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Law Research Centre

# **GUIDELINES ON SWAJALDHARA, 2002**

## **GOVERNMENT OF INDIA, MINISTRY OF RURAL DEVELOPMENT, DEPARTMENT OF DRINKING WATER SUPPLY**

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## 1. BACKGROUND

1.1 Water is today perceived by the public as a social right, to be provided free by the Government, rather than as a scarce resource which must be managed locally as a socio-economic good. This perception has grown out of the fact that the present rural water supply systems are designed and executed by the Government Department/ Board for the end-users. Demand preferences of the people are generally not taken into account while planning and executing the schemes. In other words, rural water supply programme has been adopting a supply driven approach. Experience has shown that the present approach has led to the failure of a number of water supply systems / schemes due to poor operation and maintenance.

1.2 Since substantial investment had been made in the sector and huge infrastructure and large number of systems built up, it was felt in 1999, that the water supply systems and programmes call for re-examination to achieve sustainability. There was a general recognition that a transformation from a target based, supply-driven approach which pays little attention to the actual practices and/or preferences of the end users, to a demand-based approach, where users get the service they want and are willing to pay for, was urgently required. Implementation of a participatory, demand driven approach was expected to ensure that the public obtained the level of service they desired and could afford to pay part of the capital cost and full operation and maintenance cost. Further, full cost recovery of operations and maintenance and replacement costs is expected to generate a sense of ownership and ensure the financial viability and sustainability of the schemes. The conditions under which people would be willing to pay capital cost partially and operate and maintain water supply schemes are (a) if they own the assets, (b) if they have themselves planned and installed the systems and been actively involved throughout in the process, (c) if they have been trained to do simple repairs, (d) if they know the Government will not maintain the asset, (e) if they have sufficient funds for maintenance, and (f) if they have to pay for operation and maintenance of the systems. Hence, it was considered necessary to institutionalise community based rural drinking water supply programme with the Panchayati Raj Institutions and local communities to generate resources and equip them to plan, implement, use, maintain and replace water supply schemes themselves.

1.3 Hence the Sector Reforms Project was launched on a pilot basis in the year 1999-2000 and is presently being implemented in 67 Districts of 26 States. This was to be scaled up for the whole country from the Tenth Plan. The experience gathered during the past three years, have vindicated the reform principles. There have been demands to scale up the reform initiatives in the sector. The requests revolved round the fact that it was Gram Panchayats where the reforms are to be implemented. Thus, if the Village / Block level Panchayati Raj Institutions or User Groups come forward and agree to adhere to the reform principles, water supply schemes can be taken up by them in those areas. According to the expectations and the needs to scale up reforms in the water sector through out the country, the Sector Reforms Project has been slightly improved and is launched as Swajaldhara on 25th December 2002.

## 2. LOGO

2.1 Logo of Swajaldhara will be as follows:



Swajaldhara  
Gram Hamara

## 3. PRINCIPLES

3.1 Swajaldhara has certain fundamental reform principles, which need to be adhered to by the State Governments and the Implementing Agencies. The principles are as follows:-

- (i) adoption of a demand-responsive, adaptable approach along with community participation based on empowerment of villagers to ensure their full participation in the project through a decision making role in the choice of the drinking water scheme, planning, design, implementation, control of finances and management arrangements;

- (ii) full ownership of drinking water assets with appropriate levels of Panchayats,
- (iii) panchayats / communities to have the powers to plan, implement, operate, maintain and manage all Water Supply and Sanitation schemes,
- (iv) partial capital cost sharing either in cash or kind including labour or both, 100% responsibility of operation and maintenance (O&M) by the users ;
- (v) an integrated service delivery mechanism ;
- (vi) taking up of conservation measures through rain water harvesting and ground water recharge systems for sustained drinking water supply; and
- (vii) shifting the role of Government from direct service delivery to that of planning, policy formulation, monitoring and evaluation, and partial financial support.

3.2 Swajaldhara will have two Dharas (streams). First Dhara (Swajaldhara I) will be for a Gram Panchayat (GP) or a group of GPs or an intermediate Panchayat (at Block / Tehsil level) and the Second Dhara (Swajaldhara II) will have a District as the Project area.

### **Swajaldhara - I**

3.3 States can implement Swajaldhara in Blocks / Gram Panchayats in the districts outside the Swajaldhara II project districts. In such cases all the fundamental reform principles are to be followed in those areas. Thus, the lowest unit for implementing the reform initiative under Swajaldhara -I would be a Gram Panchayat. A group of Gram Panchayats or the Intermediate Panchayat could also come up with project proposals. Swajaldhara -I being primarily for a Gram Panchayat should normally have small drinking water schemes. Multi-Gram Panchayat schemes, while not prohibited, would require specific and precise formulation of capital cost sharing, operation and maintenance arrangements and cost collection mechanisms.

3.4 Specific proposals under Swajaldhara - I will be sanctioned by the District Water and Sanitation Committee (DWSC) provided the projects conform to the Guidelines of Swajaldhara.

3.5 If more than 50% of Blocks/Gram Panchayats in any particular District opt for rural water supply schemes under Swajaldhara -I, the State Government could consider posing / taking up the entire District under Swajaldhara -II to the State Water and Sanitation Mission (SWSM).

### **Swajaldhara - II**

3.6 The District is the unit for implementing the reform initiative under Swajaldhara - II. The State Governments would identify districts where chances of success of Swajaldhara are high and prepare proposals for implementation of Swajaldhara II. Such requests should have project proposal along with Project Implementation Plan (PIP) and Detailed Project Report (DPR). The District selection under Swajaldhara -II will be made by the State Water and Sanitation Mission (SWSM) in all States / Union Territories.

