOT merely for 'water supply maintenance only'. The village panchayats to decide on the tariffs as long as at least the O&M costs are recovered. Concessions can be given by the Grama Sabha or GP to exempt households with no means of support.

Change of Perception

- It must be made clear that user payment means a promise of better services – It is no punishment or general tax!
- Most studies show that people are willing to pay if they get good service
- Unwillingness to charge is often a bigger obstacle than willingness to pay!

But user payment isn't only a question of cost recovery!

- ✓ It is about active participation instead of passivity.
- ✓ It is about getting a voice to demand value for money – i.e. good service.
- ✓ It is about understanding the value and cost of water.
- ✓ It is about protecting the water facilities and the source.

Certain Imperatives

- Those of us working for this mission must be clear that we should make proper assessment of technical requirements, thereby avoiding investment in “white elephants”.
- It should be made known to everybody that provision of and payment for domestic water supply is the responsibility of the Village Panchayats and that the users must pay
- Much more emphasis should be put on the establishment of user payment for O&M than on the collection of one-time contributions.
- *The GP should consider affordability, and establish the potential to pay for water among different categories of water users in a village.*

- *If some families have to be exempted the Gram Sabha can decide so.*
- Maintain transparency in accounting.
- The GPs should devise a time-bound plan to achieve cost recovery for O&M costs.
- Initially to meet ‘the operational cost only’, and later on to cover the full O & M
- Financial incentives and punishment should be used to encourage compliance with the plan. There must be accountability and transparency in service charge collection, and spending. It must be through a portal, and demand note must be raised. It must be automatically sent to the mobile phones of HHs. A system must be developed for this.

To Conclude

Let's get started talking about cost recover for O & M at GP level. These things must be discussed in our villages / and with GP functionaries. Let's sow these ideas, it may slowly germinate. Let's plant these ideas in their minds, and slowly they may gain ground over a period of 3 – 5 years. To begin with, let's try in villages that are close to towns and cities. We must make the people understand that paying for water is not taxing. It is about strengthening their right to question. It is about demanding better services. When people are asked to pay house tax / property tax, and pay for services such as water, sanitation and other utility charges, people tend to attend Gram Sabha in order to question poor service delivery and raise issues. This is an indication of democracy in action at the grassroots level. If this is nurtured and cultivated seriously, a new culture in social democracy will take shape. It will reflect in the form of what do people vote for.