

Most immediate

No. 32-3/2010-NDM-1
Government of India
Ministry of Home Affairs
(Disaster Management Division)

'A' Wing, Lok Nayak Bhavan,
Khan Market, New Delhi
Dated the 28th September, 2010.

Office Memorandum

Subject: "Guidelines on Constitution and Administration of the State Disaster Response Fund and National Disaster Response Fund".

Section 46(I) and section 48(I) (a) of the Disaster Management Act, 2005 stipulates constitution of a National Disaster Response Fund at the National level and constitution of State Disaster Response Fund at the State level respectively. In pursuance to the provisions of the Disaster Management Act, the Government of India has notified the constitution of the National Disaster Response Fund vide the Gazette of India, Extraordinary Part-II-Section 3- Sub-section(ii) Notification No. 1995 dated September 28th 2010. (Copy enclosed).

The Thirteenth Finance Commission (TFC) has made provision of funds for the State Disaster Response Fund in its recommendations which has been accepted by Government of India. Keeping in view of the provision of the Disaster Management Act, 2005 and the recommendations of Thirteenth Finance Commission, Government of India has framed guidelines for administration of National Disaster Response Fund (NDRF) at the National level and for State Disaster Response Fund at the State level, which are enclosed herewith for necessary action.

As provided under the Act, all the State Governments are advised to constitute and notify the constitution of the State Disaster Response Fund and send a copy thereof to this Ministry for reference and record.



(Dev Kumar)

Director (DM-I)

Telefax: 24642853

Encl: As above.

Distribution:-

1. Ministry of Finance, Department of Expenditure, North Block, New Delhi.
2. Ministry of Agriculture, Department of Agriculture & Cooperation, Krishi Bhavan, New Delhi.
3. National Disaster Management Authority, New Delhi.
4. Chief Secretaries of (All States).
5. The Relief Commissioners/ Secretaries, Department of Disaster Management of (All States).
6. Accountants General of all State Governments.
7. Controller General of Accounts (CGA), New Delhi.
8. Comptroller & Auditor General (CAG), New Delhi.

Operational Guidelines for Constitution and Administration of the
National Disaster Response Fund (NDRF)

Introduction

1.1 These guidelines shall be called 'National Disaster Response Fund' (NDRF) Guidelines. 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.

Period of operation

2.1 The guidelines shall come into force with effect from the financial year 2010-11 after notification of NDRF and will continue till further orders.

Calamities covered under NDRF

3.1 Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack considered to be 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.

National Disaster Response Fund

4.1 The existing National Calamity Contingency Fund (NCCF) shall be merged into the National Disaster Response Fund, and NCCF will cease to exist. NDRF will be operated by the Government of India for the purpose of providing immediate relief to people affected by the above mentioned calamities which are assessed as being of severe nature, following the procedure described in para 7 of these guidelines. NDRF is classified in the Public Account in the sub-section (b) 'Reserve Funds not bearing Interest' of the Government of India under the major head 8235- 'General and other Reserve Funds' – 119- National Disaster Response Fund'. Accordingly, nomenclature of the minor-head 119 will change from "National Calamity Contingency Fund" to "National Disaster Response Fund".

Contribution to the NDRF

5.1 The closing balance of the NCCF at the end of financial year 2009-10 shall be the opening balance of the NDRF in the year 2010-11.

5.2 Funds will be credited into the NDRF in accordance with the provisions of the Disaster Management Act, 2005.

5.3 The budget provision for transferring funds to the NDRF as mentioned in para 5.2 above shall be made in the Demand for grants no. 35-"Transfers to State and UT Governments" (under non-plan provision). Releases to State Governments will be made by the Ministry of Finance from this provision.

5.4 During the years 2010-15 transfers to the NDRF established in the Public Account of India will be made by operating the following heads of account: Major Head "2245-Relief on account of Natural Calamities – 80-General-797-Transfers to Reserve Funds and Deposit Account'-Transfer to National Disaster Response Fund.

5.5 Contributions made by any person or institution for the purpose of disaster management will also be credited to the NDRF. Modalities covering such contributions will be prescribed in due course.

Arrangements for Monitoring natural calamities

6.1 The Ministry of Home Affairs will make appropriate arrangements to monitor the occurrences of natural calamities relating to cyclones, earthquakes, fires, floods, tsunami, landslides, avalanches and cloud bursts. Department of Agriculture and Cooperation will make appropriate arrangements to monitor calamities associated with drought, hailstorms and pest attacks.