## **4. ENABLING ENVIRONMENT**

4.1 For the proper and effective implementation of Swajaldhara Projects the following enabling environment is essential: (i) Panchayati Raj Institutions (PRIs) are to be vested with functions and finances, and supported with functionaries to carry out the responsibilities of drinking water supply scheme planning, designing, implementation, operation, maintenance and management. (ii) Village Water and Sanitation Committee will have to be a committee of Gram Panchayat. (iii) States would need to enact and implement law on effective ground water extraction control, regulation and recharge. (iv) Institutional strengthening and capacity development of the State, District,

Block, Gram Panchayats and the community level institutions is necessary. State Government should have an effective State Water and Sanitation Mission with a competent support organisation for implementation of Swajaldhara. (v) State Government should integrate water conservation and rain water harvesting schemes with the drinking water supply schemes. (vi) Rural drinking water, sanitation, health, and hygiene programmes need to be integrated at the State, District, Block and GP levels.

## Memorandum of Understanding

4.2 In order to avail of funds under Swajaldhara I and II, the State Governments would enter into Memorandum of Understanding (MOU) with the Department of Drinking Water Supply, Ministry of Rural Development, Government of India. There would be commitment of the State Government to the reform principles in the Water and Sanitation Sector and to promote through out the State the Swajaldhara principles. Each State Government would be required to clearly indicate State vision, identified road map and milestones. Each State Government would be required to prepare a comprehensive Vision Statement, Action plan and agreed time frame for initiating and scaling up reforms in the sector. It should address issues like institutional reforms, integration of Water, Sanitation, and Hygiene, Capital cost sharing principles, water tariff/charges, operation and maintenance of systems, and institutional mechanism for implementation, role of Panchayati Raj Institutions, NGOs, and CBOs; water quality; water conservation measures including legislative action. Further, performance indicators will be laid down in the Memorandum of Understanding which would be periodically reviewed by both Central and State Governments. The MOU will take into account State specific factors and incorporate milestones which are in consonance with the reform principles. Flow of funds under the Swajaldhara and Total Sanitation Campaign would depend upon the performance of the State Governments in relation to the agreed programmes, which would be evaluated by independent monitors / supervisory missions.

4.3 In the MOU, stress would be on adherence to the reform principles by all the stakeholders, viz. State Government, Panchayati Raj Institutions, Non Government Organisations, and User Groups. It would incorporate action points, which address the issues of quantity, quality, conservation and sustainability of drinking water sources and improved sanitation and hygiene in the community. Towards this end, action points for all stake holders will be identified, strategy agreed upon and implementation time-frame laid down in the MOU. Government of India, in turn, will also specify the system of incentives and disincentives for the State Governments.

## 5. COMMUNITY CONTRIBUTION

5.1 The minimum share of community contribution for 40 litres per capita per day (lpcd ) service level will be 10 percent of the estimated capital cost of the project and funding by Government of India would be restricted to 90% of the capital cost.

5.2 In case of all habitations fully covered in the States, with 40 lpcd drinking water facility, the service level can be improved to 55 lpcd with 20 per cent of the capital cost to be borne by the community. In such States, in case of water supply schemes providing more than 55 lpcd, the additional incremental cost would have to be borne by the community / Panchayati Raj Institutions/ State Government. Funding by Government of India would be restricted to 80 per cent of the capital cost of 55 lpcd schemes only.

5.3 The community contribution towards the capital cost of schemes could be in the form of cash / kind/ labour / land or combination of these. However, at least 50% of the community contribution will have to be in cash. In case community contribution is more than 10% of the scheme cost, the excess amount shall be taken into operation and maintenance fund.

5.4 Contribution from the community based institutions / organisations like Youth Club, Self-Help Groups, local Institutions and Gram Panchayats may also supplement the community contribution. However, such contribution will be over and above the community contribution and will not be included as part of the community contribution. Further, contribution from Member of Parliament Local Area Development Scheme (MPLADS) or Member of Legislative Assembly Constituency Development Scheme (MLACDS), which are Government Programmes, is specifically prohibited.

## 6. OPERATION, MAINTENANCE AND MANAGEMENT (O&M)

6.1 Operation, maintenance and management cost of the water supply schemes will have to be fully borne by the concerned Community / User Group / Village Water and Sanitation Committee / Panchayati Raj Institution. This would include recurring costs like salary of operators, electricity charges as well as cost of periodic repair and renewal. It would be imperative on the part of the Panchayati Raj Institution / community to have a full understanding and appreciation of the likely O&M costs of various technology options before they select the technology for their water supply scheme.

6.2 The Gram Panchayat which has opted for a new scheme and / augmenting the existing scheme, should take over the O&M of the existing schemes in the respective area. Towards this end, the Gram Panchayat / User group will contribute to an Operation & Maintenance (O&M) Fund. The size of the corpus should be sufficient to meet the O&M cost of the scheme for at least six months. This corpus should remain intact and may be made use of to meet renewal / replacement / major repairs cost .

6.3 Gram Panchayats would require to mobilise funds through levy and collection of user charges for the operation and maintenance of the schemes taken over. Further, upon completion of Swajaldhara schemes under both the streams and their successful operation for at least 12 months from the date of completion, Government of India may provide up to 10% of the capital cost as a one-time incentive to the O&M Fund created by the Panchayati Raj Institution / User Group and the State Government should also make an equal matching contribution to the O&M Fund.

6.4 The District Panchayat / DWSC shall take steps to provide training to persons selected by the Gram Panchayat / community to operate and maintain the drinking water schemes. Funding for the capacity development of Panchayat and Users Group functionaries will be met from the Swajaldhara.

