ANNEXURES

ANNEXURE - I

PER CAPITA NORMS FOR URBAN WATER SUPPLY

The following per capita water supply norms have been suggested in the Manual on Water Supply and Treatment for urban areas :-

Sl No.	Classification of towns/cities	Recommended Maximum Water Supply Levels (lpcd)
A.	Towns provided with piped water supply	70
B.	Cities provided with piped water supply where sewerage system is existing/ contemplated	135
C.	Metropolitan and Mega cities provided with piped water supply where sewerage system is existing/ contemplated	150

Note :-

(i) In urban areas, where water is provided through public stand posts, 40 lpcd should be considered;

(ii) Figures exclude "Unaccounted for Water (UFW)" which should be limited to 15%;

(iii) Figures include requirements of water for commercial, institutional and minor industries. However, the bulk supply to such establishments should be assessed separately with proper justification.

ANNEXURE - II

GUIDELINES FOR ACCELERATED URBAN WATER SUPPLY PROGRAMME (AUWSP)

I. SCHEME

Centrally Sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns having population less than 20,000 (as per 1991 Census).

II. RATIONALE

Due to the low economic base of the small towns and lower priority given by the State Governments to provide water supply to such towns, these are often neglected during normal times and are worst hit during the periods of drought as was observed in 1987. Therefore, there is a need to extend financial support to the State Governments/Local Bodies for providing water supply facilities in the towns having population less than 20,000 (1991 census). With this in view a Centrally Sponsored Accelerated Urban Water Supply Scheme has been included in the VIII Five Year Plan and has been proposed to be initiated from the Annual Plan 1993-94.

III. OBJECTIVES

(i) To provide safe and adequate water supply facilities to the entire population of the towns having population less than 20,000 (as per 1991 Census) in the country within a fixed time frame.

(ii) To improve the environment and the quality of life.

(iii) For better socio-economic conditions and more productivity to sustain the economy of the country.

IV. FEATURES OF THE PROGRAMME

(i) In general, overall emphasis is being given for creating a better incentive environment in the sector. There is a need to emphasize on rationalization of tariffs, separation of budget of water supply and sanitation from the municipal budget; subsidies being extended for well identified target groups; water conservation, operation and maintenance (O&M) and distribution being given priority over new capital works; emphasis on leak detection, preventive maintenance and rehabilitation of existing systems.

(ii) The water supply sector has to be treated as public utility rather than a service and efforts have to be made to bring about greater private sector participation and investment in this sector.

(iii) The principle aim of the programme is to improve the quality of life of the poor, specially the most vulnerable sections of the population such as women, children and other deprived sections, who do not have access to safe water.

(iv) The Urban Local Bodies(ULBs) will have to be suitably strengthened and closely associated in the implementation of Accelerated Urban Water Supply Programme (AUWSP) with a view to realizing the objective of providing water supply to the unserved population.

(v) Community participation will be made the cardinal principle underlying the whole programme, which implies organizing local communities nurtured by field level staff of ULBs and NGOs.

(vi) A Plan of Action will be formulated for each of the schemes comprising of town or towns depending upon the situation assessed by the concerned Department of the State Government responding directly to the felt needs of the population in these towns.

(vii) Special emphasis will be placed on privatization of implementation, operation and maintenance and cost recovery so as to make the scheme self-sustaining.

(viii) The emphasis should be on whole town approach.

V. PROGRAMME IMPLEMENTATION APPROACH

The programme should be operationally integrated with the State Public Health Engineering Department/Water Supply and Sewerage Board, as the case may be, suiting to local/State administrative set up, for the provision of water supply facilities. Involvement of Non – Governmental Organizations (NGOs) should also be considered.

In so far as the operation and maintenance of assets created under the programme are concerned, efforts should be made to operate and maintain such schemes by the community itself, once they are properly trained to take up such a task. Till then, these should be maintained either by the agency responsible for its implementation / Urban Local Body. Preferable, however, the community while building up its own expertise and training during execution so that on completion of each project the local community could be ready and able to maintain it.

