

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**

**UNSTARRED QUESTION NO. 835  
TO BE ANSWERED ON TUESDAY 7<sup>th</sup> FEBRUARY, 2022  
[18 MAGHA, 1943 (SAKA)]**

**“Central Finance Commission Fund”**

**No. 835. Shri Rajmohan Unnithan:**

Will the Minister of Finance be pleased to state:

- (a) whether there is any proposal to divert the Central Finance Commission Fund (CFC) and allow it to be spent on other sectors and also to district hospitals, taluk hospitals and CHCs as water conservation activities cannot be undertaken in Kerala due to climate issues;
- (b) if so, whether the Government will consider this for granting permission to change the CFC and it has also been permitted for the health sector and if not, the reasons therefor;
- (c) whether the Gram Panchayats will have to pay a huge amount to the Jal Jeevan Mission Projects and if so, the details thereof;
- (d) whether the Government/ CFC is giving 60 per cent as tied grant to be used for water conservation and drinking water projects and hence they are not in a position to take over other drinking water projects and if so, the details thereof; and
- (e) whether the Government is likely to give permission to pay from the CFC fund for Jal Jeevan Mission Projects, if required and if not, the reasons therefor?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a)&(b)                      No Sir.

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(c) Government of India in partnership with States is implementing Jal Jeevan Mission (JJM) to provide tap water supply to every rural household by 2024. Under JJM, the fund sharing pattern between Centre and States/ UTs, is 100% for Union Territories, 90:10 for North Eastern & Himalayan States including UT of Jammu & Kashmir and 50:50 for other States. To bring in 'sense of ownership and pride' among rural communities, community contribution has been mandated, which is 5% of capital cost towards in-village water supply infrastructure in hilly, forested, and in villages having more than 50% SC/ ST population and 10% in the remaining villages.

(d) &(e) The Fifteenth Finance Commission (FC-XV) has recommended a total of ₹2,36,805 crores for duly constituted Rural Local Bodies (RLBs) in 28 States for the period 2021-26 including for the areas which are not required to have Panchayats (Fifth and Sixth Schedule areas and Excluded Areas). Out of the total grant earmarked for Panchayati Raj institutions, 60 percent is earmarked for drinking water supply, rainwater harvesting and sanitation (tied grant) while 40 percent is untied and is to be utilized at the discretion of the Panchayati Raj Institutions for improving basic services.

Rural local bodies may utilise tied grant components in convergence with any other scheme, aided by the Union Government for drinking water and sanitation including Jal Jeevan Mission, Swachh Bharat Mission Grameen (SBM-G) etc., to cover maximum population within the jurisdiction of the concerned local body or to improve the quality of the assets proposed to be constructed for the purpose.

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