

**Marking Scheme for claiming Tied Grant under 15<sup>th</sup> Finance Commission  
for the period 2021-22 to 2025-26**

15th Finance Commission (15th FC) in its report for the year 2020-21 has divided the grants into untied and tied to water supply and solid waste management. It has prescribed certain mandatory conditions for claiming the FC grants.

For tied grants, 15th FC has mandated Ministry of Housing and Urban Affairs (MoHUA) to develop city-wise and year-wise targets, in consultation with the State Governments, for 2020-25 and recommend disbursement of grants. Accordingly this marking scheme has been prepared. States will intimate baseline indicators and yearly targets against 'Water supply and waste water management'. Targets against 'Solid waste management' have already been fixed by MoHUA.

**1. Mandatory Conditions:**

**Table:1**

S.No.	FY 2021-22	
1.	Audited accounts published for all ULBs on State/ULB website for the year before the preceding year w.r.t the award year*	Yes/ No
2.	Property tax floor rate notified	Yes/ No
FY 2022-23 and onwards		
3.	Increase in Property tax collection over previous year in tandem with the State GSDP	Yes/ No
	Increase in property tax collection over previous year (in %)	
	Increase in GSDP over previous year (in %)	

\* Illustration: For ULB to become eligible for 2021-22 grants, audited accounts of year 2019-20 should be published.

**2. Service Level Indicators and Targets:**

Performance of the cities will be assessed with respect to the target. ULB wise information asked in this marking scheme shall be uploaded on City Finance Portal (<https://cityfinance.in>) by 31 December 2020 by the State after approval from Principal Secretary/ Secretary (UD). The relevant fields on the portal shall be operational by 30 October, 2020.

**(i) Million Plus and Other than Million Plus cities**

**Table:2**

1. Water Supply and Waste Water Management						
Service Level Indicator	Service Level Bench Mark	Baseline Indicator	Target			
		2020-21	2021-22	2022-23	2023-24	2024-25
1.1 Households covered with piped water supply	100%					
			Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No
1.2 Water Supplied in litre per capita per day (lpcd)	135					
			Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No
1.3 Reduction in Non-Revenue Water (NRW)#	20%					
			Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No
1.4 Household covered with sewerage/ septage services@	100%					
			Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No	Achieved Yes/ No
1.5 Recycling/ reuse of water	ULB/ city will select at least one project for recycling/ reuse of water by August, 2021 for being eligible for second instalment of tied grant for the year 2021-22. City will implement this/these project/s by the year 2023-24 for being eligible for tied grants for the year 2024-25 and onwards.					
1.6 Rejuvenation of water bodies	ULB/ city will select at least one project for rejuvenation of water bodies by August, 2021 for being eligible for second instalment of tied grant for the year 2021-22. City will implement this/ these project/s by the year 2023-24 for being eligible for tied grants for the year 2024-25 and onwards. In case the city does not have any water body, it will select one community based Rain Water Harvesting project.					

#Non-Revenue Water (NRW): Water produced which does not earn the utility any revenue.

NRW (%) = [{Total water produced (ex-treatment plant) - Total water sold}/ Total water produced (ex-treatment plant)]\*100.

Components of NRW: a) Consumption which is authorized but not billed, such as public stand posts; b) Apparent losses such as illegal water connections, water theft and metering inaccuracies; c) Real losses such as leakages in the transmission and distribution networks.

@ULB shall prepare a waste water management plan having details of total sewage generated in the ULB and plan for treatment/safe disposal of the same. City will share waste water management plan with MoHUA along with the claim for second instalment of tied grant for the year 2021-22. 10% weightage of this parameter will be allocated to ODF++ certification.

