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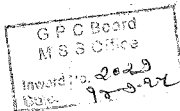
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MINISTRY OF ENVIRONMENT, FORESTS AND CLIMATE CHANGE  
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No. Q-15017/06/2015-CPW

To,

The Member Secretary  
As per list enclosed



Subject: Inviting proposals under the scheme of Common Effluent Treatment Plants - reg.

Sir,

The Ministry of Environment, Forest & Climate Change has been providing financial assistance for various programs to the State Pollution Control Boards / Pollution Control Committees and other Government Agencies for abatement of pollution. One such scheme is "Common Effluent Treatment Plants" which aims at achieving end-of-pipe treatment of combined wastewater of the SSIs at lower unit cost and also facilitates better monitoring by the State Pollution Control Boards (SPCBs) and Pollution Control Committees (PCCs).

2. Financial support on the scheme is available for:

- Establishment of new CETPs in an industrial estate or a cluster of SSIs.
- Upgradation/modernization proposal for CETPs earlier financed through the MoEF for one time funding. However, there has to be adequate justification for the same and the time interval between the commissioning of the existing CETP and the submission of proposal for upgradation/ modernization to the Central Government should not be less than 7 years.

3. The project cost may include:

- Plant and Machinery for Primary, Secondary and Tertiary treatment.
- On-site laboratory with standard set of instruments.
- Zero Liquid Discharge (ZLD) and related technologies.

4. For CETPs involving primary / secondary / tertiary treatment and ZLD treatment, financial assistance would be provided by GOI to the tune of 50% of maximum Rs. 4.50 crore / MLD capacity, subject to a ceiling of Central assistance of Rs. 20 crore per CETP.

5. With regard to CETPs focus is being shifted towards Zero Liquid Discharge (ZLD) Technology. You are therefore, requested to submit proposal(s) seeking financial assistance for CETPs based on ZLD Technology to the Ministry ON PRIORITY as per the enclosed guidelines of the scheme of "Common Effluent Treatment Plants".

Encl: As above.

Yours faithfully,

(Dr. M. Raina)

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**Ministry of Environment & Forests  
(C.P. Division)**

**Revised Guidelines for the Centrally Sponsored Scheme of Common Effluent Treatment Plants (CETPs)**

**1. Introduction:**

Under the Water (Prevention and Control of Pollution) Act, 1974, every industry has to provide adequate treatment of its effluents before disposal, irrespective of whether it is in stream, land, sewerage system or sea. The small scale industrial units (SSI), which are presently defined as units whose plant and machinery are valued at less than Rs. 5 crore occupy an important place in the Indian economy. The SSIs are a major contributor to the total industrial pollution load of the country. However, only a small fraction of the effluent discharge from these units is estimated to be treated as on date.

SSIs, due to their limited size and scale of operations do not find it economically viable to install dedicated pollution control equipment and therefore the concept of Common Effluent Treatment Plants (CETPs) is suitable for them. CETPs help in achieving end-of-pipe treatment of combined wastewater of the SSIs at lower unit cost and also facilitate better monitoring by the State Pollution Control Boards (SPCBs) and Pollution Control Committees (PCCs).

The Ministry of Environment & Forests (MoEF) has been implementing a centrally sponsored scheme for CETPs since 1991. In the light of the operational deficiencies in the earlier scheme, the development of pollution control technologies over the year and also the financial constraints on the part of SSI proponents and the recommendations of SPCBs related thereto, a need was felt to revise the earlier guidelines for central assistance to CETPs.

**2. Scope of Central assistance for CETPs:**

2.1 The Central assistance will be available for:

- 2.1.1 Establishment of new CETPs in an industrial estate or a cluster of SSIs.
- 2.1.2 Upgradation/modernization proposal for CETPs earlier financed through the MoEF shall be considered for one time funding. However, there has to be adequate justification for the same and the time interval between the commissioning of the existing CETP, and the submission of proposal for upgradation/ modernization to the Central Government should not be less than 7 years.

2.2 The zone of eligibility of CETPs to be considered for support under the scheme should exclude integrated textile parks and high growth clusters on the priority list of the IUS scheme of DIPI for the XII FYP.

