

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:973
ANSWERED ON:24.11.2000
NATIONAL CALAMITY FUND
AJAY CHAKRABORTY;INDRAJIT GUPTA;RUPCHAND PAL

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have set up the National Calamity Fund as recommended by the Eleventh Finance Commission;
- (b) if not, the reasons for the delay in setting up such fund; and
- (c) the time by which it is likely to be set up in order to provide necessary and urgent financial help to flood affected States like West Bengal?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): Eleventh Finance Commission (EFC) has recommended for creation of a separate 'National Calamity Contingency Fund' (NCCF) for financing of the relief expenditure in case of calamities of rare nature and of extraordinary severe intensity. Based on the recommendations of the EFC, a scheme for constitution and administration of the NCCFs being issued shortly in consultation with Ministry of Agriculture, Controller General of Accounts and C&AG of India. Since EFC has recommended that any drawal from the fund should be recouped by imposition of special surcharge on the Central taxes for a limited period, necessary legislation enabling Central Government to levy surcharge is to be approved by the Parliament. However, in view of the flood situation in West Bengal, Rs. 460.35 crores have been provided by the Central Government through a combination of feasible releases to supplement the efforts of the State Government in relief and rehabilitation works and to keep the State in funds. This is in addition to funds released by the Central Ministries such as Ministry of Surface Transport, Ministry of Rural Development, etc., towards immediate restoration of essential services and rehabilitation.