

8.4 In order to enable transfer of the total amount of contribution to the SDMF (both Central share and the State share of contribution), the State Governments would make suitable budget provision on the expenditure side of their budget under the Head "2245- Relief on Account of Natural Calamities-08-State Disaster Mitigation Fund-797-Transfers to Reserve Fund and Deposit Accounts".

8.5 Immediately upon the receipt of Central Government's share as per para-8.3 above, the States would transfer the amount, along with their share, if not already transferred, to the Public Accounts Head within 15 days of its receipt. Any delay will require the State Government to release the amount, with interest, at Bank rate of RBI, for the number of days of delay. The State Government is required to endorse the copy of the release order to the Department of Expenditure, Ministry of Finance and Ministry of Home Affairs.

8.6 In order to have the real time information about availability of SDMF and NDMF fund with the State Governments, the Ministry of Home Affairs has evolved a web-based online application, i.e. National Disaster Management Information System (NDMIS). Therefore, State Governments will provide online data of expenditure incurred from SDMF (including additional central assistance from NDMF) in line with the Central Government's approved norms, on a real time basis. This is also in line with recommendation of XV-FC in para-8.112 of their Report.

8.7 State Governments can mobilize and pool funds in SDMF from various other sources viz. reconstruction bonds, contingent credit/standby facilities with international financial institutions, counterpart funding from Implementing Partners, crowd funding platforms and Corporate Social Responsibility (CSR) window etc.

8.8 State Governments should allocate resources to Districts for preparedness and mitigation on an annual basis following a methodology that they may evolve. In subsequent allocations, the State Governments may consider the expenditure incurred by the Districts under mitigation fund in previous years.

9. **Scope of State Disaster Mitigation Fund (SDMF):**

SDMF will fund mitigation projects at the State level. It will support and fund the following types of projects:

- i) All projects relating to mitigation measures: (a) for the notified disasters by the Government of India namely cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and frost & cold wave; and (b) for the 'disasters' notified by the State Government within the local context in the State, which are to be completed within the geographical jurisdiction of the State, will be funded from the SDMF.
- ii) The State Government may use up to 10% fund of the annual allocation of the SDMF for the purpose of mitigation projects in respect of disasters that they consider to be 'disasters' within the local context in the State as notified under SDRF guidelines.
- iii) Projects which are of State-level significance, protecting assets, eco-systems and settlements within the State.

- iv) Projects which promote practices to reduce disaster risks and its impacts.
- v) Projects which build community resilience through information and knowledge.
- vi) Projects which focus on creating safe conditions of living for people from weaker socio-economic categories, people with disabilities, and women.
- vii) Regional projects which are initiated from the National Disaster Mitigation Fund (NDMF).
- viii) Research and studies related to disaster mitigation through the small grants window.
- ix) In case of flood mitigation projects, States should undertake the following non-structural measures:
 - a) Adopting Integrated Flood Management approach by considering river basin as a hydrological unit.
 - b) Real Time Hydro-meteorological Data Acquisition Network coupled with Decision Support System for integrated or standalone operation of reservoir(s), as the case may be.
 - c) Delineation and demarcation of flood plain zones on certain notified stretch (es) of river(s) within the State and regulation of various activities permissible therein.

10. Limitation for utilization of SDMF:

- i) At least 10% of the SDMF each year should be earmarked for the non-structural measures. (Components of non-structural measures in projects consisting of both the kinds of measures may be counted towards this limit).
- ii) In a year, not more than 50% of SDMF may be utilized for measures/projects to mitigate risks from a single hazard. However, this stipulation may be relaxed by the Ministry of Home Affairs on the recommendations of Sub Committee of National Executive Committee (SC-NEC), based on the written request of the State with proper justification.
- iii) In a year up to 5% of the SDMF, funds may be earmarked for small grants window to support small proposals related to innovation, technology, community leadership, research, studies and learning. The NDMA and the SDMA will devise a mechanism to fund projects from this window.
- iv) Funds available under SDMF shall not be used for general environmental improvement or landscape beautification and for funding the existing Government programmes/ongoing schemes etc.

- v) Mitigation Fund should generally not be used for maintenance and upkeep of any structure or engineering measure aimed at mitigation. This fund should be used for developing and implementing new projects. The mitigation measures that have been implemented, should be maintained through other sources of funding.
- vi) Resources under Mitigation Fund cannot be used towards the establishment expenditure such as salaries, office expenditure etc. to be incurred by the Disaster Management Authorities or other entities, except for payment of remuneration to technical staff included in the projects costs. Such payments will be as per the GFR-2017 and extant Government of India guidelines.

11. Release of Central Contribution to the SDMF:

The Central share to the SDMF shall be remitted to the State Governments in two equal installments in June and December in each financial year. Likewise, the State Governments shall also transfer their contribution to SDMF in two equal installments in June and December of the same year, provided that if Ministry of Home Affairs, upon being satisfied on the need of the State, may recommend an earlier release of the Central share of a particular year's installment.

The Central share to the SDMF due in a year shall be released to the State Governments subject to fulfillment of the following conditions:-

- i) State Governments are required to issue a certificate that the relevant notification, establishing SDMF as per section 48(1)(c) of the DM Act, 2005 is in force.
- ii) The State Government shall furnish a certificate to MHA and to Ministry of Finance in the months of April and October every year indicating that the amount received earlier has been credited to the SDMF along with the State's share of contribution, accompanied by the statement giving the up-to-date expenditure and the balance amount available in the SDMF. This statement is to be provided in the format at Annexure-II.
- iii) Once the Finance Accounts of the previous year are available, expenditure reported for that particular year should match with expenditure figure in Major Head: 2245 and balance in SDMF in MH: 8121 . In case of any discrepancy, the figures in MH: 2245 and in MH: 8121 as reflected in the Finance Accounts will be considered. Any deviation from prescribed accounting practices in the guidelines would result in withholding of further releases until the required accounting procedure is adopted or restored.
- iv) The Central Government's contribution due in December of a year shall be released after the receipt, in MHA and in Ministry of Finance, by September of that year, of an 'Annual Report on Mitigation Projects', prepared by the State Government. This Annual Report shall, inter-alia, furnish details of expenditure incurred by the State Government on each of the mitigation project in the format to be laid down in due course.
- v) The Central Government's share shall be released by the Department of