**2.3 The project cost may include**

2.3.1 Plant and Machinery for Primary, Secondary and Tertiary treatment.

2.3.2 On-site laboratory with standard set of instruments.

2.3.3 Zero Liquid Discharge (ZLD) and related technologies.

**2.4 Large and Medium scale industries, other than those belonging to the 17 categories of heavily polluting industries, may join the CETP after the primary treatment or as considered necessary by the concerned SPCB for the purpose of hydraulic load and for the techno-economic viability of the CETP. However, it has to be ensured that the CETP primarily services the effluent discharged by the SSIs which shall contribute at least 50% of the total effluent load at the inlet of the CETP.**

**3 Pattern of financial assistance:**

3.1 The financial assistance for a CETP project shall be as follows, subject to the conditions mentioned in 3.1.1 to 3.1.7 below:

- 3.1.1 The Central assistance (subsidy) will be restricted to 50% of the total project cost. The modified ratio proposed in respect of Central share: State share: Project Proponent's share will be 50:25:25. Out of the proponent's share, atleast 40% of contribution has to be from the proponent and balance 60% is to be raised through loan to the proponent from Banks/Financial Institutions.
- 3.1.2 Central subsidy shall be released subject to two conditions: One, the State subsidy is made available to the CETP project; two, Bank guarantee for an equivalent amount has been procured by the SPCB/PCC.
- 3.1.3 The Central assistance will be provided only to meet capital costs towards the items mentioned in para no. 2.3.
- 3.1.4 No assistance will be provided for meeting recurring or operation and maintenance costs.
- 3.1.5 The Central Government shall not have any liability towards time and cost over runs.
- 3.1.6 There is no provision for retrospective funding.
- 3.1.7 Central assistance cannot be used as seed money for the CETP.

3.2 For CETPs involving primary / secondary / tertiary treatment, financial assistance would be provided by GOI to the tune of 50% of maximum Rs. 1.50 crore / MLD capacity, subject to a ceiling of Central assistance of Rs. 15 crore per CETP.

3.3 For CETPs involving primary / secondary / tertiary treatment and ZLD treatment, financial assistance would be provided by GOI to the tune of 50% of maximum Rs. 4.50 crore / MLD capacity, subject to a ceiling of Central assistance of Rs. 20 crore per CETP.

4. Role of the Project Proponent/Beneficiary:

- 4.1 In order to manage the CETP, there should be a Special Purpose Vehicle (SPV) registered under an appropriate statute.
- 4.2 A legal agreement between the SPV and its member units clearly delineating their relationship and mutual obligations should be executed and reflected in the feasibility report of the CETP project. The cost recovery formula developed for the CETP project should be ratified by all members.
- 4.3 An environment management plan should be prepared for the CETP and should be documented in the feasibility report.
- 4.4 The inlet and outlet effluent standards of the CETP should be complied with irrespective of the degree of treatment i.e. primary, secondary or tertiary. Continuous flow meters should be installed at the outlet of the CETP to monitor the same.
- 4.5 The technical appraisal of the proposal should be done by reputed institutes out of a panel of technical institutions prepared by MoEF for technical appraisal of the CETP proposal / DPR.
- 4.6 Financial Appraisal of a CETP proposal shall be undertaken through a Nationalized Bank whether a loan is secured or not.
- 4.7 Adequate linkage with Treatment, Storage and Disposal Facility (TSDF) for disposal of hazardous waste generated from the facility should be ensured.
- 4.8 The proposal should incorporate a scientific sludge management plan based on the sludge characteristics (i.e. hazardous or non-hazardous).
- 4.9 It may be operationally advantageous to link the CETP inlet with the municipal sewage system. In such cases the project proponent should enter into a suitable agreement, including cost sharing, with concerned agency.
- 4.10 The land for the CETP shall be arranged by the project proponent and the Central Government will not provide any assistance for this component.

4.11 The project proponent or the State Government shall provide backward and forward linkages for the CETPs.

4.12 There shall not be any multiplicity of funding from different Government Agencies for a CETP.

#### 5 Role of the Member Industrial Units

A Memorandum of Association (MoA) shall be executed between the CETP operator and the participating industrial units with the following components:

- 5.1 Member industries of a CETP shall carry the required primary treatment to meet inlet quality standards or design inlet quality parameters of CETP.
- 5.2 Member industries of a CETP shall monitor specified quality parameters and flow rate of the effluent on daily basis and submit the monitoring data to the CETP operator on regular basis.
- 5.3 Member industries of a CETP shall regularly pay their share towards meeting the treatment cost and operation and maintenance of a CETP.