6.5 It is difficult to have all Gram Panchayats in a District under Swajaldhara simultaneously. They are taken up batch by batch. Under Swajaldhara-I, ARWSP funds for O&M will be available for non-Swajaldhara Gram Panchayats.

6.6 Since funding for operation and maintenance will not be available under ARWSP for all the villages in a Swajaldhara project district under Swajaldhara -II, the State Governments may continue to provide funds, if necessary, for O&M for non-Swajaldhara Project Gram Panchayats from their own funds to the Gram Panchayat till the Gram Panchayat is covered under the Project. However, the State Governments should take positive steps to hand over existing rural water supply schemes to GP/ VWSC, after undertaking requisite rejuvenation / repair works under the guidance / supervision of GP/ VWSC, for operation and maintenance after a specified date (to be decided by the State Government) so that there is one uniform rural water supply system in the District where GP/ VWSC meets full operation and maintenance expenditure. Towards this end, communication and capacity development activities must commence in the district at the earliest.

## 7. INSTITUTIONAL SETUP

7.1 The State Government would be the coordinating agency for the project. Panchayati Raj Institutions should be the Implementing Agencies. It is necessary to have a State Water and Sanitation Mission (SWSM) under the chairmanship of the Chief Secretary/ Officer of Chief Secretary rank. The SWSM may be a registered society. The State Governments would provide necessary operational flexibility to the SWSM for integrated implementation of Swajaldhara and Total Sanitation Campaign (TSC). At the District level, the District Panchayat / Zilla Parishad shall perform all the functions hitherto performed by the DWSM. At the village level Gram Panchayat / VWSC will be the Implementing Agency.

7.2 State level

7.2.1 The State Water and Sanitation Mission (SWSM) would have the following functions:

- (i) Provide policy guidance on Swajaldhara Projects;
- (ii) Periodic review of implementation of the MOU signed with the Department of Drinking Water Supply;

- (iii) Consideration and approval of all schemes pertaining to water supply and sanitation sector programmes funded wholly or partially by the Government of India or the External Funding Agencies (including ARWSP, Sub-Mission, TSC);
- (iv) convergence of water supply and sanitation activities including Special Projects;
- (v) coordination with various State Government Departments and other partners in relevant activities;
- (vi) monitoring and evaluation of physical and financial performance and management of the water supply and sanitation projects;
- (vii) arranging independent certification of the quality of construction of Swajaldhara projects;
- (viii) integrating and operating communication and capacity development programmes for both water supply and sanitation.

7.2.2 The SWSM would have (i) Apex Committee and (ii) Executive Committee.

7.2.3 The Apex Committee would be headed by the Chief Secretary/ Officer of Chief Secretary rank with Secretaries in-charge of Rural Drinking Water Supply, Rural Development (RD), Panchayati Raj (PR), Education, Health, Finance, Planning, Information and Public Relations and a Government of India representative as members. In addition, three experts in the field of rural water supply and sanitation could also be made members of the Apex Committee. Secretary of the Department concerned with rural water supply and sanitation shall be the Member Secretary of the Apex Committee. This Committee shall meet at least once in every quarter and not less than 4 times in a year.

7.2.4 An Executive Committee with about 15 members shall be constituted to aid and advise the Apex Committee and shall be headed by the Secretary of the Department concerned with Rural Drinking Water Supply and Sanitation, and, an officer not below the rank of a Joint Secretary of the same Department shall be its Member Secretary. Chief Engineer in charge of Rural Drinking Water Supply, officers from the Departments of Rural Development, Panchayati Raj, Health, Education, Social Welfare, Planning, Finance and Information and Public Relations shall be ex-officio members. Experts, not exceeding six, in the field of drinking water; communication and rural development; community health and hygiene; community mobilisation; Media; and NGOs may be co-opted as members.

7.3 District level:

7.3.1 At the District level, the District Panchayat/ Zilla Parishad shall perform all the functions which hitherto were being performed by the District Water and Sanitation Mission (DWSM). However, in States where elected District Panchayats are not in place, the DWSM as a society under the chairmanship of the District Collector could perform the functions. The District Water and Sanitation Committee (DWSC) will be a Committee of the District Panchayat/DWSM.

7.3.2 The Drawing and Disbursing Officer (DDO) of the District Panchayat / DWSM shall also act as the DDO for all funds received under Swajaldhara.

7.3.3 The District Panchayat / DWSM shall meet as often as possible but not less than four times a year. It will consider and take note of all schemes under Swajaldhara which have been technically scrutinised and approved by the DWSC. It would review the implementation, progress of Swajaldhara and the Total Sanitation Campaign (where it has been launched) in the district.

7.3.4 The District Water and Sanitation Committee (DWSC) will be headed by the CEO of the District Panchayat where District Panchayat is performing functions of DWSM. In other cases, DWSC will be headed by the District Collector / District Magistrate. DWSC will have District level officers such as the Executive Engineers of Drinking Water, and District Panchayat; District Education Officer, District Health Officer, Project Director DRDA, District Panchayati Raj Officer, District Social Welfare Officer, and District Information & Public Relations Officer. In addition 3 members who shall be experts and/ from reputed NGOs, may be co-opted into the Committee as members with the prior approval of the SWSM. The Executive Engineer of Drinking Water or District Panchayat or an Officer chosen by the DWSM and concurred to by the Executive Committee of SWSM shall be the Member Secretary of the DWSC.

