



National Workshop Service Level Benchmarking for Urban sanitation services with focus on FSSM Workshop Report

April 25, 2018

CEPT
UNIVERSITY

pas performance
assessment
system

C-WAS
Center for Water
and Sanitation

niu
National Institute of Urban Affairs



**National Workshop on
Service Level Benchmarking for
Urban sanitation services with focus on FSSM**

April 25, 2018

Ahmedabad

Workshop Report

Contents

| | |
|---|----|
| Executive summary | 3 |
| Inaugural session | 4 |
| SLBs in the context of sanitation and SDG 6 | 5 |
| Performance Grants for ULBs under 14 th FC and revised approach by MoHUA | 5 |
| Experience of States and other stakeholders on SLB and Performance Grants | 6 |
| Making a pitch to 15 th Finance Commission | 7 |
| Use of SLB for Audit and Research/Practice | 7 |
| Demonstration of online SLB-PAS module and San Benchmarks | 8 |
| Summary discussions | 8 |
| Workshop Agenda | 9 |
| List of Participants | 10 |

Executive summary

Service Level Benchmarks (SLBs) have played a significant role in the urban development process in India. Since its announcement in 2008, the SLBs have been recognized by the 13th and the 14th Finance Commission in India. Publication of SLBs for water supply, sewerage, solid waste and storm water drainage is one of the conditions for Urban Local Bodies (ULBs) to claim 14th FC performance grant. As a result, Service Level Benchmarks (SLBs) for water and sanitation have been published for most of the Urban Local Bodies (ULBs) in India. Service level monitoring and improvement are also the envisaged outcomes of Government of India's various urban programs like SBM, AMRUT and SMART cities. Many states have also institutionalised the process of collection of information for SLBs. Public agencies at national, state and local levels have used SLBs for various policy interventions, program monitoring, impact assessment and service improvement actions. Regulators, multilateral financing institutions, researchers, consultants etc. have also used SLBs for different purposes.

The 15th Finance Commission's terms include:

"The Commission may consider proposing measurable performance-based incentives for States, at the appropriate level of government, in following areas:

(vii) Provision of grants in aid to local bodies for basic services, including quality human resources, and implementation of performance grant system in improving delivery of services;

(ix) Progress made in sanitation, solid waste management and bringing in behavioral change to end open defecation.

In this context, National Institute of Urban Affairs (NIUA), in partnership with CEPT University and All India Institute of Local Self-Government (AIILSG), had organized a workshop on 25th April, 2018 at Ahmedabad. The workshop reviewed the institutional arrangements for monitoring SLBs and discussed challenges and capacity of state governments on meeting the conditionality of 14th FC performance grant. Online SLB-PAS system and San-Benchmarks framework for sanitation assessment which also assess performance of onsite sanitation along with sewerage system developed by CEPT University was demonstrated to the participants. The participants were from different state departments, research organizations and academic institutions. The participants deliberated on potential approaches for the 15th Finance Commission to consider for UWSS service level improvement.

Key Messages from the Workshop:

SLBs provides framework for performance monitoring of UWSS which includes the basic minimum standard set of performance indicators and benchmarks that are commonly understood and used by all stakeholders across the country.

Implementation of SLB monitoring system has facilitated governments for better decision-making at the state level and for preparation of various service level improvement plans at the city level. Some states have adopted online monitoring system for SLBs; this has helped them for regular monitoring of service delivery outcomes. States like Rajasthan, Kerala and Tripura have shown

interest to use online SLB-PAS module. It was suggested that recommendations should be made to the Fifteenth Finance Commission to continue with the requirement for all states and cities to report on SLB as a condition for performance grants.

Technical and financial support for setting up effective state level SLB cells is essential to ensure regular monitoring of service levels by state and local governments.

Participants also discussed **the need to revise the SLB indicators** as it only captures performance of sewerage system. Most of the Indian cities have onsite sanitation system and well managed onsite sanitation system provides similar service level outcome. Service level improvements due to implementation of septage management projects under AMRUT were not reflected in the SLB indicators.

Participants suggested revision of SLB indicators which should include performance of onsite sanitation system along with sewerage system. **SAN Benchmarks framework** suggested in National Fecal Sludge and Septage Management policy can be used as revised indicators for sanitation service level assessment. SAN Benchmarks also help in monitoring sustainable development goals 6.2 and part of SDG 6.3 in the Indian cities.



