



**Government of Odisha**  
**Housing & Urban Development Department**

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No. 13272 /HUD., Date. 7/8/2020  
HUD-FUND-COMM-0003-2020

**From**

**G. Mathi Vathanan, IAS**  
**Principal Secretary to Government**

**To**

**All the Commissioners of Municipal Corporations**  
**All the Executive Officers of Municipalities & N.A.Cs**

**Sub:-GUIDELINES ON UTILISATION OF GRANTS-IN-AID FOR SEPTAGE MANAGEMENT RECOMMENDED BY 5<sup>TH</sup> STATE FINANCE COMMISSION TO URBAN LOCAL BODIES FOR THE PERIOD FROM 2020 - 21 TO 2025 - 26 (6 YEARS)**

**Madam/ Sir,**

I am directed to say that on the recommendations of 5<sup>th</sup> State Finance Commission and the Action Taken Report thereof, Government have decided to transfer fund to Urban Local Bodies amounting to Rs.50.00 crore as Grants-in-aid under "Septage Management" covering a period of six years. The year wise allocation of fund is given below:

**(Rs. in Crore)**

<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2020-26</b>
<b>8.33</b>	<b>8.33</b>	<b>8.33</b>	<b>8.33</b>	<b>8.34</b>	<b>8.34</b>	<b>50.00</b>

**1.OBJECTIVE:**

Liquid waste management has been acknowledged as a major step to equip the Urban Local Bodies with Septage Treatment Plants for treatment of faecal sludge which facilitate periodic de-sludging of septic tanks in urban areas & waste water treatment. Facilities for treatment of waste water etc. also need to be established to aid in maintenance of public health, hygiene & aquatics.

In order to address the above issues, the entire Faecal Sludge & Septage Management value chain from the containment, conveyance, treatment to resource recovery has been prescribed in the Odisha Urban Sanitation Policy, 2017.

In consonance with this agenda, the 5th SFC had recommended Grant-in-Aid for expenditure by Urban Local Bodies for setting up, Operation and Maintenance of SeTPs/FSTPs for the above purpose.

With this objective Grants-in-Aid of Rs50.00 crore has been provisioned for a period of six years which is tied in nature and shall not be diverted for any other purposes without prior approval of Government

## **2.Mode of Release:**

The grants-in-aid will be released in two instalments in April & October during a financial year with following conditions:

- The grants-in-aid earmarked for Sanitation & Solid Waste Management will be allocated among different Urban Local Bodies by H&UD Department depending on their needs.
- The funds under grants-in-aid to ULBs will be released directly to the PL account of the concerned ULBs through PL module of IFMS.
- The ULB should submit the opening balance of the last financial year under Double Entry Accrual Based Accounting System (DEABAS).
- The ULB should certify that, they have created the ULB web site and usage of e-Municipality/ SUJOG modules.
- Revenue generation from internal sources to increase by 6% annually vis-à-vis corresponding period in last financial year.
- Requirement of number of Septage Treatment Plants/Faecal sludge Treatment Plants to be ascertained in consideration to per capita/per day solid waste generation in the ULB concern by H&UD Department. The GIA will be released in two instalments i.e. in the month of April & October during a Financial Year.
- After receipt of 1<sup>st</sup> instalment, the ULBs must submit Action plan immediately to H&UD Department prioritising the local needs duly approved by the Council resolution for appraisal.
- While releasing the 2<sup>nd</sup> instalment of 1<sup>st</sup> year, AD is to ensure utilisation of at least 30% of the fund allocated in 1<sup>st</sup> instalment.
- From 2<sup>nd</sup> year onwards, on account release is to be made for the 1<sup>st</sup> instalment of the year and the 2<sup>nd</sup> instalment shall be released after utilisation of at least 50% of the Grant released during previous year
- Photographs of the project before commencement, during execution and after completion should be taken and kept in the Case Record and to be uploaded online before release of Final payment to the executant.
- Projects taken up under this grant should not overlap with any existing State or Central Scheme. In such cases, where there is provision of fund under any State or Central Schemes, then equivalent amount as recommended by the Commission shall be deducted from the State

Scheme or it may be treated as contribution/share of State Government/Local Bodies in case of Central Scheme.

### **3. Maintenance of Accounts & Audit**

- Separate Book of Account to be maintained by the ULBs for each sector specific grant-in-aid.
- The Project approved by the concerned Municipal Council is to be taken up under direct supervision of the N.A.C., Municipality and Municipal Corporation (as the case may be) and to be reviewed from time to time till completion of the work.
- Inventory Assets Register has to be maintained by the ULB in the prescribed format/Form OGFR 30A in terms of Rule-17 (5)(i) of the OGFR.
- The utilisation of grant is subject to audit by the Local Fund Audit Organisation of State, internal audit of the H & UD Department as well as Annual Technical Inspection of C & AG.
- Provision laid down in Odisha Municipal Corporation Act & Rules /Orissa Municipal Act & Rules / Municipal Accounting Procedures/ OPWD code etc. as the case may, will be followed strictly at the time of execution of work.

### **4. Monitoring and supervision:**

- The District Level Monitoring Committee in each district which has been constituted vide Finance Department Resolution No 16885/F dated 4.6.2020 under the Chairmanship of Collector & DM with PD, DUDA and Representatives of the Line Departments as Members and PD, DRDA as Member Convenor shall review the demand and collection of own sources of revenue, progress of expenditure, submission of utilisation certificate etc. on quarterly basis.
- Under public disclosure law as incorporated in OM Act, 1950 and OMC Act, 2003, every ULB need to share with public through Notice Board, paper advertisement and web information on quarterly basis their work plan, on-going projects, projects to be taken up, cost of project and status of each of the projects.

### **5. Submission of Utilisation Certificate**

- The Utilisation Certificate in duplicate shall be furnished by the grantee Urban Local Bodies in Form OGFR-7A duly countersigned by the countersigning authority as per the FDOM No.21241/F, dated 17.07.2014 and such other instructions issued from time to time.

This Guideline supersedes all other instructions communicated by H & UD Department as well as Finance Department earlier in this regard. However, on-going projects taken up under the previous guidelines will continue to be governed by the said guidelines.

Housing & Urban Development Department will be competent to clarify doubts, if any, and ensure removal of the bottlenecks, if any, for implementation of the scheme and utilisation of funds and relaxing any of the conditionality for release of grants under special circumstances with due approval of HLMC and concurrence of Finance Department.

This has duly been vetted by Finance Department after obtaining necessary approval of High Level Monitoring Committee (HLMC).

Yours faithfully,

  
**Principal Secretary to Government**

Memo No. 13273 /HUD, Date 7/8/2020

Copy forwarded to the Finance (Budget-6) Department for information & necessary action.

  
**Joint Secretary to Government**

Memo No. 13274 /HUD, Date 7/8/2020

Copy forwarded to all Collectors & District Magistrate/ all Project Directors of District Urban Development Agencies for information & necessary action.

  
**Joint Secretary to Government**

Memo No. 13275 /HUD, Date 7/8/2020


Copy forwarded to PS to Principal Secretary to Government/ PS to F.A.-cum-Additional Secretary to Government, H & UD Department for kind information of Principal Secretary / F.A.-cum-Additional Secretary

  
**Joint Secretary to Government**

Memo No. 13276 /HUD, Date 7/8/2020

Copy forwarded all Sections of H & UD Department (Except Issue Section/Diary Section) for information & necessary action.

The RTI Section is requested to upload the guidelines in public domain under section 4(1)(b) of the RTI Act,2005

  
**Joint Secretary to Government**