7.3.5 The functions of the District Water & Sanitation Committee (DWSC) are as follows:

- (a) formulation, management and monitoring of Swajaldhara projects;
- (b) scrutiny and approval of the schemes submitted by the Block Panchayat/ Gram Panchayat,
- (c) selection of agencies and/ NGOs and enter into agreements for social mobilisation, capacity development, communication, project management and supervision,
- (d) sensitising the public representatives, officials and the general public about the Swajaldhara principles;
- (e) engaging Institutions for imparting training for capacity development of all stakeholders, and undertaking communication campaign; and
- (f) interaction with SWSM, State Government and the Government of India.

7.3.6 The DWSC will utilise the official premises, equipments, vehicles, telephone etc. of the Zilla Parishad / line Department for the official activities. Recurring costs like propulsion charges of vehicles, transport hiring charges, telephone bills etc. can be met from the project fund. No separate vehicle shall be purchased under the project. If absolutely necessary, vehicles may be hired as and when needed for the project purpose.

7.3.7 The Core Group may be positioned to assist the District Water & Sanitation Committee in implementing the project activities. The Core Group will have professionals in the field of community development, drinking water supply, engineering, rural management, sociology/social sciences, communication, human resource development, etc. The Core Group will meet at least once a month and review the progress made under Swajaldhara. It would give its inputs on communication and development strategy, technology options, sustainable exploitation of drinking water resources, community health, financial viability of schemes, etc. to the DWSC. In order to make the Core Group fully functional and effective, State Governments and District Panchayats may have to be supported in this regard, both financially and technically, by the Government of India from within the project fund.

7.4 Gram Panchayat (GP) / Village Water and Sanitation Committee(VWSC)

7.4.1 VWSC under the Gram Panchayat will implement Swajaldhara schemes in the Gram Panchayat. Each Gram Panchayat taking up Swajaldhara schemes shall have a Village Water and Sanitation Committee (VWSC) under the chairmanship of the Gram Panchayat Pradhan / President / a Panchayat Member elected by the members of the VWSC for implementation of drinking water supply schemes of their own choice with active participation of the villagers.

7.4.2 In case the scheme covers more than one Gram Panchayat, a Joint Committee may be constituted at the Intermediate Panchayat level by involving concerned Gram Panchayat representatives and the Intermediate Panchayat Chairman.

7.4.3 The composition of the VWSCs and Joint Committees can be decided by the State Government under the Panchayat Act. However, women, SC, ST and poorer sections, subject matter specialists, NGOs, CBOs should be given due representation and at least one third members of the VWSC shall be women.

7.4.4 VWSC will be responsible for

- (i) ensuring GPs to take up Swajaldhara implementation in each Gram Sabha meeting;
- (ii) ensuring community participation and decision making in all phases of scheme activities;
- (iii) organising community contributions towards capital costs, both in cash and kind (land, labour or materials);
- (iv) opening and managing bank account for depositing community cash contributions, O&M funds and management of project funds;
- (v) signing of various agreements with the DWSC;
- (vi) planning, designing, and implementing all drinking water and sanitation activities;

- (vii) procuring construction materials/goods and selection of contractors (where necessary) and supervision of construction activities;
- (viii) commissioning and takeover of completed water supply and sanitation works through a joint inspection with DWSC;
- (ix) collection of funds through a tariff, charges and deposit system for O&M of water supply and sanitation works for proper managing and financing of O&M of the services on a sustainable basis; and empowering of women for day to day operation and repairs of the scheme;
- (x) creating and promoting integration of drinking water, sanitation and hygiene in the Panchayat; and
- (xi) participation in communication and development activities in other villages.

## 8. PROJECT ACTIVITIES

### 8.1. Scheme Cycle

8.1.1 During project preparation, a detailed project implementation schedule would be developed. The projects under Swajaldhara would follow a scheme cycle of about 36 months consisting of four distinct phases and a post project completion phase. Since mostly small schemes are likely to be taken up in a single Gram Panchayat under Swajaldhara -I, the duration of scheme cycle could be between 12-18 months. It may, however, be clarified that the period indicated is indicative and in some cases the projects may take a longer period.

8.1.2 Start up Phase - This phase should not take more than 3 months. This comprises of -

- Ø Creation of the Institutional set-up at State, District, and Gram Panchayat levels.
- Ø Opening of bank account for receipt of funds from the Government of India at the district level by the District Panchayat.
- Ø Generation of bench mark data through Base line survey.
- Ø Identification of NGOs and Training Institutes, Resource Center etc. for activities like communication, Information, Education and Communication (IEC), Human Resource Development (HRD), capacity development, social mobilisation etc.
- Ø Monitoring mechanism to be put in place (familiarising the proforma, questionnaire for obtaining information from the field and submitting information to the State Government, SWSM, and Government of India)

8.2 Sensitisation and Identification phase - This would involve -

- Ø sensitizing and awareness creation among implementers (Government functionaries/ political representatives / PRIs / NGOs etc.) at all levels through various communication channels about the programme
- Ø assessment and analysis of the existing water supply and sanitation systems (habitation-wise) through primary data collection
- Ø analysis and identification of the Gram Panchayats/habitations to be taken up in the various phases depending on the demand from them and the available resources. (a) for water supply - each phase may comprise of construction of new schemes, augmentation and/ rejuvenation of the existing system and taking over of the complete (acceptable) system by Panchayats. (b) for sanitation - the phase may comprise of setting up of RSM/Production Centre (PC) as an alternate delivery mechanism, and habitations where implementation is to commence immediately should be identified (preferably NC/PC and quality affected habitations and those where the success rate is likely to be fast, higher and sure).