Inaugural session

CEPT welcomed participants to the workshop and elaborated on the aims of the workshop. Mr. Depinder Kapur, from NIUA shared his perspective on how SLBs could be made more relevant for sanitation and need to integrate with the fecal sludge management in cities and states.



Ms. Utakarsha Kavadi, Director, AILSG echoed the need to institutionalize SLBs at ULB level and shared how some of the ULBs had been using SLB framework to achieve Urban Development Mission objectives and targets. She further asserted how this data, collected as part of SLB framework had been used by different stakeholders and assisted ULBs in decision making.



SLBs in the context of sanitation and SDG 6

Dr. Meera Mehta, Joint Director, C-WAS explained that significant investments were being made in the urban sector in India during the era of JNNURM. But its outcome on service level improvements was unknown. With this key idea CEPT had started Performance Assessment System (PAS) project in 2008. Work was done initially in Gujarat and Maharashtra and then further expanded to other states Chhatisgarh, Telangana, Jharkhand and Assam. She asked participants to identify SLB+ with a focus on sanitation and how it can be linked with Sustainable Development Goal (SDG) 6.



Performance Grants for ULBs under 14th FC and revised approach by MoHUA

Dr. Sandeep Thakur, Senior Research Officer from NIUA presented '14th Finance Commission's revised scheme of Performance Grant to ULBs'. The share of 14th FC performance grant is 20% which is around Rs. 17,429 crore. 14th FC had laid down three mandatory conditions for ULBs to avail the performance grants; i) publication of audited accounts, ii) show an increase in the own revenues and iii) publication of SLBs for water supply, sewerage, solid waste management and storm water drainage. Ministry of Housing and Urban Affairs (MoHUA) developed revised scheme for performance grants in the year 2017-18. In revised scheme, besides three mandatory conditions of 14th FC, ULB has to achieve 60 marks to qualify for performance grants. 50 percent weightage is given to three SLB indicators (coverage of WS connections, Non-Revenue Water and Extent of MSW processed scientifically) and one additional indicator for 24x7 water supplies in all public and community toilets. Revised scheme of performance grant is intended to motivate ULBs to perform better. Details with components of documentary evidences required in support of the information were also shared.



Experience of States and other stakeholders on SLB and Performance Grants

A group exercise was conducted to deliberate monitoring system for SLBs, issues and challenges in availing 14th FC performance grants as well as state's plan to move beyond open defecation free (ODF). Discussion also included recommendations to the 15th FC for urban water supply and sanitation services improvements. A brief summary of group discussions are given below:

- Institutional arrangements for measurement and monitoring system for SLBs in the state and what support does the state need?
 - Officials from Gujarat, Maharashtra, Jharkhand and Telangana mentioned that they collect and monitor SLB information through online SLB-PAS module. Representatives from Tripura, Kerala, Rajasthan and Bihar have shown interest in using the SLB-PAS module.
 - Many state officials mentioned that regular capacity buildings of various cadres of ULB staffs as well as elected wings are required to make them aware about SLBs and take forward performance measurement into performance improvement.
 - The need of linking SLBs into e-governance system was also discussed to institutionalise the SLBs in existing monitoring system and strengthen the data reliability.
 - Some of the SLBs indicators' progress should be monitored through monthly state review meetings.
- Distribution of the performance grants and SBM grants in the state and what are the major bottlenecks, if any?
 - Revised scheme of 14th FC performance grant provide incentives to ULBs that have improved performance. Participants discussed that performance improvement in small and medium ULBs is hampered by lack of availability of staff, technical knowledge and finance. Therefore there should be some relaxation of conditions for medium and small ULBs.
 - State officials also discussed on stringent conditions of revised scheme of 15th FC performance grant and ULB's difficulties in achieving conditions like scientific disposal of solid waste and non-revenue water.
- How can the state move beyond ODF to septage management and treatment?
 - As many states are moving towards ODF, now there is a need to look beyond ODF that are safe collection, conveyance / transportation and treatment of sewage and septage.
 - Officials from Maharashtra shared that state released a resolution outlining the conditions for becoming ODF, ODF+ and ODF++ and also directed ULBs to use SBM incentive funds and 14th FC funds for obtaining the ODF+ and ODF++ status. This is a cross learning's to other state governments for providing guidelines and incentives to ULBs to move beyond ODF.
 - It was also discussed that there is a market for private sectors involvement in FSM projects and need to explore various PPP models for financing.
- How does the state plan to include SLB monitoring and Faecal Sludge and Septage Management (FSSM) in its submission to the 15th FC?
 - To sustain and strengthen SLB monitoring system, participants suggested that continuation of performance grants based on SLBs in 15th FC recommendations is necessary.
 - It was also discussed that to improve sanitation sector, state governments need to include financing requirements of FSSM in 15th FC state memorandum report. And to assess the progress made in sanitation sector, San-Benchmarks indicators that capture onsite sanitation should be included in SLB monitoring system.