VI. CRITERIA FOR ALLOCATION AMONGST STATES

The following criteria would be applied to determine the share of each qualifying State for assistance under the scheme:

a) 50% weightage being given to the population of such towns;
b) 35% weightage being given to the incidence of poverty in a State/UT;
c) 5% weightage being given to the number of such towns in States/UTs;
d) 10% weightage being given in terms of population of such towns to the special requirements of State/UTs covered under DPAP, DDP, HADP and Special category hilly States.

VII. COMMITTEE FOR SELECTION OF TOWNS/SCHEMES

For selection of towns/schemes under the programme, the State Governments/UT Administration shall constitute a State Level Selection Committee (SLSC) under the Chairmanship of Secretary to the State Government incharge of Urban Water Supply with the following Members:

a) Chief Engineer, PHED/Managing Director, Urban Water Supply & Sewerage Board;
b) Representative of the State Irrigation Department;
c) Representative of the State Finance Department;
d) Representative of the State Planning Department;
e) Representative from CPHEEO, Ministry of Urban Development;
f) Director, Municipal Administration/Urban Local Self Government; - Member Secretary

VIII. GUIDELINES FOR SELECTION OF TOWNS/SCHEMES

The selection of towns/schemes shall be done only through the State-Level Selection Committee constituted for this purpose after considering the detailed project reports prepared in respect of the individual towns as per the guidelines of the scheme. Special attention should be given to ensure that the following stipulations are fulfilled in the Detailed Project Report (DPR):

(i) The population of the town should not be more than 20,000 as per 1991 Census. For this purpose, the documents published by the Registrar General of India or the Director of Census Operations of the State concerned shall be the basis.
(ii) 95% dependability and reliability of the water sources is established.
(iii) Provision for separate maintenance of accounts is made.
(iv) Provisions for sustainable O&M mechanism is evolved and incorporated in the DPR.
(v) A sustainable tariff system is evolved and approved by the State Government is incorporated in the DPR.

(vi) Provision is made for 5% contribution from the urban local bodies towards the project cost.

(vii) The commitment of the urban local body for all the stipulations including improvement in institutional and tariff mechanism, their preparedness for maintenance through suitable arrangements should be obtained and be included in the DPR.

If any of these stipulations are not fulfilled and incorporated in the DPR, the scheme will not be eligible for inclusion in the programme.

IX. PRIORITIES FOR TOWNS WITH SPECIAL PROBLEMS

Priority is to be given to towns with special problems like :

a) low per capita supply;
b) very distant or deep water source;
c) drought prone areas;
d) excess salinity, fluoride, iron and arsenic content in the water source;
e) high incidence of water borne diseases; and
f) areas predominantly inhabited by SC & ST population.

For this purpose, it is advised that the States may at the first instance prepare list of towns having these special problems before preparation of the detailed project reports. Similarly, priority is to be given to rehabilitation and augmentation schemes rather than new schemes.

On selection of the town by the State Level Selection Committee, the DPRs of the selected towns along with the information the prescribed format may be sent to CPHEEO, Ministry of Urban Development & Poverty Alleviation (The format will be separately prescribed).

PER CAPITA UNIT COST

The average per capita unit cost should normally be limited to Rs.1000/-. However, this is not very rigid. In individual cases, the specific justification is required to be furnished in the DPR, if the per capita cost is more.

X. PATTERN OF FINANCE

The Accelerated Urban Water Supply Programme bring a Centrally sponsored scheme, this will be funded on grant basis, by the Central Govt. 50% and State Govt. 50% including 5% beneficiary/town contribution. Incase of Union Territories, 100% financing is available from the Central Share.

XI. RELEASE OF FUNDS

The estimated cost of the selected scheme is to be borne on 50:50 basis between the Centre and the States. Accordingly, 25% of the Capital Cost will be released to the State Governments or the designated agency on selection of the scheme.

The second installment of the Central Share which will be 50% of the eligible Central Share for the scheme, will be released on :-

- release of the first instalment of the State share;
- completion of the ground work for execution of the scheme including award of contracts or placing of orders for supply of material etc. wherever required; and
- Utilization of atleast 50% of the amount released for the scheme (25% of the Central Share plus 25% of the State share);
- Submission of Detailed Project Report and its approval in case the first instalment is released before receipt of DPR.

The third and final instalment amounting to 25% of the Central share will be released on:

- release of second instalment of State Share ;
- utilization of 80% of the total funds released for the scheme.

