

Immediate

No. 33-02/2020-NDM-I
Government of India
Ministry of Home Affairs
(Disaster Management Division)

'C' Wing, 3rd Floor, NDCC- II,
Jai Singh Road, New Delhi-110001,
Dated the 14th January 2022

To,
The Chief Secretaries
(All States).

Subject: - Guidelines on Constitution and Administration of the State Disaster Mitigation Fund (SDMF) based on the recommendations of the Fifteenth Finance Commission 2021-22 to 2025-26.

Sir/ Madam,

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

2. A copy of the guidelines for SDMF are enclosed for further necessary action at your end. These guidelines can also be downloaded from website of Disaster Management Division of Ministry of Home Affairs i.e. www.ndmindia.mha.gov.in.

(Pawan Kumar)
Deputy Secretary (DM-I)
Telefax: 23438123

Encl: As above.

Copy to:-

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

Ministry of Home Affairs
(Disaster Management Division)

Guidelines on Constitution and Administration of the State Disaster Mitigation Fund (SDMF)

Introduction:

The Disaster Management Act, 2005 (hereinafter called as DM Act, 2005) defines mitigation as 'measures aimed at reducing the risk, impact or effects of a disaster or threatening disaster situation'.

2. The State Disaster Mitigation Fund (SDMF) is constituted under the section 48 (1) (c) of the DM Act, 2005. This fund is exclusively for the purpose of mitigation projects in respect of disasters covered under the State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) Guidelines and the State specific local disasters notified by the State Governments. The Mitigation Fund shall be used for those local level and community-based interventions, which reduce the risks and promote environment-friendly settlements and livelihood practices. Large-scale mitigation interventions such as construction of coastal walls, flood embankments, support for drought resilience etc. shall be pursued through the regular development schemes and not from the mitigation fund.

3. Mitigation measures can be structural and non- structural.

Structural measures: Structural mitigation measures include any physical construction to reduce or avoid possible impacts of hazards, or the application of engineering techniques or technology to achieve hazard resistance and resilience in structures or systems. These measures attempt to strengthen buildings to better endure future disasters like cyclones and earthquakes.

Non-Structural measures: It does not involve physical construction but use knowledge, practices, policies, laws/Regulations, public awareness-raising, training and education etc. e.g. Building codes and Laws, location specific planning/strategies, forest management/restoration of mangroves, awareness campaigns etc.

4. These guidelines are issued under Section 62 of the DM Act, 2005 and shall be called 'State Disaster Mitigation Fund' (SDMF) guidelines and will be operative from the financial year 2021-22 to 2025-26, and will continue till further orders.

5. **Technical Guidelines:**

For the guidance of the State Governments, the National Disaster Management Authority (NDMA) will issue technical guidelines separately, within the broad framework of these guidelines and with the concurrence of MHA. Further, Hazard specific mitigation guidelines and detailed procedures for project execution will continue to be issued by NDMA from time to time in consultation with MHA.

6. Long Term Mitigation Strategy:

At the national and state level, the Disaster Management Authorities will conduct the risk assessment, which presents an assessment of hazards, exposure and vulnerability and their likely impacts. Based on the risk assessment, the Disaster Management Authorities will prepare long-term mitigation strategy for their respective jurisdictions.

7. State Disaster Mitigation Fund (SDMF):

7.1 SDMF will be constituted with the nomenclature of "State Disaster Mitigation Fund" in the Public Account under the Reserve Fund bearing interest in the Major Head: 8121-General and other Reserve Funds-130-'State Disaster Mitigation Fund' in the accounts of the State Governments concerned after fulfilling all codal and other accounting formalities required.

7.2 The closing balance as on 31.03.2021 in the SDMF shall become the opening balance for 2021-22. Unless otherwise provided, closing balance of each financial year would be the opening balance for the next financial year till 2025-26.

7.3 The State Government shall invest SDMF as per the provisions of para-12 of these guidelines. The State Government shall pay interest into the SDMF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI for the amount not invested from SDMF. The interest will be credited on a half-yearly basis.

7.4 SDMF will be operated by the State Executive Committee (SEC) in consultation with State Disaster Management Authority (SDMA) with an objective to release Grants- in- aid for mitigation projects in their jurisdiction.

7.5 SDMF will be applied by SDMA for appraisal, monitoring and supervision of the mitigation projects.

8. Contribution/Allocation to the SDMF:

8.1 The 15th Finance Commission (XV-FC) has recommended Rs.32,031 crore [20%of State Disaster Risk Management Fund (SDRMF) of Rs.1,60,153 crore] for SDMF of States for the period 2021-22 to 2025-26. The state-wise details of the annual allocations for the period from 2021-22 to 2025-26 is given in Annexure-I.

8.2 The Central Government will contribute 75% funds of SDMF for all States, except for the North-Eastern and Himalayan (NE & H) States, for which it will contribute 90% of the total annual allocation. The balance 25% of funds of SDMF will be contributed by the State Governments concerned, except the NE & H State, which shall contribute 10%.

8.3 The Central Government shall pay its share as Grants-in-aid to the States under the Major Head "3601-Grants-in-aid to State Governments-07 Finance Commission Grants-105 "General (Relief on Account of Natural Calamities)-Disaster Mitigation". The State Governments shall take these as receipts in their budget and account under the Major Head "1601-Grants-in-aid from Central Government-07 Finance Commission Grants-105 "Grants in aid for State Disaster Mitigation Fund".