Making a pitch to 15th Finance Commission

Dr. Dinesh Mehta mentioned that one of the main ToR of Central Finance Commissions is to recommend "the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State, on the basis of the recommendations made by the Finance Commission of the State". He mentioned that every finance commissions beginning with 10th FC put some for grants to urban local bodies and ToR of 15th FC also mentioned implementation of performance grant system in improving delivery of services. International experiences of performance linked grant and various design parameters were presented. He mentioned that key suggestions in operationalizing performance based grant are continuation of performance linked grants to ULB with Service Level Benchmark and introduce quarterly monitoring for selected priority indicators, build capacity of ULBs to maintain performance system at local level through internal information systems and earmarking funds for fecal sludge and septage management to improve sanitation service.



Dr. Sandeep Thakur presented terms of reference of 15th Finance Commission, allocations by pervious finance commissions and MoHUA's approach for preparation of recommendations to 15th FC. He mentioned that MoHUA will summarize the recommendations for the urban sector, especially after analyzing the progress and difficulties faced by the States and municipalities in implementing the reform conditionalities under various mission programs such as AMRUT, SBM, NULM and Smart cities, as well as the reform conditionalities of 14th FC Performance Grant Scheme. For that states need to provide information on estimated requirement of funds, both for capital investments and operation and maintenance expenditure to MoHUA.

This session helped participants to realize importance of the UWSS information in fund allocation to ULBs and how this information is used for estimation of resource gap and financial requirement. NIUA and C-WAS expressed readiness to support the states in memorandum report preparation.

Use of SLB for Audit and Research/Practice

Mr. Neeraj Kumar Sinha, Senior Audit Officer, Comptroller and Auditor General of India (CAG) gave a presentation on how SLBs were beneficial in conducting performance audit of ULBs. The session explained broad process of performance audit which includes scientific sampling method for city selection, examine the implementation of schemes of the selected samples by applying the canons of 3Es (Economy, Efficiency and Effectiveness) and recommendations. He mentioned that benchmarking (SLBs) helps identify opportunities of achieving better economy, efficiency and effectiveness in performance audit. He also presented the performance audit case study of Maharashtra cities which includes gap in UWSS



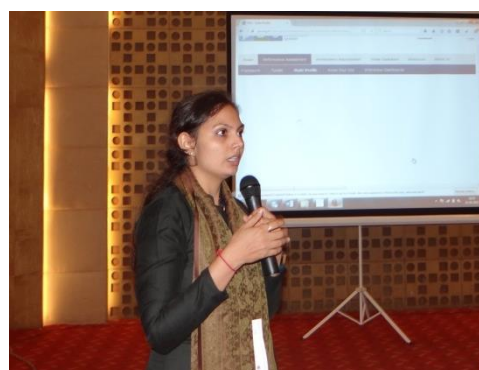
service level, major reasons for not achieving benchmarks and recommendations to ULBs as well as Directorate of Municipal Administration (DMA) to improve service levels.

The next presentation was on 'SLB as a monitoring tool and evaluation instrument – a research institution's perspective for FSSM' and it was presented by Prof. Bakul Rao, Associate Professor, IIT Bombay. In her presentation, Prof. Rao demonstrated how SLBs were used to evaluate technical proposals as an empanelled agency appointed by various governments. She explained that affordability, practicability and capacity are low for sewerage system where as onsite sanitation will remain in future for medium and small towns. She also emphasised the need of SLB revision and external evaluation of SLBs.