XII. DETAILED PROJECT REPORT (DPR)

The Detailed Project Reports should include the following with proper justification/supporting data:

i) *Reliability of Water Source(s)*

95% dependability and reliability of selected raw-water source(s) must be established by the concerned State Department so as to ensure long term sustainability of the water supply scheme at the prescribed designed period of 20-25 years @ 70 lpcd. Supporting evidence in this regard should be included in the DPR.

ii) *Use of Appropriate Technology*

- ➔ Efforts be made to adopt appropriate and cost effective technologies viz. Horizontal Roughing Filters (HRF), Slow Sand Filters (SSF) etc.; so as to minimize the expenditure on capital as well as operation and maintenance. However, spot sources such as hand-pumps are not permitted due to inadequate and short-term sustainability as compared to piped water supply schemes.
- ➔ To the extent possible, minimum electrical and mechanical equipments be used in the scheme.
- ➔ Wherever necessary, land acquisition process be initiated in advance to avoid delay in the implementation of the scheme.
- ➔ Wherever electrical power supply is required for O&M, action be initiated with the concerned State agency to ensure the same when the project is ready for commissioning.

iii) *Detailed Estimate should contain the following :*

- ➔ Detailed engineering design of all the components.
- ➔ Abstract estimates of each component be prepared based on the latest schedule of rates.

- ➔ The estimate may include establishment charges maximum upto 3% and contingency charges upto 5%. No other charges viz. T&P, centage etc. be included, since implementing agencies have adequate infrastructure for taking up such water supply schemes. If there is still a need for such expenditure, the same shall have to be met from the State funds only.

iv) *Counter part funding*

- ➔ As already stated, State Govts. have to provide matching share as grant under the state plan and ensure timely release to implementing agencies for successful implementation of schemes.

v) *Tariff Structure*

- ➔ Realistic tariff structure has to be evolved and incorporated in the DPR. In addition, the State Government should ensure adequate cost recovery so as to meet atleast the annual O&M expenditure of the proposed schemes as per the tariff structure evolved and indicated in the DPR along with the commitment of the State Govt./ULB for the proposed mechanism.
- ➔ The State Government/Urban Local Body should confirm imposition of suitable water tariff on various categories of beneficiaries based on water supplied.

vi) *Agencies Responsible for Implementation and O&M*

- ➔ Agencies responsible for execution of the scheme and its subsequent O&M should have adequate infrastructure and institutional arrangements.
- ➔ To the extent possible, involvement of the community right from the planning stage to O&M should be ensured.
- ➔ Involvement of non-governmental organizations (NGOs) and private agencies may be explored and given due weightage by the State Government/local bodies.

vii) *Action Plan for Operation and Maintenance on Sustainable Basis*

The DPR may include a detailed action plan for proper O&M of the schemes clearly indicating the Plan of Action for water conservation, rain water harvesting, leakage control, cost recovery, community involvement, quality control and human resources development.

XIII. SEPARATE ACCOUNTS TO BE MAINTAINED

The accounts for the funds released both by the Centre and the State under this scheme will be maintained separately by the implementing agencies. Diversion of funds from this programme to any other programme is not permitted. Similarly, diversion of funds released for a particular scheme/town to any other scheme/town without prior consent of the Central Government is also not permissible.

XIV. MONITORING OF THE SCHEMES

- ➔ The Ministry of Urban Development & Poverty Alleviation will monitor the physical and financial progress of implementation of each scheme on a quarterly basis, for which suitable formats are being devised for circulation for the State/implementing agencies soon.
- ➔ To facilitate proper monitoring, separate scheme-wise accounts should be maintained.
- ➔ Physical and financial monitoring shall be done by the officers of CPHEEO/Ministry by way of site visits and discussions with the officials of the State Govt. and Urban Local Bodies.

