



MINISTRY OF URBAN DEVELOPMENT  
GOVERNMENT OF INDIA

# Improving urban services through **SERVICE LEVEL BENCHMARKING**

## BACKGROUND

The urban sector is being increasingly recognised as a critical growth driver for the Indian economy. The share of population residing in urban areas is also witnessing rapid growth—from 28 per cent in 2001, it is projected to rise to 38 per cent by 2026. Basic service levels, however, remain well below desired levels.

Investment in infrastructure has not always resulted in commensurate outcomes. There is a need for a shift in focus from infrastructure creation to delivery of service outcomes. The service level benchmarks for the urban water and sanitation sector have been formulated in this context. Service level benchmarks can broadly be defined as a minimum set of standard performance parameters that are commonly understood and used by all stakeholders across the country. This has also become the cornerstone of the urban reform agenda being implemented as part of various centrally sponsored schemes such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). It foresees a shift in focus from infrastructure creation to the delivery of service outcomes.

Benchmarking is now well recognised as an important mechanism for performance management and accountability in service delivery. It involves the measuring and monitoring of service provider performance on a systematic and continuous basis. Sustained benchmarking can help utilities to identify performance gaps and introduce improvements through the sharing of information and best practices, ultimately resulting in better services to people.

Recognising its importance, the Ministry of Urban Development (MoUD), Government of India, has launched the Service Level Benchmarking (SLB) initiative covering water supply, wastewater, solid waste management (SWM) and storm water drainage.

## WHAT IS SERVICE LEVEL BENCHMARKING?

A Handbook on Service Level Benchmarking has been developed and released by the MoUD. It seeks to:

- identify a minimum set of standard performance parameters for the water and sanitation sector that are commonly understood and used by all stakeholders across the country;
- define a common minimum framework for monitoring and reporting on these indicators; and
- set out guidelines on how to operationalise this framework in a phased manner.

The framework encompasses 28 performance indicators:

### WATER SUPPLY

- Coverage of water supply connections
- Per capita supply of water
- Extent of metering of water connections
- Extent of non-revenue water
- Continuity of water supply
- Quality of water supplied
- Cost recovery in water supply services
- Efficiency in redressal of customer complaints
- Efficiency in collection of water supply-related charges

### WASTEWATER MANAGEMENT

- Coverage of toilets
- Coverage of wastewater network services
- Collection efficiency of wastewater network
- Adequacy of wastewater treatment capacity
- Quality of wastewater treatment
- Extent of reuse and recycling of wastewater
- Extent of cost recovery in wastewater management
- Efficiency in redressal of customer complaints
- Efficiency in collection of sewerage-related charges