- Ø agencies for communication campaign should be identified and action taken to develop and execute the capacity development and communication strategy
- Ø communication campaign for awareness creation and demand generation should clearly give the following messages:- (1)The beneficiaries will own the assets created; (2)The government will not maintain the assets created; (3) This is the one time investment in the District/ Gram Panchayat ; (4) On completion of the project, the District/Gram Panchayat will be considered fully covered; (5) Two or more alternative technologies suitable to a particular area along with information regarding its capital cost, the beneficiary share, the O&M cost, the replacement cost etc. in respect of each technology; (6) Full O&M and replacement cost; and part capital cost are to be borne by the beneficiaries; (7) Importance of water quality monitoring and surveillance; (8) Importance and benefits of water recharging activities and possible technologies for water recharging activities in the area; and (9) Any other local issues pertaining to the area.
- Ø various communication modules should be prepared in the local language giving the above information.
- Ø agencies for preparation of the above modules and carrying out communication activities should be identified. Preparation of Manuals/modules for the above training including in the local languages.
- Ø getting the schemes of their choice identified by the villagers (decision making process)
- Ø Village Water and Sanitation Committee (VWSC), a Committee of Gram Panchayat, to be empowered and operationalised .

### 8.3 Training

- Ø Training activities to equip the villagers in the Planning, designing, implementation, operation, maintenance and management of schemes of their choice. Training of members of the User Group especially women / community is an extremely important element of the reform principles. Towards this end, the State Water and Sanitation Mission (SWSM) could make use of the State Institute of Rural Development (SIRD) and its branches at Division/ District levels to provide regular training courses for members of the User Groups, Panchayati Raj Institutions, Implementing Agencies, line Departments, NGOs etc. covering all aspects of water supply and sanitation sectors. Training to be given at the following levels:
  1. Departmental Level:- (a) Behavioural sciences - interaction with the villagers. (b) Sociological aspects (c) Importance of traditional schemes and the needs to be propagated (d) Trainers' training to train villagers for installation, O&M, water quality testing, water recharging and harvesting technologies.
  2. District Level and NGOs:- (a) Management and supervision of project implementation; (b) Identification and selection of agencies for various activities of the project; (c) Recruitment (on contract basis) of experts as per the requirement; (d) Monitoring of physical and financial progress - collection and use of data for the proper project implementation (e) Various communication campaigns to be carried out and related behavioural sciences - interaction with people; and (f) Record keeping and documentation of project implementation - both progress and process activities.
  3. Gram Panchayat / VWSC Level:- (a) Record keeping - financial management, transparency, maintenance of minutes of proceedings of VWSC meetings; (b) Communication with villagers - Communication activities; (c) Technical matters like scheme planning, designing, installation, specification of various components, procurement and contracting procedure, etc.(d) Matters related to O&M, replacement of the schemes, water quality testing & monitoring, water harvesting systems & structures etc. (during and after implementation of the chosen scheme); (e) Collection of community contribution - capital cost share, O&M cost, monthly collection of water charges - maintenance of records; and (f) Crisis and conflict management.
  4. Villagers (selected / interested villagers):- (a) Technical matters like scheme designing, planning, installation, specification of various components, procurement procedures, contracting procedures, etc.; (b) Matters related to O&M, replacement of the schemes, water quality testing & monitoring, water harvesting systems & structures etc. (during and after implementation of the chosen scheme); (c) Collection of funds - capital cost share, O&M cost, etc, and (d) Crisis and conflict management

8.4 Scheme / System Planning - This comprises of -

- Ø Rough design and estimation of the water and sanitation schemes/units based on the community/ user choice.
- Ø Consensus on the most appropriate scheme based on affordability and technical feasibility.
- Ø Further awareness and training campaign for collection of people's contribution and deposit in VWSC account.
- Ø Collection of part of the community contribution for starting detailed planning and design of the water supply schemes. In case of sanitation, it may be as per the TSC Guidelines.
- Ø Detailed designing, planning, estimation and seeking approval of the competent authority as decided by the District Panchayat/DWSM. In case of household latrines, it should be as per the beneficiary's choice and affordability.
- Ø Identification of the contractors (where local community through the VWSC cannot execute the work) and assigning the job for implementation.
- Ø Release of Government share from District Panchayat/DWSM to Gram Panchayat /VWSC account.

8.5 Implementation and Commissioning:- This comprise of -

- Ø Collection of the balance beneficiary contribution in terms of cash / kind / labour / combination of these (contribution in terms of labour and kind should be quantified and treated as the cash contribution of such contributors and a proper record of the same must be maintained)
- Ø Procurement of materials - the Gram Panchayat /VWSC shall purchase the materials. No centralised purchasing should be done. However, in exceptional cases and as the situation demands with respect to certain items, centralised purchasing may be opted by the DWSC on behalf of GPs but only after receipt of due request from the Gram Panchayat / VWSCs. The DWSC shall guide and assist VWSCs to ensure that materials of standard quality are purchased.
- Ø Execution of work - actual implementation of the scheme of choice.
- Ø Supervision by Gram Panchayat/ VWSC and District Panchayat / DWSC for water supply and community based sanitation schemes. In case of household latrines, joint supervision by the NGO and the beneficiary is necessary.
- Ø Completion, commissioning and taking over of completed schemes by the Gram Panchayats / VWSC for the continued O&M and replacement.
- Ø Awareness and training on water quality testing, monitoring and surveillance
- Ø Development of data base with updating mechanism
- Ø Training to VWSC Chairman and members besides selected villagers for O&M, etc. as explained earlier at sensitizing stage
- Ø Monitoring and evaluation of the scheme by the Gram Panchayat / VWSC
- Ø Participation of the Gram Panchayat / VWSC whose schemes has been completed in awareness and training campaigns in other parts of the district.