Demonstration of online SLB-PAS module and San Benchmarks

Ms. Jaladhi Vavaliya, senior programme lead from CEPT provided a brief demonstration of PAS website which host online SLB-PAS module, various tools for performance improvement and resources related to urban water supply and sanitation. All the components of online SLB-PAS module with examples, e.g. online data entry screen with inbuilt data validation checks, target setting screen, state level analysis reports, city level analysis reports and compare your city functions, etc. were demonstrated.



Assessment of sanitation service level improvement through fecal sludge and septage management interventions were also presented live using San Benchmarks indicators. The presentation of the online SLB- PAS module was lauded by the participants and they expressed a keen interest in learning this module in a greater detail and invited C-WAS team for training. NIUA pointed out that from SLB-PAS data, good practices could be documented for learning.

Summary discussions

The participants noted that it was good to know and exchange practices on SLB-PAS module and FSSM interventions in various states. Representative from Kerala and Tripura suggested that similar workshops are needed at state level to get the city officials and elected representatives familiar with online SLB-PAS module and San Benchmarks. Participants suggested options to mainstream SLBs by linking the SLB monitoring system to central and state level infrastructure grants. It was also discussed that San-Benchmarks framework should be used for assessment of the service level improvements as it will help in monitoring SDG 6.2 and 6.3 at city and state level.

The workshop ended with thanks to all partners and participants.

Workshop Agenda

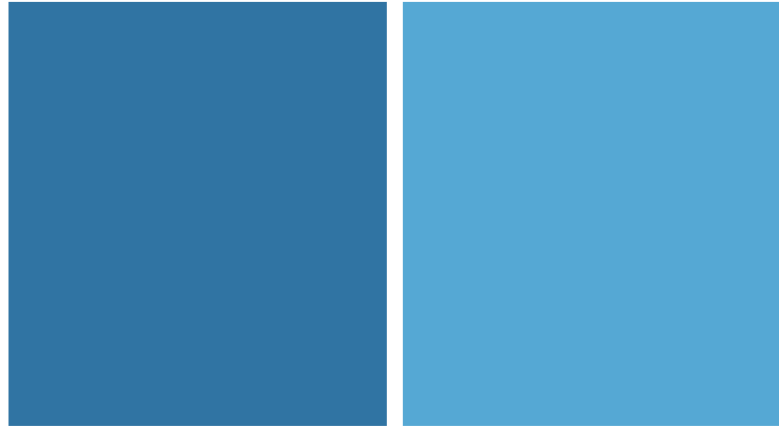
| | |
|----------------------|--|
| 10.00 – 10.30 | Inaugural Session <i>Brief Introductions by NIUA, CEPT, AIILSG</i> |
| 10.30 – 11.00 | Service Level Benchmarks and San-Benchmarks <i>Presentation by CEPT</i> |
| 11.00 -11.30 | Performance Grants for ULBs under 14th FC and revised approach by MoHUA <i>Presentation by NIUA</i> |
| 11.30 -11.45 | <i>Tea</i> |
| 11.45 – 13.00 | Group Discussion on Experience of States and other stakeholders on SLB, and Performance Grant |
| 13.00 – 14.00 | <i>Lunch</i> |
| 14.00 – 15.00 | Presentation on making a pitch to 15th Finance Commission <i>CEPT and NIUA</i> |
| 15.00 -16.00 | Use of SLB for Audit and Research/Practice <i>Presentations by CAG and IIT Bombay</i> |
| 16.00 -16.30 | <i>Tea</i> |
| 16.30 -17.00 | <i>Demonstration of Online PAS-SLB module for San-Benchmark</i> <i>CEPT</i> |
| 17.00 -17.30 | <i>Summary Discussions and wrap Up</i> |

