

# Financial Resources for Implementation of DDMP

## 9.1 Existing sources of Funds for Disaster Management in the District

### A. State Disaster Response Fund (SDRF)

SDRF is a fund constituted under section 48(1) (a) of the Disaster Management Act, 2005 (53 of 2005), these guidelines are being issued under section 62 of the DM Act, 2005.

**Calamities Covered under SDRF:** The SDRF shall be used only for meeting the expenditure for providing immediate relief to the victims of cyclones, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanches, cloud burst and pest attack.

### B. National Disaster Response Fund (NDRF)

NDRF is a fund constituted under section 46 of the Disaster Management Act 2005. These Guidelines are issued under section 46 (2) of the Disaster Management Act, 2005 (hereinafter DM Act, 2005), to supplement funds from the State Disaster Response Fund (SDRF) of a State, to facilitate immediate relief in case of calamities of a severe nature.

**Calamities Covered under NDRF:** Natural Calamities of Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, avalanches, Cloud burst and pest attack considered being of severe nature by Government of India and requiring expenditure by a State Government in excess of the balances available in its own State Disaster Response Fund (SDRF), will qualify for immediate relief assistance from NDRF.

### C. Flexi-funds under Centrally Sponsored Schemes

NITI Aayog has issued instructions for Rationalization of CSS, vide OM No. O-11013/02/2015-CSS & CMC dated 17<sup>th</sup> August, 2016. These instructions are applicable for Centrally Sponsored Schemes with one of the key objective "To undertake mitigation/ restoration activities in case of natural calamities, or to satisfy local requirements in areas affected by internal security disturbances. Therefore the CSS mentioned in Chapter 4 of this plan are one potential source of funding for mitigation/restoration activities.

## 9.2 Funds to be created under DM Act 2005

### A. District Disaster Response Funds (DDRF)

DDRF is proposed to be created at the District Level as mandated by Section 48 of the DM Act. The disaster response funds at the district level would be used by the DDMA towards meeting expenses for emergency response, relief, rehabilitation in accordance with the guidelines and norms laid down by the Government of India and the State Government.

### B. District Disaster Mitigation Funds (DDMF)

District Disaster Mitigation funds would be created at the District Level as mandated under Section 48 of the DM Act 2005. DDMF is to be used for the mitigation funds by the DDMA for the purpose of mitigation as per the HP State Disaster Management Rules 2011.

### **9.3 Responsibilities of the State Departments and Agencies**

All State Government Departments, Boards, Corporations, PRIs and ULBS have to prepare their DM plans under Section 40 of The DM Act 2005. These Departmental DM Plans are already under preparation at the State Level including the financial projections to support these plans. The necessary financial allocations will be made as part of their annual budgetary allocations, and ongoing programs. They will also identify mitigation projects and project them for funding in consultation with the SDMA/DDMA to the appropriate funding agency.

### **9.4 Techno-Financial Regime**

Considering that the assistance provided by the Government for rescue, relief, rehabilitation and reconstruction needs cannot compensate for massive losses on account of disasters, new financial tools such as catastrophe risk financing, risk insurance, catastrophe bonds, micro-finance and insurance etc., will be promoted with innovative fiscal incentives to cover such losses of individuals, communities and the corporate sector. In this regard, the Environmental Relief Fund under the Public Liability Insurance Act, 1991, enacted for providing relief to chemical accident victims is worth mentioning. Some financial practices such as disaster risk insurance, micro-finance and micro-insurance, warranty on newly constructed houses and structures and linking safe construction with home loans will be considered for adoption.

### **9.5 Other Financing Options**

DDMA in coordination with the departments will identify other financing options for restoration of infrastructure/livelihoods, like utilization of flexi fund within Centrally Sponsored Scheme for mitigation/restoration activities in the event of natural calamities in accordance with the broad objective of the Central Sector Scheme. Opportunities of Corporate Social Responsibility (CSR) & Public-Private Sectors funds investments would also be explored and elaborated by the DDMA for increasing disaster resilience.