8.6 A continuous process of monitoring and evaluation, review and mid-course correction (if any required) will be carried out by the District Panchayat, SWSM/State Government, Department of Drinking Water Supply of Government of India, and Implementing Agencies.

8.7 All the above four stages may co-exist at the same time in various places within the same district.

## 9. NGO PARTICIPATION

9.1 Services of Non-Government Organizations (NGOs) could be utilized for activities such as social mobilisation, Communication and Capacity Development, Participatory Rural Appraisal (PRA) / Participatory Learning and Action (PLA), Human Resource Development (HRD), Training and implementation of schemes. However, proper and transparent selection criteria should be adopted. NGOs may be properly oriented and trained in the drinking water and sanitation sector reform principles before their services are utilized.

## 10. PARTICIPATION OF WOMEN

10.1 Since collection of drinking water in villages is primarily done by women they need to be actively involved in planning, choice of technologies, location of systems, implementation, operation and maintenance of water supply schemes. Towards this end, at least one third members of the VWSC shall be women and they should get preference in training for repair of handpumps, etc. Formation of User Groups exclusively of women in villages may be promoted.

## 11. TECHNOLOGY OPTIONS

11.1 The technology option for any village should be acceptable, adaptable and affordable for the community. The selection of water supply technology for a given locality could be determined by a number of factors, such as technical feasibility, users preferences and requirements combined with willingness to contribute towards capital cost and O&M. Site specific conditions such as availability and reliability of electricity supply, quality of ground water etc. must also be factored in by the community while making choice of technology. The service level shall be as per the users preference. Priority should be given to rehabilitation and / extension of existing schemes.

11.2 A Manual consisting of type-designs and indicative capital, O&M and replacement costs for each of the technology options may be prepared by the SWSM / DWSC and circulated to the Gram Panchayats willing to take up projects under the Swajaldhara. However, care should be taken that there is adequate room for local level innovations and greater community participation.

### Multi Panchayat / Village Schemes

11.3 Swajaldhara Project is ideally suited for small village based self-sufficient schemes. However, in some districts there may be need to go in for capital intensive regional / multi-Panchayat / village schemes on account of water quality problems like excess fluoride, arsenic, brackishness etc; and distant location of drinking water sources. The project may undertake the implementation of such schemes. Water could be supplied to the GP/ community at the village entry point with the Project bearing the cost of bringing water to the village entry point and the community bearing the cost of distribution system within the village/habitation, subject to the condition that community contribution is not less than 10 per cent of the scheme cost within the village/habitation. GP / VWSC / Communities can buy water in bulk and arrange for distribution within the village. The State Government, for the purpose of the Swajaldhara Project implementation within the State would indicate the Policy on multi Panchayat/village scheme relating to (i) capital cost sharing between GOI, State and community (ii) operation and maintenance and (iii) User fees, water charges and tariffs. The Multi Panchayat/Village Schemes under Swajaldhara-I & II within a district can be approved by the District Panchayat / DWSM. In case of such schemes covering two or more districts, the State Water and Sanitation Mission (SWSM) will consider and sanction. It may, however, be noted that financial viability of multi-village schemes and problems of sustained operation and maintenance would require high degree of managerial capability by the community and these need to be carefully considered before multi-village schemes are approved by the District Panchayat / DWSM / SWSM.

## 12. QUALITY CONTROL

12.1 It is extremely important that the quality of construction is supervised at all times by the line Department providing technical support to the Gram Panchayat / User Groups. The responsibility for ensuring the quality of works would be of the line Department / Agency at the District level.

12.2 The DWSC should work out an arrangement under which a team of experts would visit once in a quarter, inspect the works quality and give their report to the District Panchayat / DWSC. In case defects are pointed out in the report, the same shall have to be rectified before further payments can be made to the project.

12.3 In addition, the State Water and Sanitation Mission (SWSM) would also put in place a system of random inspection of projects taken up under Swajaldhara in the State by a team of experts. The inspection should assess all aspects of the project including adherence to the reform process mentioned in the Guidelines, which is as important as the quality of civil works. Further, this assessment has to continue even after the project is completed although in such cases the frequency of inspection could be reduced since the sustainability of the water supply project is an integral part of the reform initiative.

12.4 Copies of inspection reports carried out by agencies independent of the Field Engineers will have to be attached along with the second and subsequent instalment claims.

## 13. SUSTAINABILITY OF SOURCES

13.1 The communities will be encouraged to identify and take up water harvesting / recharge activities to benefit the relevant drinking water sources. Such activities will be essential component of project funding.

13.2 The State Government will come up with a detailed State Water Policy and Vision Statement, which shall lay down the policy parameters in respect of exploitation of ground water sources and protection of drinking water sources. District Panchayats, Intermediate Panchayats and Gram Panchayats shall also be encouraged to take suitable local initiatives for ensuring sustainability of safe water sources.

## 14. NATIONAL SWAJALDHARA MONITORING COMMITTEE (NSMC)

14.1 A National Swajaldhara Monitoring Committee (NSMC) will be constituted by the Government of India under the chairmanship of Secretary, Department of Drinking Water Supply. It would have Additional Secretary & Financial Adviser, Joint Secretary(TM), Ministry of Rural Development and at least three experts from the rural water and sanitation sector as the Members.

14.2 The NSMC will meet at least once every three months and would review the progress of the Swajaldhara implementation and provide guidance to the SWSM/ DP /DWSM on proper and effective implementation.

14.3 The NSMC shall also periodically review the progress made in the implementation of the reform initiative by the State Governments against the vision set, objectives, and milestones specified in the Memorandum of Understanding (MOU).