#### 6 Role of the State Government:

- 6.1 The land for establishment of the CETP has to be provided by the State Government or its agencies.
- 6.2 The State Government has to give commitment to bear 25% of the capital cost of the CETP.
- 6.3 The State Government/Union Territory Administration/PCC should ensure that forward and backward linkages are in place to cover proper conveyance system from the individual units to the CETP and the discharge of the CETP effluent. These could alternatively, be also provided by the State Government or its agencies.
- 6.4 Subsequent to the approval by the competent authority, funds (50%) shall be released by the Central Government commensurate with those released by the State Government (25%).
- 6.5 The concerned State Government shall periodically review the progress of the CETP scheme and carry out mid course corrections, if required.

#### 7 Role of the State Pollution Control Board (SPCB)/Pollution Control Committee (PCC):

- 7.1 The SPCB/PCC should appraise the project proposal and forward it to the Ministry along with its technical recommendations.

- 7.2 The Project Proposal/Detailed Project Report (DPR) must have the recommendations of the State Pollution Control Board/ PCC and also the Consent to Establish and Consent to Operate the CETP.
- 7.3 The SPCB/PCC should ensure adherence to the points mentioned in the Check List (Annexure-I) before forwarding any CETP proposal to the Ministry. Any proposal which does not comply with the Check List will not be considered.
- 7.4 The conveyance system shall be a piped one, connecting the individual industrial units to the CETP. In case a few units are scattered and it is not techno-economically feasible to connect them through pipelines, then the concerned SPCB may take a view to incorporate these units also in the project through tanker system as an exception, giving adequate justification.
- 7.5 The SPCB/PCC should ensure that the State subsidy should be made available in advance for the CETP project by the State Government or its agencies and that bank guarantee of an equivalent amount has been procured.
- 7.6 Request of State for further installments of Central subsidy should be supported with updated physical and financial progress reports and Utilization Certificate/ Expenditure Statement duly audited and endorsed by the Concerned SPCB/PCC.
- 7.7 SPCBs should monitor the progress of the CETP Project and ensure its timely completion.
- 7.8 Outlet norms for the industry shall be prescribed by SPCB in Consent as a necessary condition. SPCBs shall also ensure that the outlet parameters for the individual industry and inlet parameters for CETP are in synergy.
- 7.9 Unspent balance at the end of the financial year should be reflected in the UC and ES forwarded by the SPCB/PCC.
- 7.10 Guarantee of performance at full design load should be ensured by the concerned SPCB/PCC upfront before grant of consent to establish (CTE) to the CETP. The following conditions may be incorporated in the CTE by the SPCB/PCC to be enforced under the Water (Prevention and Control of Pollution) Act, 1974:
  - 7.10.1 CETP shall be managed professionally.
  - 7.10.2 SPCB shall be entitled, in case of repeated violation, to bring in new professional management / SPV.
  - 7.10.3 Environmental audit shall be linked with financial audit (at the commissioning stage) at the cost of CETP.
  - 7.10.4 CETP operator shall be responsible for compliance of inlet quality and flow from the contributing industries and shall provide status of non-complying units to SPCB for action on monthly basis.

- 7.10.5 CETP operator shall carry the required treatment to meet final effluent quality standards for CETPs and shall be responsible for O & M operations.
- 7.10.6 CETP operator shall monitor specified quality outlet parameters and flow rate on daily basis and submit the monitoring data to the SPCB on regular basis. Parameters to be specified by SPCB shall be monitored by the CETP operator online at outlet of a CETP and IT based linkage shall be provided by the operator to the SPCB. The SPCB shall ensure that continuous 24 hour data is displayed on its website.
- 7.10.7 A three tier monitoring mechanism viz. at industry level, monitoring by SPCB and third party monitoring shall be undertaken.
- 7.10.8 The CETP operator shall furnish a suitable bank guarantee to the SPCB for the satisfactory performance of the CETP.
- 7.10.9 The CETP operator shall enter into a MOA with the participating industrial units as per point no. 5 of the guidelines.