**Table:3**

<b>2. Solid Waste Management</b>									
2.1 Garbage free Star Rating of the cities	2020-21	2021-22		2022-23		2023-24		2024-25	
	Cities will complete the gap analysis and identify the projects for bridging the gap. The report will be uploaded on City Finance Portal	Target	Score	Target	Score	Target	Score	Target	Score
		3 Star	100%	5 Star	100%	5 Star	100%	7 Star	100%
		1 Star	100%	3 Star	100%	3 Star	100%	3 Star	100%
		No Star	70%	1 Star	80%	1 Star	60%	1 Star	60%
				No Star	60%	No Star	50%	No Star	40%
2.2 Coverage of Water Supply for Public/Community Toilet	Cities will complete the gap analysis and identify the projects for bridging the gap. The report will be uploaded on City Finance Portal	ODF+	100%	ODF+	100%	ODF+	100%	ODF+	100%
		ODF	80%	ODF	80%	ODF	80%	ODF	80%

## (ii) Million Plus cities

In addition to the criterion mentioned in table 1,2 and 3, Million Plus cities shall be required to submit the documents mentioned in table-3 by 31 December, 2020 for claiming the grants for the year 2021-22 and onwards:

**Table: 4**

S.No.	Documents
1.	City plan/DPR including year wise targets for 2020-26 to be prepared by each city in consultation with respective States.
2.	Water balance plan
3.	Service Level Improvement Plans (SLIPs), with reference to baseline year 2020-21 for water supply including universal coverage, water security by means of water conservation, recovery of user charges, decrease in non-revenue water, and reuse of treated water.
4.	Solid Waste Management, the cities shall prepare a plan for environmentally sustainable 100% collection with segregation and recycling of solid waste to achieve garbage free cities.

### 3. Timeline for various activities

**Table: 5**

S.No.	Activities	Timeline
1.	States to send claim for tied grant after evaluation of performance of ULBs and due verification to MoHUA along with Utilization Certificate of the previous tied grants received.	By 15 May and 15 September of each award year
2.	MoHUA shall recommend grants for the eligible States to Ministry of Finance for release of tied grants to States.	By 7 June and 7 October of each year
3.	i. The States shall transfer grants-in-aid to the local bodies within ten working days of receipt from the Union Government. Any delay beyond ten working days will require the State Governments to release the same with interest as per the effective rate of interest on market borrowings/State Development Loans (SDLs) for the previous year.	Within 10 working days of receiving the grant

#### 4. Score distribution:

In order to arrive at a qualifying mechanism, cities will be assessed as per following score distribution:

**Table: 6**

	Indicator	Maximum Marks
<b>1</b>	<b>Water Supply and waste water management</b>	
1.1	Households covered with piped water supply	20
1.2	Water supplied in liters per capita a day (lpcd)	5
1.3	Reduction in non-revenue water (NRW)	5
1.4	Household covered with sewerage/ septage services	10
1.5	Recycling/ reuse of water	10
1.6	Rejuvenation of water bodies	10
<b>2</b>	<b>Solid Waste Management</b>	
2.1	Garbage free star rating of the cities	30
2.2	Coverage of water supply for public/community toilets	10

#### 5. Allocation of tied grants vis-à-vis score obtained

##### (i) Mainland States:

Marks obtained	<40	≥40 and ≤60	>60 and ≤75	>75 and ≤ 90	> 90
Recommended tied grant	0%	60%	75%	90%	100%

##### (ii) North East and Hill States:

Marks obtained	<30	≥30 and ≤50	>50 and ≤65	>65 and ≤ 80	> 80
Recommended tied grant	0%	60%	75%	90%	100%

Tied grant will be released to ULBs based on their cumulative score with respect to progress against the target indicators mentioned above. Total undistributed grants due to insufficient score will be distributed by the State among the ULBs with more than 60 marks (main land States)/ 50 marks (North East and Hill States) in proportion to the share of their grants.

In case some of the cities are not able to score minimum marks i.e. 40 in case of Mainland States and 30 in case of North East and Hill States, State shall constitute a “Remedial Action Committee” under the chairmanship of Principal Secretary/ Secretary (UD) to evaluate the reasons for lower achievements and to chalk out the plan for improvement. State shall submit the report along with claim for next instalment of tied grants.

**Note:**

- i. Grants for 2021-22 will be released on submission of Baseline data, targets and other information as per Sl. No. 2 (i.e. Service Level Indicators and Targets) of this scheme on City Finance Portal.
- ii. Grants for the year of 2022-23 and onwards shall be released on achievement of the targets for previous year. States will submit the required information on City Finance Portal along with claim for 1<sup>st</sup> instalment of tied grant for that year.
- iii. Improvement in service level indicators will be measured against the yearly target which shall be verified at the State and ULB level.