## 15. FUNDING OF SWAJALDHARA PROJECTS

15.1 Up to 20 percent of the Budget provision for Rural Water Supply Programme of Government of India has been earmarked for Swajaldhara Projects. If the need arises, this would be increased in subsequent years to ensure full coverage of the remaining districts under Swajaldhara by the end of the 10th Plan.

15.2 Swajaldhara Project funding, excluding community contribution, will be fully met by the Government of India.

15.3 Funds under Swajaldhara will be allocated to the States every year as per the inter state Accelerated Rural Water Supply Programme (ARWSP) allocation ratio fixed for the year. The releases will be demand responsive up to the maximum allocation for the year. The unspent amount under this will be distributed to States by the end of December with the concurrence of the Integrated Finance. In that, priority will be accorded to those States where Swajaldhara projects need additional funding. Remaining unspent funds will be pooled and distributed as per the ARWSP, to better performing States.

15.4 While indicating tentative allocation to Districts within the State, the following principles will be borne in mind by the State Governments:

(i) ensure equitable spread of water supply schemes, (ii) district wise allocations may be made and communicated by 30th April, and (iii) the fresh proposals for the allocated amount are approved by the District Panchayat by 30th September of each year.

15.5 If progress under Swajaldhara is found to be unsatisfactory in a State by the Department of Drinking Water Supply, Government of India, it would be free to re-allocate the savings of a State in December among better performing States.

15.6 Procedure for release of Funds

15.6.1 For the implementation of schemes approved under Swajaldhara-I, the funds will be released in two equal instalments while it would be released in four instalments of 20, 40, 30 and 10% for projects taken under Swajaldhara -II. The State Governments / SWSM will indicate the extent to which allocated funds for a year will be utilized in the State under Swajaldhara I and II.

15.6.2 In case of Swajaldhara I, district wise allocation indicating number of Gram / Block Panchayats where from the proposals are expected and total funds required will be intimated by the State Governments and Union Territory Administration to the Department of Drinking Water Supply. On receipt of the said information, the first instalment (50% of the estimated amount) will be released directly to the SWSM/ DP / DWSM by Department of Drinking Water Supply. On receipt of the Swajaldhara I proposals from the Gram Panchayats / Block Panchayats, the District Panchayat / DWSM will examine technically and financially and take decision on the proposals. In case of sanction, 1st instalment (50% of the sanctioned scheme capital outlay) will be released to the Gram / Block Panchayats. Release of 2nd instalment by Government of India would depend upon the SWSM and the State Government satisfying and recommending release of the funds for each DP/ DWSM with proper Utilization Certificate and Audit Certificate. The State Government and SWSM will consider the following before sending their recommendation to Government of India: (i) utilization of the total available funds. The available funds means funds released by Government of India plus interest accrued thereon and community contribution (cash, kind, land, labour computed in terms of amount) received for the proposals; (ii) utilization certificates duly signed by Chairman and Secretary of DWSC, duly verified and countersigned by the CEO of the SWSM. The Utilization Certificate will be in the Form enclosed (Annex-I); (iii) Audit Report of the Chartered Accountant covering all the points indicated in the Guidelines and the Audit certificate and statements to be furnished in the prescribed Format A to E at Annex-II; and (iv) the latest Inspection Report of the schemes implemented in the respective districts by an agency (engaged by DWSC and approved by SWSM) independent of field engineers. The Inspection Report shall not be more than three months old at the time of seeking release of 2nd and subsequent instalments. The State Government will be fully responsible for the recommendation for 2nd instalment release. Audit Certificate and Utilisation Certificates and other records received from DWSC and Gram Panchayats/VWSCs shall be retained at the SWSM / State Government level.

15.6.3 Under Swajaldhara-II, funds would be released by the Department of Drinking Water Supply to the SWSM/ DP /DWSM in 4 instalments of 20, 40, 30 & 10 %. 20% of the project cost would be released once the project for the District has been approved by the SWSM. For the release of 2nd and further instalments the conditions specified in (i), (ii), (iii), and (iv) of Para 15.6.2 of the Guidelines will have to be met. District Panchayat / DWSM will be responsible to release funds to GPs / VWSCs and will ensure proper management of funds.

15.7 A separate Bank account in the State Bank of India or its associate bank may be maintained by the SWSM/ District Panchayat/ DWSM to receive funds from the State Government and Government of India.

15.8 Funds would be provided to the State Water and Sanitation Mission (SWSM) and the District Panchayat / DWSM to meet the expenditure on activities like Start up, Communication & Capacity development, Quality

check, monitoring etc. This would be limited to 10% of the value of project proposals cleared during the year in the State under Swajaldhara - I and II.

15.9 The administrative cost shall not exceed 5% of the Project Outlay with an upper ceiling of Rs. 5 lakh per annum and would be admissible to the District Panchayat / DWSM and Gram Panchayats executing the projects under Swajaldhara - I & II. No centage charges would be admissible under Swajaldhara. Salaries of employees of the State Government / District Panchayat cannot be charged to the project. But the contracted consultants / professionals can be engaged for which payments will be funded under the administrative / IEC / HRD etc. components of the project as the case may be.

15.10 Interest accruing to the funds available at the District level will be added to the project funds and utilized as per Swajaldhara Guidelines. In case of Gram Panchayat / VWSC, interest accruing for the funds received under Swajaldhara and on community contribution will be taken into account for the schemes and utilised only as per the Guidelines.