#### **8 Role of the Central Government / Central Pollution Control Board (CPCB):**

- 8.1 The MoEF shall prepare a panel of technical institutions for technical evaluation of a CETP proposal / DPR.
- 8.2 The proposal for establishment/upgradation of a CETP forwarded by the SPCB/ PCC along with duly appraised DPR (from the panel of technical institutions proposed by MoEF) and as per the check list of MoEF, will be taken up for consideration by the Ministry of Environment and Forests.
- 8.3 The proposal shall be scrutinized by the Appraisal committee on CETPs chaired by the concerned Joint Secretary, Ministry of Environment and Forests.
- 8.4 Subsequent to the approval by the competent authority, funds (50%) shall be released by the Central Government commensurate with those released by the State Government (25%).
- 8.5 While sanctioning CETPs, the principle of equity should be applied and priority be also given to CETPs proposed in Critically Polluted Areas.
- 8.6 The MoEF in association with CPCB and the Technical Institution, which appraised the CETP project, shall carry out the monitoring of the project atleast twice, (i) mid-term evaluation to enable mid-course corrections, if required and (ii) post commissioning evaluation before release of last installment.

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**CHECKLIST FOR NEW / UPGRADATION PROPOSALS OF CETPS**

| S. No. | Check List  | Status | Comments |
|--------|---|--------|----------|
| 1.     | Is the CETP Meant for an industrial estate or a cluster of small scale industrial units?  |        |          |
| 2.     | Whether no. of SSI provided?  |        |          |
| 3.     | Whether types of SSI provided?  |        |          |
| 4.     | Whether medium & large industries proposed alongwith SSI form part of 17 categories of highly polluting industries  |        |          |
| 5.     | Whether managing body for the CETP constituted and registered as a SPV?   |        |          |
| 6.     | Whether the proposal/DPR of the CETP for Central funding has been forwarded /recommended through the concerned SPCB/PCC?  |        |          |
| 7.     | Whether conveyance system proposed for the CETP?  |        |          |
| 8.     | Whether the CETP has a sludge management plan (SMP) in place?   |        |          |
| 9.     | Whether guarantee of performance at full design load has been ensured by the concerned SPCB upfront before grant of Consent to Establish with the conditions as mentioned at para no. 7.10 of the guidelines? |        |          |
| 10.    | Whether an environment management plan (EMP) has been prepared and documented?  |        |          |
| 11.    | Whether a legal agreement between the SPV& its member units executed?   |        |          |
| 12.    | Whether necessary clearance obtained from the concerned SPCB for discharging the treatment effluent?  |        |          |
| 13.    | Whether hazardous waste disposal plan is in place & clearance obtained from concerned SPCB?   |        |          |
| 14.    | Whether the DPR has been technically appraised?   |        |          |



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|-----|--|--|--|
| 15. | Whether the DPR has been financially   |  |  |
| 16. | Whether commitment of the State Govt. to bear 25% of the capital cost has been received?   |  |  |
| 17. | Whether the cost recovery formula developed for the CETP project has been ratified by all member units?                                |  |  |
| 18. | Whether the level of treatment technologies has been identified?   |  |  |
| 19. | Whether the land allotment deed is available?  |  |  |
| 20. | Whether the CETP is a fresh case or an up gradation proposal? In case of Latter, is the time gap adequate?                             |  |  |
| 21. | Whether setting up of a laboratory is envisaged in The DPR?  |  |  |
| 22. | Whether timeframe/ bar chart for the implementation of the CETP has been provided?   |  |  |
| 23. | Whether the possibility of recycling/ reuse of treated effluent from the CETP has been explored & documented?                          |  |  |
| 24. | Whether any funds have been released by the State Government?  |  |  |
| 25. | Whether forward and backward linkages of the CETP have been provided / committed by the State Government or its agencies.              |  |  |
| 26. | Whether Member industries have committed towards meeting the treatment cost and O & M of a CETP.                                       |  |  |
| 27. | Whether the CETP operator has entered into a MOA with the participating industrial units as mentioned at para no. 5 of the guidelines. |  |  |