

**Government of India**  
**Ministry of Drinking Water and Sanitation**

LOK SABHA  
UNSTARRED QUESTION NO.3038  
TO BE ANSWERED ON 17-12-2015

**Swachh Bharat Mission**

**3038. DR. P. VENUGOPAL:**

Will the Minister of **DRINKING WATER AND SANITATION** be pleased to state:

- (a) whether a sub-group has been set up to finalize the financial modalities for the Swachh Bharat Mission (SBM) and if so, the terms of reference and constitution thereof;
- (b) the time by which the said sub-group is likely to give its report;
- (c) whether the sub-group would examine the financial requirements for comprehensive implementation of the SBM and suggest measures for meeting budgetary needs; and
- (d) if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF DRINKING WATER & SANITATION**

**(SHRI RAM KRIPAL YADAV)**

(a) A Sub-Group of Chief Ministers on Swachh Bharat Abhiyaan was constituted by NITI Aayog on 24.03.2015 as per decision taken at the first meeting of the Governing Council of the NITI Aayog held on 8<sup>th</sup> February, 2015. The Sub-Group consists of Chief Ministers of Andhra Pradesh, Bihar, Delhi, Haryana, Karnataka, Maharashtra, Mizoram, Sikkim, Uttarakhand and West Bengal as Members with Chief Minister of Andhra Pradesh as the Convener of the Sub-Group and CEO, NITI Aayog as the coordinator of the Sub-Group. The Terms of Reference of the Sub-Group included the following:

- To examine financial requirements for comprehensive implementation of the Swachh Bharat Mission and suggest measures for meeting budgetary needs;
- To recommend robust institutional mechanisms for effective implementation;
- To recommend measures for technological support for different components of SBM, including solid and liquid waste management in rural and urban areas;
- To examine models for private sector participation in the Swachh Bharat Mission and to suggest ways for substantial improvement in participation of private sector and civil society organizations for effective implementation;
- To recommend ways to make the SBM sustainable; and
- Any other measures.

(b) The Sub-Group of Chief Ministers on Swachh Bharat Abhiyaan has submitted its report to Hon'ble Prime Minister on 14.10.2015.

(c) and (d) The Sub-Group has made the following recommendations regarding meeting budgetary needs in this regard:-

### **1. Budgetary Support**

- This is a national programme of paramount importance and to take it forward adequate availability of funds is required. Therefore, it is a joint responsibility of both Central and State Governments to carry forward this programme. In this scenario, it is recommended that the State Governments may share the financing provided by the Central Government for this programme.
- Since the construction of toilets has to be done in Mission Mode, higher budgetary support may be provided by the Centre and States for the construction of toilets in the next three years to ensure that construction targets are achieved in a time bound manner.
- Additional resource mobilisation may be done by the State Governments to raise funds for the programme. Wherever feasible, funds from other Government programmes may be tied up for SBM.

**2. Corporate Social Responsibility, External Sources and other contributions :-** Funds from the following sources may also be channelized for Swachh Bharat Mission:

- Funds from Corporate Social Responsibility for SBM.
- Contributions to the Swachh Bharat Kosh set up by the Government of India from various sources.
- The State Governments may consider setting up a Swachh Bharat Kosh at the State Level on the lines of the Swachh Bharat Kosh constituted at the central level. Donations to this Kosh should also be eligible for all tax incentives as applicable to the Swachh Bharat Kosh set up by Government of India.
- Assistance (both technical and financial) obtained from multilateral and externally-aided sources.

### **3. Fourteenth Finance Commission**

- The grants provided to the Local Bodies under the 14th Finance Commission are to be utilised over a range of services being provided by the GPs/ULBs to improve the status of basic civic services including water supply, sanitation including septage management, sewerage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths and street-lighting, and burial and cremation grounds. As Swachh Bharat Mission is the most important programme for the next four years, it is proposed that the first charge on the expenditure on 14th Finance Commission grants to Local Bodies shall be on the activities to be undertaken under Swachh Bharat Mission. The Government of India may advise the States accordingly.
- The Fourteenth Finance Commission (FFC) recommendations have not covered the local bodies in rural areas in some of the North Eastern States. These local bodies have not received the grants under FFC as received by local bodies in other States of the country. Hence, it is recommended that Government of India may consider releasing grants to such States at the same level as provided to the local bodies in other States

#### **4. Tax provisions**

- Enabling provision to empower Central Government to impose Swachh Bharat Cess on all or certain taxable services at the rate of 2% on the value of such taxable services, as announced in the Union budget 2015-16 to generate additional resources for SBM.
- Long term tax-free Swachh Bharat Bonds may be issued by the Central Government to generate additional resources. The State Governments may also issue Swachh Bharat bonds. The Central Government may provide tax exemption on these bonds issued by the States.
- To generate additional resources for the programme the following cess may be levied:
  - (i) Swachh Bharat Cess on petrol, diesel and telecom services may be levied by the Central Government.
  - (ii) Swachh Bharat cess on accumulated waste produced by mineral waste generation plants like coal, aluminium, and iron ore may be levied by the Central Government.

#### **5. Financial Institutions**

Sanitation facility is now a part of priority sector lending. Hence, funds from financial institutions may be availed for this programme. It is recommended that the Swachh Bharat infrastructure may be included as a part of priority sector lending.