## 16. INADMISSIBLE ITEMS OF EXPENDITURE

16.1 The following items of expenditure are inadmissible under Swajaldhara :-

- a) Purchase of vehicles.
- b) Purchase of Land and Buildings.
- c) Construction of Official Buildings and rest houses (This excludes buildings needed for drinking water schemes).
- d) Expenses for any political party and religious organizations.
- e) Expenses for gifts and donations.

## 17. PROJECT ACCOUNTS AND AUDIT

17.1 The Swajaldhara project accounts will be properly maintained by the Project Authorities at the District, Block / Gram Panchayat and VWSC levels. These accounts will be audited by Chartered Accountants to be engaged by SWSM/ State Government. Annual audited project accounts shall be submitted to District Panchayat/ DWSM; SWSM / State Government and Department of Drinking Water Supply, Government of India. The Project Authorities would submit the audited accounts along with Project Progress Report while filing instalment claims.

17.2 The Audit Report should cover the following issues:

- Ø Number of Bank Accounts being maintained by the Implementing Agency (a single and separate Bank Account should be maintained for the Scheme).
- Ø Funds held in Fixed Deposits, if any (the programme funds are allowed to be kept only in Savings Account).
- Ø Whether interest accrued in Savings Account has been taken as receipt and utilised for the Project.
- Ø Delay, if any, in crediting the Accounts of the Implementing Agency by the receiving Bank - if so, the period of delay.
- Ø Whether Bank reconciliation in respect of Cash Book balance and Pass Book balance is being done fortnightly. The Bank reconciliation should also cover interest accruals. The Bank reconciliation statement as on 31st March should be attached to the Audit Report.
- Ø Proper maintenance of Cash Book by the Implementing Agency.

- Ø Cheques issued but not encashed as on 31st March as per Bank reconciliation (this should be taken as a part of the opening balance).
- Ø Actual expenditure village-wise out of advances to all the VWSCs and closing balances with VWSCs.
- Ø Inadmissible items of expenditure, if any.
- Ø Diversion of funds, if any.

17.3 In order to cover all the issues mentioned in the Guidelines the following check list shall be specifically addressed in the Chartered Accountant's Audit Report:-

- Ø Whether a separate bank account for the Scheme is being maintained?
- Ø Whether any programme funds are held in Fixed Deposits?
- Ø Whether interests from Savings Bank accounts are being credited into the account and utilised for the Scheme?
- Ø Whether there is delay in crediting the Accounts of the Implementing Agency by the receiving bank. If so, the period of delay?
- Ø Whether Bank reconciliation statement as on 31st March has been attached to the Audit Report?
- Ø Whether cash book is being maintained properly?
- Ø Whether amount of cheques issued and not encashed as on 31st March of a financial year as per Bank reconciliation statement have been indicated (the amount of uncashed cheque(s) has to be taken as a part of the opening balance in the next financial year)?
- Ø Whether a schedule indicating actual expenditure village-wise out of advances to all the VWSCs and closing balances with all the VWSCs has been attached to the Audit Report?
- Ø Are there any inadmissible items of expenditure? If so the details should be furnished.
- Ø Is there any diversion of funds? If so the details should be furnished.

## **18. MONITORING, REVIEW AND MID PROJECT REVISION.**

18.1 The DWSC will submit Monthly Progress Reports within 10 days in the succeeding month; and for every financial year on or before 25th April of the succeeding financial year. Progress Report form is at Annex-III.

18.2 Government of India will field multi disciplinary Review Mission comprising officers of Government of India and the respective State / UT Government, subject Matter Specialists / Experts once in 6 months or as often as may be necessary to review the implementation and recommend remedial action. The Mission is to guide the Project Authorities for process implementation. It is not for preparing / recommending reports for release of funds, which shall be made based on procedure laid down in Para 15.6 foregoing.

18.3 Mid Project Review Mission will look into physical and financial progress of the project and indicate specifically mid course improvement, if any, to be carried out. In case additional funding is suggested the NSMC would consider the revised Project proposal.

## **19. COMPLETION OF SWAJALDHARA PROJECTS**

19.1 A Swajaldhara Project in a District/Block/Gram Panchayat, will be considered as completed on fulfillment of the following conditions: (i) all the schemes taken up under the project have been fully completed and taken over by the Panchayat / VWSC for operation and maintenance (ii) the audited project accounts for the entire

expenditure has been received and taken on record in the Government of India, and (iii) the balance Government of India funds in the project have been fully refunded to Government of India.

19.2 A Report on completion of projects under Swajaldhara will be placed before National Swajaldhara Monitoring Committee for observation and comments, which would be duly communicated to the State Government for further action, if any.

## **20. POST- PROJECT ACTIVITIES**

20.1 Since Swajaldhara is a process project designed to enable the community to have access to acceptable, adaptable, sustainable and affordable safe drinking water system, the reform process does not end with the physical completion of water supply schemes. In several ways, it marks the beginning of a new and more challenging phase in the process where the local community have to shoulder the responsibility of operation and maintenance of the system. This entails putting into operation the decisions taken by the community with regard to tariff structure, collection of monthly water charges from the users, ensuring proper maintenance of the system so as to ensure reliable and regular supply of safe drinking water. Towards this end, the community will have to arrange for periodic quality checks of water being supplied as well as ensure sustainability of sources. This may include taking decisions regulating exploitation of ground water sources and preventing contamination of water sources. All these activities would require high degree of community mobilisation and awareness.

20.2 The District Panchayat / DWSM and the State Water and Sanitation Mission (SWSM) should arrange for periodic monitoring and review of the functioning of completed water supply schemes by officers, experts, NGOs, Institutions etc. Suitable monitoring mechanism and systems may be put in place in this regard by the State Government.

[Annexes not reproduced]

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