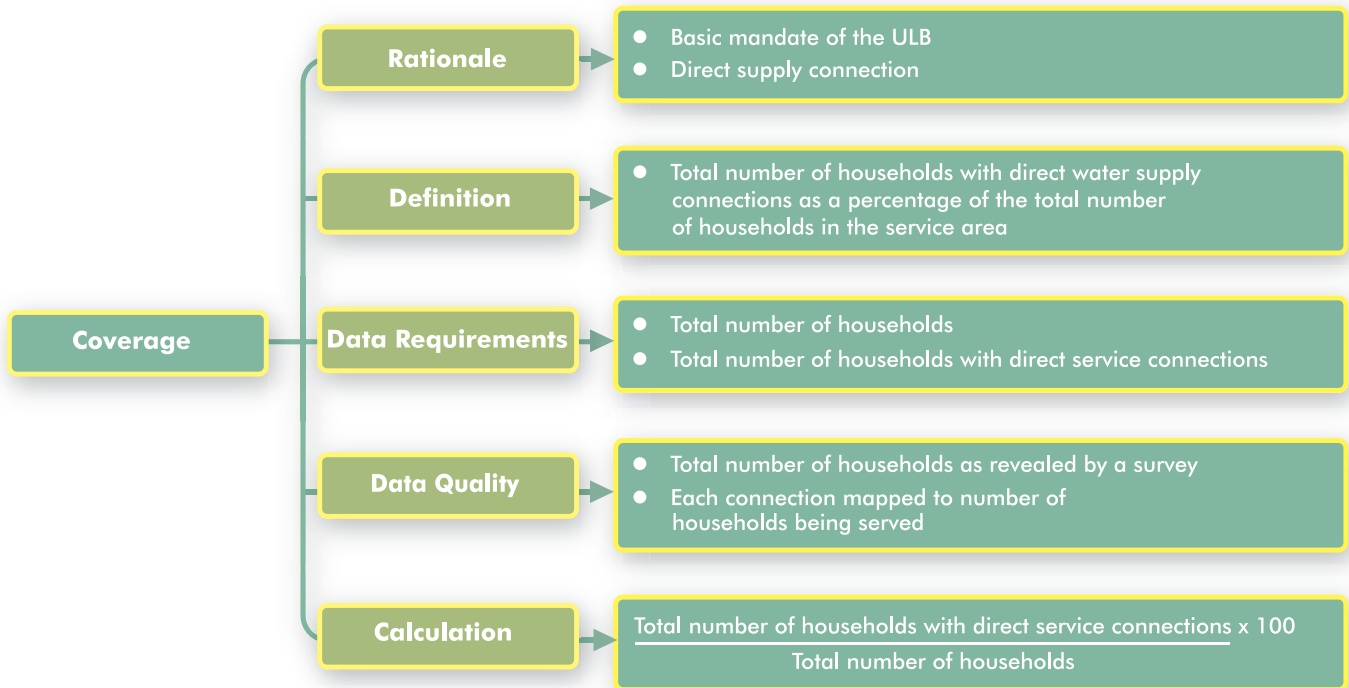
### SOLID WASTE MANAGEMENT

- Household level coverage of SWM services
- Efficiency of collection of municipal solid waste
- Extent of segregation of municipal solid waste
- Extent of municipal solid waste recovered
- Extent of scientific disposal of municipal solid waste
- Extent of cost recovery in SWM services
- Efficiency in redressal of customer complaints
- Efficiency in collection of SWM-related user charges

### STORM WATER DRAINAGE

- Coverage of storm water drainage network
- Incidence of water logging/flooding

For each of these indicators, the Handbook provides detailed guidelines on the definition, calculation methodology, monitoring guidelines, a service goal (to be achieved over a period of time) and data reliability grading scale. An illustration is provided here for the indicator on the coverage of water supply:



The data reliability grades for this indicator are described below:

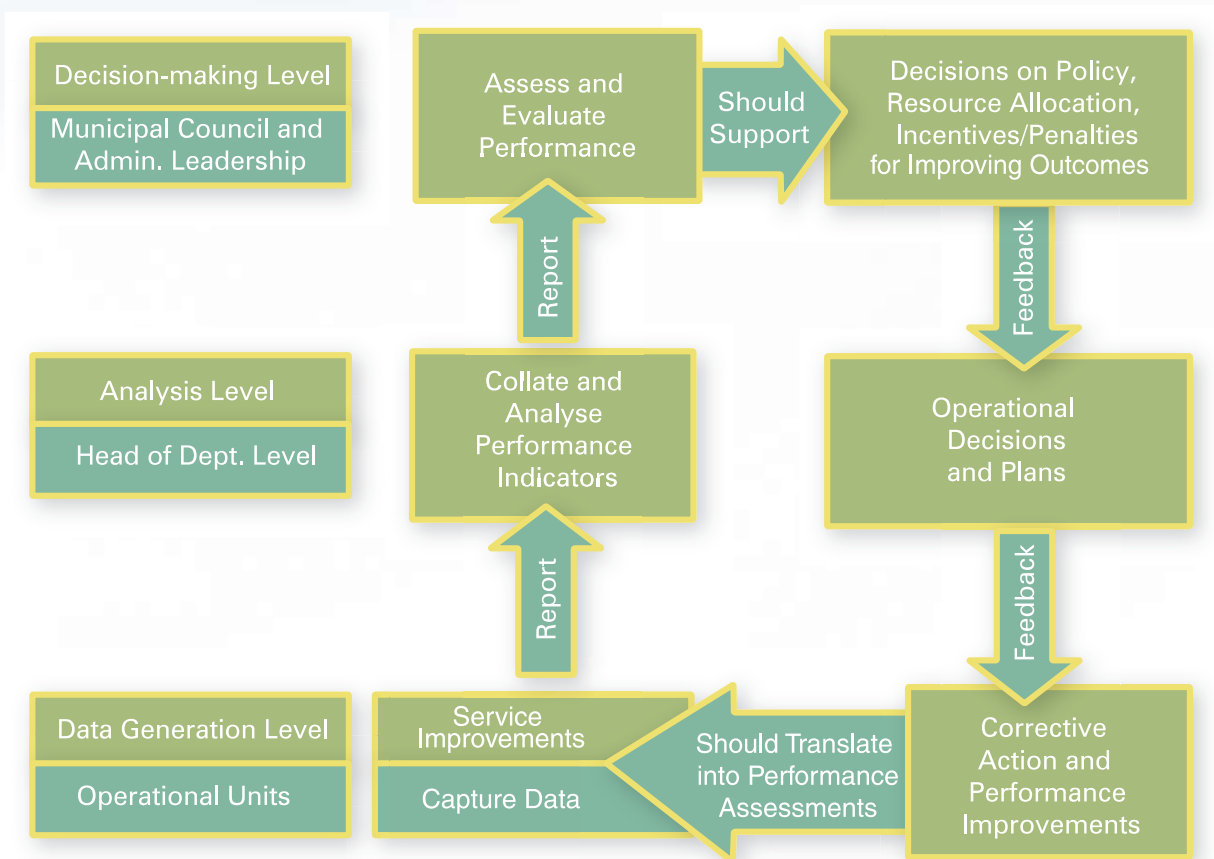
A	B	C	D
Total number of households served by a direct service connection, as revealed in ground level surveys	Households covered under a direct service connection, as computed from the connections' database	Road length coverage	Geographical coverage



The SLB initiative aims to overcome challenges faced in earlier benchmarking exercises in the following ways:

- Uniform set of indicators, definitions and calculation methodology to enable meaningful comparisons
- Provision of service benchmarks to create consensus on desired service standards
- Data reliability grades to highlight and address issues of data quality
- Self-reporting by Urban Local Bodies (ULBs), as against consultants, to ensure ownership for data
- Emphasis on performance improvement planning based on the SLB data generated.

## Performance Management System



## OPERATIONALISING THE SLB FRAMEWORK

To encourage and facilitate the adoption of the SLB framework outlined in the Handbook, the MoUD launched an SLB Pilot Initiative in February 2009. The Initiative involved the provision of technical support for the implementation of the framework in 28 pilot cities across 14 States and one union territory—Andhra Pradesh, Kerala, Tamil Nadu, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand, Manipur, Punjab, Himachal Pradesh and New Delhi. The cumulative population of the pilot cities represents about 20 per cent of India's urban population.

The overarching aim of the SLB Pilot Initiative has been to take the SLB framework forward from concept to practice. Moreover, it aims to establish the link between benchmarking and internal performance improvement efforts. By doing so, it is expected that ULBs/utilities would be encouraged to integrate the benchmarking process and its outputs into their decision processes.

The initiative encompassed the following aspects:

- Collation of performance data using the indicators and methodologies outlined in the SLB Handbook
- Implementation of improved information systems at the city and State level to support provision of this data on an ongoing basis
- Development of performance improvement plans based on the benchmarking data

The Pilot Initiative was undertaken under a partnership arrangement with the involvement of various development agencies—Water and Sanitation Program–South Asia (WSP–SA), Japan International Cooperation Agency (JICA), Gesellschaft für Technische Zusammenarbeit (GTZ), Public Record of Operations and Finance (PROOF) and Centre for Environmental Planning and Technology (CEPT), which is supported by the Bill and Melinda Gates Foundation.

In order to ensure that the cities took a lead in the exercise, a SLB Core

Committee was constituted for each pilot city, consisting of representatives from the various service departments. In addition, a State Nodal Officer was nominated to facilitate and oversee the SLB implementation of the pilots from the State Government's perspective.