List of Participants

| Sr.No. | List of Participants | Organization |
|--------|----------------------|--|
| 1 | Aashima Parikh | Research Associate, AILSG, Mumbai |
| 2 | Aasim Mansuri | Senior Program Lead, C-WAS, CEPT University |
| 3 | Aditi Dwivedi | Research Associate , C-WAS, CEPT University |
| 4 | Bakul Rao | Associate Professor, IIT Bombay |
| 5 | Depinder Kapur | Senior Domain Expert, NIUA |
| 6 | Dhara Shah | Senior Programme Executive, C-WAS, CEPT University |
| 7 | Dhruv Bhavsar | Senior Program Lead, C-WAS, CEPT University |
| 8 | Dhwani Shah | Research Associate, C-WAS, CEPT University |
| 9 | Dinesh Mehta | Professor Emeritus, C-WAS, CEPT University |
| 10 | Hetal Sorathia | Dy. Manager (SBM), Government of Gujarat |
| 11 | Himani Tiwari | Co-ordinator, City Managers Association, Government of Rajasthan |
| 12 | Husain Hasamwala | Project Officer Civil (SBM), Government of Gujarat |
| 13 | Ilesh Patel | Government Industry Solution Unit, TCS |
| 14 | Jaladhi Vavaliya | Senior Program Lead, C-WAS, CEPT University |
| 15 | Jigisha Jaiswal | Research Associate, C-WAS, CEPT University |
| 16 | K. Harikumar | Additional Secretary, Thiruvananthapuram Municipal Corporation, Government of Kerala |
| 17 | Krishna Kanabar | Communication Consultant, C-WAS, CEPT University |
| 18 | Meera Mehta | Professor Emeritus, C-WAS, CEPT University |
| 19 | Meghana Malhotra | Deputy Director, UMC, Ahmedabad |
| 20 | Mona Iyer | Professor, Faculty of Planning, CEPT University |

| | | |
|-----------|------------------------|---|
| 21 | Naznin Lalani | Research Associate, AIILSG, Mumbai |
| 22 | Neeraj Kumar Sinha | Senior Audit Officer, CAG, Mumbai |
| 23 | Nilesh Parmar | Research Associate, |
| 24 | Pallavi Mukane | Research Associate, AIILSG, Mumbai |
| 25 | Panini Vaidya | Research Associate, C-WAS, CEPT University |
| 26 | Paresh Chhajed | IIT, Bombay |
| 27 | Rajesh Kumar Tiwary | Section officer, Urban Development and Housing Department, Government of Bihar |
| 28 | Rashmi Mahakud | CMM - SUDA, UD&HD, Government of Jharkhand |
| 29 | Ravindra Thakur | Deputy Engineer, Maharashtra Jeevan Pradhikaran (MJP), Government of Maharashtra |
| 30 | S. Jahangir | Municipal Secretary, Alappuzha Municipality, Government of Kerala |
| 31 | Sanaya Sinha | Dasra |
| 32 | Sandeep Kumar Jha, IAS | Commissioner, Khammam Municipal Corporation, Government of Telanga |
| 33 | Sandeep Thakur | Senior Research Officer , NIUA |
| 34 | Santosh Deb | Joint Director, Urban Development Department, Government of Tripura |
| 35 | Shruti Ojha | Additional Commissioner, Greater Hyderabad Municipal Corporation, Government of Telanga |
| 36 | Shubhash Bhujbal | Superintending Engineer (HQ), Maharashtra Jeevan Pradhikaran (MJP), Government of Maharashtra |
| 37 | Shweta Nagarkar | Research Associate, AIILSG, Mumbai |
| 38 | Somesh Kumar Singh | Executive Engineer, Urban Development and Housing Department , Government of Bihar |
| 39 | Sujit Kumar Bharti | Municipal Finance Specialist - SUDA, UD&HD, Government of Jharkhand |

| | | |
|-----------|-----------------|--|
| 40 | Upasana Yadav | Research Associate, C-WAS, CEPT University |
| 41 | Urvi Patel | Research Associate, C-WAS, CEPT University |
| 42 | Utkarsha Kavadi | Director, AILSG, Mumbai |
| 43 | Yugasha Bakshi | Research Associate, C-WAS, CEPT University |



The Center for Water and Sanitation (C-WAS) at CEPT University carries out various activities – action research, training, advocacy to enable state and local governments to improve delivery of services. In recent years C-WAS has focused its work on urban sanitation.

CEPT
UNIVERSITY

p a s performance
assessment
system

C-WAS
Center for Water
and Sanitation


National Institute of Urban Affairs

