

Preparation of Service Level Improvement Plans (SLIPs)

The primary purpose is to cover all households with water supply and sewerage (including septage). For this the Service Level Improvement Plan (SLIP), has to be prepared by each ULB and the strategic steps are given below.

Assess the service level gap: The AMRUT builds on the available data, information and plans on water supply and sewerage with the States/ULBs. If we take the zone as the basic unit to assess existing levels of coverage of water supply and sewerage, the number of households in the zone having water tap/sewerage connections and those not having will be taken from the Census (2011) or the baseline survey done by the MoUD (No new baseline survey is envisaged and the State/ULB should accept /endorse the earlier baseline). The zone-wise gaps will be added to arrive at the service level gap in water supply and sewerage in the ULB.

Bridge the gap: Once the gap between the existing number of households having water and sewerage/septage connections vs. the total number of households is computed, plans will be prepared to bridge the gap by using one or more of the components set out. All households in a zone will be covered and this exercise should be done separately for water supply and sewerage and will be a part of the SLIP.

Examine alternatives: The ULBs will have to examine alternatives available to them. For example, one State/ULB may require addressing gaps in distribution. Another State/ULB may require a common grid connecting many localities to a distant water source. In sewerage, some States/ULBs may choose a mix of centralised and decentralised systems. A State/ULB with high urban densities may choose centralised network based systems. Moreover, considering the cost of sewerage network systems, some ULBs may opt for efficient septage management systems. Therefore, a one-size-fits-all approach will not work and alternatives should be generated in order to do more with less resources and do it in a way that the benefits reach the people in the form of taps and toilets.

Estimate the cost: The cost (both capital and O&M) of each project will be prepared based on line (or abstract) estimates. An important output will be the **total requirement of funds for achieving universal coverage for water supply and sewerage (Master Plans)** for each ULB and the full State. All relevant and appropriate technical and financial norms prescribed in the

JnNURM will apply to the AMRUT Mission; no contingencies or cost escalation will be permissible and no incomplete or already started projects will be included.

Prioritize: The maximum amount the Central Government will give as project finance is given in fund allocation. If resources are available to achieve universal coverage in one year, then the ULB will propose the same. However, if sufficient resources are not available to achieve universal coverage in the ULB and the Mission has to be implemented in several years, the ULB will prioritize the zones to be taken up in the first, second, third, fourth and fifth year of the Mission. Universal coverage will start with water-supply followed by sewerage in that order. Depending on availability of funds, universal coverage of water supply and sewerage can also be done together. After universal coverage is achieved, the State/ULBs will decide on the next priority – a ULB may decide to construct storm water drains or fund urban transport depending on whether the local priority is to reduce frequent flooding or reduce vehicle-induced pollution. All in all, universal coverage is a National Priority and this is the first objective to be achieved by the States/ULBs.

However, upto 2.5 percent of the annual allocation may be used to develop parks having child friendly features together with preparing guidelines to entrust park maintenance with funds and functionaries to the local interested stakeholders. This is also a Reform in the AMRUT.

Out-of-box thinking: There should be a ‘decisive break with the past’ during the preparation of the SLIPs by the ULBs. For example, instead of pumping water from long distances involving huge capital and electricity consumption costs, the States/ULBs should examine alternatives, such as **water recycling and reuse**. The benchmark is that at least 20 percent of the waste water generated in ULBs should be recycled and the norms for recycled water for non-potable uses have already been prescribed. Another way is to make the water system more efficient by reducing unaccounted water (non-revenue water) to less than 20 percent, which is also a part of the Reforms to be implemented by the States/ULBs and are supported in the AMRUT.

During design and preparation of technical estimate, low cost options will be given preference (frugal engineering) and Smart Solutions applied in order to reduce costs and make services better. A list of Smart Solutions developed by the Centre for Development of Advanced Computing (C-DAC) is given in Annexure 3.

Conditionalities: Non-availability of land or delayed availability was one of the key factors that had delayed projects in the earlier Mission. Another connected issue is obtaining clearances from other departments. **Therefore, in the AMRUT no projects should be included which do not have land available and no project work order should be issued if all clearances from all the departments have not been received by that time.** Moreover, the cost of land purchase will be borne by the States/ULBs. Finally, the AMRUT funds should not be used to complete some components in the JnNURM which were shown in the Detailed Project Report submitted and approved by the MoUD. For example, if the main lines have been laid by using JnNURM grants and provision of taps was also a part of the project, but has not been provided by the ULB, then such left over portions are not eligible for funding in the AMRUT.

Resilience: Incorporation of resilience and securing projects against disasters will be done at the stage of preparation of the SLIP itself, particularly for the vulnerable and the poor, and at the project development stage where disaster-secure engineering and structural norms would be included in the design. This will be again ensured by the States/ULBs while preparing the SAAPs.

Financing: Financing of projects, including the O&M after the project is completed, is a key aspect of the SLIPs. For each option the capital cost and O&M cost has to be estimated. Different sources of finance have to be identified. At the ULB level the contribution from internal sources (e.g. taxes, fees, others), external sources (e.g. transfers from States, project fund from Central/State Governments, others) and possibilities of debt, bonds and others has to be assessed. The challenge is to motivate citizens to share the additional cost. One way is to take a loan for project funding for a locality and repay the loan through an increase in property taxes for, say, 10 years in that locality only. This is called Tax Increment Financing (TIF).

Dovetailing of funds through convergence with other Central and State Government Programs/Schemes with the AMRUT is also another source of funding. At the stage of preparation of SLIP itself, cities must seek convergence with Smart Cities Mission, Swachh Bharat Mission (SBM), National Heritage City Development and Augmentation Yojana (HRIDAY), Digital India, Skill development, Namami Gange, Housing for All, etc.

Reforms: Implementation of Reforms is an important objective of the SLIP. The ULBs have to prepare a roadmap for Reforms which will be consolidated by the State Mission Director and

included as part of the SAAP. Some Reforms require more funds while others require less funds. Assessment and collection of user charges, property tax, fee, and so on are examples of activities requiring hardly any additional funds. If funds are required to implement Reforms they can be accessed from, (i) the allowed components of the AMRUT, (ii) the State A&OE funds, or (iii) the Capacity Building for Urban Development (CBUD) program funded by the World Bank. All these should form part of the SAAP; however, duplication and redundancy should be avoided at the time of preparing the SLIP and the SAAP.