At the end of the data collection exercise, a National Consultations Workshop on SLB was held in December 2009 where the pilot cities presented their SLB performance data, and proposed actions for improving performance. They were also informed on good practices from the Indian/international context. The workshop provided the cities a chance to reflect on their performance over the four service areas and also compare themselves to other cities. It enabled city officials to identify their shortcomings as well as possible strategies for overcoming them.

As a follow-up to the workshop, cities are developing Information Systems Improvement Plans (ISIPs) and Performance Improvement Plans (PIPs), which identify specific actions they propose to take and expected service levels consequent to their implementation.

## ILLUSTRATIVE LIST OF PERFORMANCE IMPROVEMENT PLANS AND INFORMATION SYSTEMS IMPROVEMENT PLANS ACTIONS BEING INITIATED

- Connection melas
- Household level surveys
- Valve checking
- Improved billing and collection systems
- Production level metering
- Introduction of weigh bridges
- Establishment of water quality testing protocol

## GOING FORWARD

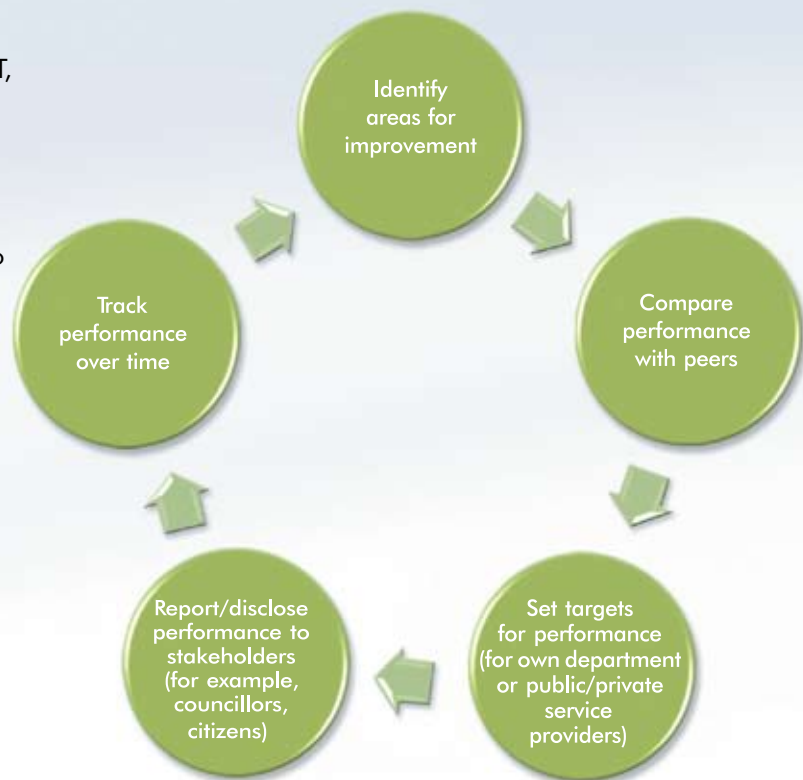
The principle of accountability for service levels is now gaining broad-based acceptance at all levels. The ULBs are at the forefront of this shift, based on the decentralisation agenda articulated under the 74th Constitutional Amendment. The simple five-point SLB agenda for ULBs is:

The MoUD is incorporating this principle in all its programmes and initiatives such as JNNURM, UIDSSMT, Satellite Townships programme, National Water Awards and National Urban Awards. It is also committed to providing the necessary support to States/cities that are making efforts to institutionalise SLB in their context.

States such as Odisha, Madhya Pradesh, Karnataka, Maharashtra and Gujarat are already in the process of scaling up the benchmarking exercise to cover a larger number of cities in their respective States. These can serve as a demonstration for other States to adopt similar strategies.

*The principle of benchmarking has been further endorsed by the 13th Finance Commission, which has included SLB as one of the nine conditions for the allocation of performance-based grants to ULBs, which amount to approximately Rs. 8,000 crore over the period 2010–15.*

It is hoped that ULBs would embrace the principle of service accountability and take the lead in using the SLB framework to deliver improved services for their citizens.



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