ANNEXURE – III

STATUS OF PROJECTS SANCTIONED AND FUNDS RELEASED UNDER AUWSP

(Rs. in lakh)

Sl. No.	Name of State	No. of Projects	Estimated cost	Central share released
1	Andhra Pradesh	42	8583.34	2607.04
2	Arunachal Pradesh	3	2963.62	540.96
3	Assam	21	6671.19	2320.33
4	Bihar	33	4919.70	1332.34
5	Chattisgarh	42	3643.83	1790.12
6	Goa	4	352.35	176.18
7	Gujarat	70	9317.69	3903.69
8	Haryana	38	7667.89	3404.49
9	HP	16	3208.43	1433.74
10	J & K	15	5561.58	1799.05
11	Jharkhand	16	3184.79	1163.25
12	Karnataka	45	14554.18	5681.61
13	Kerala	13	3854.49	1379.73
14	Madhya Pradesh	147	15820.26	7275.28
15	Maharashtra	37	11578.24	4827.05
16	Manipur	26	3455.19	1603.34
17	Meghalaya	2	581.73	290.87
18	Mizoram	8	1134.71	567.36
19	Nagaland	2	902.81	451.40
20	Orissa	35	7133.04	2696.05
21	Punjab	16	1225.36	501.61
22	Rajasthan	72	12411.54	5273.79
23	Sikkim	2	451.56	225.78
24	Tamilnadu	93	10471.00	4823.56
25	Tripura	12	3592.23	1422.97
26	Uttar Pradesh	390	30829.75	14990.18
27	Uttaranchal	22	4427.58	2085.14
28	West Bengal	22	3685.86	1441.85
	Total	1244	182183.94	76008.76

ANNEXURE - IV

STATUS OF TAX FREE MUNICIPAL BOND

Urban Local Bodies/Municipalities which have been granted permission

Sl.No.	Name	Amount (Rs. in crore)	Date of Gazette of Notification
	Allocated Amount during 2001-02 – Rs.200.00 crore		
1	Ahmedabad Municipal Corporation	100.00	21.08.01
2	Hyderabad Municipal Corporation	82.50	04.03.02
	Allocated Amount during 2002-03 – Rs.500.00 crore		
3	Nashik Municipal Corporation	50.00	07.03.03
	Allocated Amount during 2003-04 – Rs.200.00 crore		
4	Visakhapatnam Municipal Corporation	50.00	29.12.03
5	Hyderabad Metropolitan Water Supply and Sewerage Board	50.00	29.12.03
6	Ahmedabad Municipal Corporation	58.00	16.03.04
7	Chennai Metropolitan Water Supply and Sewerage Bord	42.00	24.03.04
	Allocated Amount during 2004-05 - Rs.300.00 crore		
8	Chennai Metropolitan Water Supply and Sewerage Bord	50.00	23.03.05
9	Chennai Corporation	44.80	24.03.05
10	Ahmedabad Municipal Corporation	100.00	24.03.05
	Allocated Amount during 2005-06– Rs.200.00 crore		
11	Karnataka Water & Sanitation Pooled Fund Trust	*100.00	20.08.04

* Permission granted in 2004-05. However, re-validated in 2005-06 at the instance of the applicant.

ANNEXURE-V

REFORMS AGENDA PROPOSED UNDER THE NATIONAL URBAN RENEWAL MISSION (NURM)

MANDATORY REFORMS

There will be two sets of mandatory reforms. Core reforms at ULB level aims at process re-engineering through deployment of technology to enable more efficient, reliable, timely services in a transparent manner. The other set of reforms are framework related at State level.

Reforms at ULB level

- Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies;
- Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs.
- Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs)
- Levy of reasonable user charges by ULBs with the objective that full cost of operation and maintenance is collected within next five years.
- Internal earmarking within local body budgets for basic services to the urban poor.
- Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.

State Level Reforms

- Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act
- Repeal of Urban Land Ceiling and Regulation Act.
- Reform of Rent Control Laws so as to stimulate private investment in rental housing schemes
- Rationalisation of Stamp Duty to bring it down to no more than 5% within next five years.
- Introduction of independent regulators for urban services.
- Passage of Public disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders
- Passage of community participation law to institutionalize citizen participation and introducing the concept of the Area Sabha in urban areas.
- Assigning or associating elected ULBs as with "city planning function". Over a period of five years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.

OPTIONAL REFORMS (Common to State and ULBs)

- Revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc.
- Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.
- Introduction of Property Title Certification System in ULBs.
- Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.
- Introduction of computerized process of registration of land and property.
- Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.
- Bye-laws for reuse of recycled water.
- Administrative reforms i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of

posts falling vacant due to retirement etc., and achieving specified milestones in this regard.

- Structural reforms
- Encouraging Public Private Partnership