

Common Effluent Treatment Plants (CETPs)

The Ministry has undertaken a Centrally Sponsored Scheme for enabling the Small Scale Industries (SSI) to set-up Common Effluent Treatment Plants in the country for installation of pollution control equipment for treatment of effluents.

The criteria for consideration for financial assistance are as follows:

- CETPs should be in industrial estates or in a cluster of Small Scale Industrial units.
- Central Assistance will be available only for clusters of SSIs.
- Projects for assistance will be prioritized on the basis of toxicity of pollutants; Pollution load being generated and to be treated; and number of units covered.
- The CETPs are to be set up and managed by the State Industrial Infrastructure Corporation (by whatever name known) or through an appropriate institution including a cooperative body of the concerned units as may be decided by the State Governments/SPCBs concerned.
- The project should be self-supporting for repayment of the loan and meeting operation and maintenance costs.
- The project must formulate adequate institutional arrangements for cost sharing, recovery of dues and management and ensure observation of prescribed standards.
- The scheme must have the technical recommendation of the State Pollution Control Boards.
- The CETP project should have the conveyance system from the individual units to the CETP.
- Sludge characteristics (i.e. hazardous vs. non-hazardous) from the primary and secondary treatment of the CETP should be estimated. Therefore, the CETP should have a sludge management plan which should be prepared based on the sludge characterization and be documented in the feasibility report of the CETP project.
- Possibility of recycling/reusing the treated effluent from the CETPs by the member units should be explored and be documented in the feasibility report of the CETP project.
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- An environmental management and monitoring plan/programme to be prepared for the CETP and be documented in the feasibility report of the CETP project.
- A legal agreement between the CETP Co. and its member units to be executed be reflected in the feasibility report of the CETP project.
- The cost recovery formula developed for the CETP project should be ratified by all members and be documented in the feasibility report of the CETP project.
- Necessary clearance be obtained from the concerned State Pollution Control Board for discharging the treated effluent and be reflected in the feasibility report of the CETP project.
- All hazardous waste facilities associated with these CETPs should obtain clearance from the concerned State Pollution Control Board and be documented in the feasibility report of the CETP project.

Pattern of Financial Assistance and other related criteria

- State subsidy – 25% of the total project cost;
- Central subsidy – 25% of the total project cost;
- Entrepreneurs contribution – 20% of the total project cost;
- Loan from financial institutions – 30% of the total project cost.

(e.g. IDBI, ICICI or any other nationalized banks, State Industrial Financial Corporation etc.)

□ If the CETP Co. does not desire to have loans from financial institutions/banks they may augment the same out of their own resources/contributions, i.e. the entrepreneurs would then contribute 50% of the project cost.

□ Central assistance upto 25% of the total cost of the CETP would be provided as a grant to the Common Effluent Treatment Plant(s) on the condition that a matching grant is sanctioned and released by the State Government. The CETP Company should meet the remaining cost by equity contribution by the industries and loans from financial institutions.

□ Central assistance will be provided only for the capital costs. No assistance will be provided for recurring costs. The assistance will be released in four equal installments. The first installment of 25% of the assistance will be released when a body has been identified for the purpose of implementing the project, financial arrangements have been tied up, institutional arrangements have been finalized, consent has been obtained from the State Pollution Control Board and State Government has committed its contribution.

□ It may be of advantage to combine some components of CETP with the municipal system. On such schemes, the municipalities have to pay their share of the cost.

□ An assessment may be made about the present physical and financial status of the CETPs. Funds released for the CETPs should be utilized for the CETP only and not for payment for debts/banks loans etc.

□ Large and medium scale industries other than 17 categories of heavily polluted industries may join the CETP after the primary treatment or as considered necessary by the State Pollution Control Board for the purpose of hydraulic load and for techno-economic viability of the CETP. The 17 categories of industries need to provide their own full-fledged effluent treatment facilities to confirm to the prescribed standards before the effluent is discharged. However, the large and medium scale industries would not be entitled for any subsidy meant for SSIs.

Financial assistance has been provided for the on-going project in the States of Maharashtra, Gujarat, Punjab and Andhra Pradesh. Three new projects have been received and are being reviewed for consideration of financial assistance.