Assessment of Relief Assistance from the NDRF

7.1 Upon a request made by a State not having adequate balance in its State Disaster Response Fund (SDRF), Ministry of Home Affairs or the Ministry of Agriculture, as the case may be, will assess whether a case for additional assistance from NDRF is made out under these guidelines and the approved items and norms of assistance under NDRF/SDRF. The following procedure will be adopted for making such assessment:

- (i) The memorandum of the State Government will be examined to assess the likely requirement of funds as per items and norms of expenditure under SDRF/NDRF. If the preliminary examination reveals that there are adequate funds in SDRF with the State for providing relief as per norms, the State would be advised accordingly.
- (ii) If the preliminary examination reveals that the State is in need of assistance, a Central Team will be deputed for making an on the spot assessment.
- (iii) The report of the Central Team shall be examined by the National Executive Committee (NEC) constituted under section 8 of the DM Act, 2005. The NEC will assess the extent of assistance and expenditure which can be funded from the NDRF, as per the norms of NDRF/SDRF, and make recommendations.
- (iv) Based on the recommendations of NEC, a High Level Committee (HLC) will approve the quantum of immediate relief to be released from NDRF.

High Level Committee (HLC)

8.1 The High Level Committee will be constituted with Finance Minister, Agriculture Minister, Home Minister, and Deputy Chairman, Planning Commission as members. HLC is serviced by the Disaster Management Division of Ministry of Home Affairs.

Ministry of Home Affairs to supervise

9.1 The Ministry of Home Affairs (MHA) shall oversee the utilisation of releases from NDRF for the purposes for which funds have been released and monitor compliance with the guidelines of NDRF. States will need to provide the required information to MHA as per annex* in this regard.

Inadmissible assistance from NDRF

10. Expenditure from NDRF is meant to assist a State to provide immediate relief in those cases of severe calamity, where the expenditure required is in excess of the balance in the State's SDRF. Expenditure on disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF or NDR, and is to be met from the plan funds.

**to be provided by MHA.*

Releases to States

11.1 Upon the approval of HLC, Ministry of Finance will release assistance from NDRF to States.

11.2 Release of assistance to the State Governments from NDRF shall be made from the head "2245 – Relief on account of Natural Calamities – 80-General – 103 -Assistance to States from NDRF" with equivalent amount shown as recovery from the fund maintained in the Public Account under the head – "8235-General and Other Reserve Funds-119 National Disaster Response Fund". Accordingly, nomenclature of the minor-head 103 under Major Head: 2245 will change from "Assistance to States from National Calamity Contingency Fund" to "Assistance to States from National Disaster Response Fund". The amount recovered from NDRF shall be shown as below the line recovery in the Demand for grants no. 35.

11.3 On receipt of funds from the NDRF, the State Government shall treat them as receipts along with the receipts of Central/State shares of State Disaster Response Fund under the major head "1601" - Grants-in- aid from Central Government -01 Non-Plan Grants- 110 Grants from National Disaster Response Fund. The State Government would make suitable budget provision on the expenditure side of their budget under the relevant minor heads under the major head "2245- Relief on Account of Natural Calamities – 80 General-103 Assistance to States from National Disaster Response Fund". The State's SDRF account should distinctly show the receipt of assistance from NDRF apart from the remaining four sources of receipts into the fund; namely (i) Centre's share of State Disaster Response Fund (ii) State's share of Disaster response Fund (iii) Return on investments and (iv) redemption of investments.

11.4 The actual expenditure out of NDRF should be booked under respective minor heads within major head: 2245. Direct expenditure by State Governments from the Public Account should not be made. If for any administrative reason, expenditure on relief by State Governments has been met under a head of account other than MH: 2245, it should be finally booked under MH: 2245 through an inter-account transfer. Deviations from this accounting practice could lead to releases of assistance from NDRF to States being with-held until the above accounting procedure is adopted/reverted to.

11.5 The Pay and Accounts Office, Ministry of Finance shall release payments to the State Governments. The detailed account of the Fund shall be maintained by the Controller General of Accounts through the Chief Controller of Accounts, Ministry of Finance.

Oversight by State Executive Committee

12.1 The State Executive Committee, constituted by the State Government under section 20 of the Disaster Management Act, 2005, shall be responsible for ensuring that the expenditure incurred out of the funds received under the NDRF is in accordance with the items and norms of expenditure of NDRF/SDRF.

Unspent balance in NDRF

13.1 Government of India will communicate the modalities for handling any balances available at the end of 2014-15 in NDRF.

Accounts and Audit

14.1 The detailed accounts of NDRF shall be maintained by the Controller General of Accounts through the Chief Controller of Accounts, Ministry of Finance.

14.2 The accounts of the NDRF shall be audited annually by Comptroller & Auditor General. The State Government shall furnish a copy of the audit Report of CAG to Ministry of Finance and Ministry of Home Affairs.

Saving

15.1 The Ministry of Home Affairs with the concurrence of Ministry of Finance may amend these guidelines, in such manner as may be required to facilitate smooth operation of immediate relief efforts.
