

Expenditure, Ministry of Finance after receiving due recommendations from MHA.

12. **Investment of SDMF:**

12.1 The accretions to the SDMF together with the income earned on the investments of the SDMF shall, till contrary instructions are issued by the Central Government, be invested in one or more of the instruments such as Central Government dated Securities; Auctioned Treasury Bills; and interest earning deposits and certificates of deposits with Scheduled Commercial Banks.

12.2 The investments of the funds shall be carried out by the branch of the Reserve Bank of India (having Banking Department) at the headquarters of the State, or a Bank designated by RBI. In case of Sikkim, the functions may be carried out by the State Banker. The accounting procedure for the investment transactions and encashment of securities will be similar as available in case of SDRF.

12.3 State Executive Committee (SEC) shall ensure that SDMF shall be invested as per provisions of Para-12.1 of these guidelines. The State Government shall pay interest for the amount not invested from the SDMF, in the identified interest bearing instruments at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest will be credited on a half-yearly basis into the SDMF corpus.

13. **Administrative mechanism to be followed for processing of proposals under SDMF.**

- (i) The SDMA will constitute an Appraisal Committee to be headed by a Member of SDMA with members from line Departments of the State Government and State entities for appraisal of the proposals/ projects under SDMF.
- (ii) The Departments/ Agencies of the State Government/ DDMA, who wish to take up projects from SDMF, will submit the project proposals to the State Government Department dealing with the Disaster Management, which in turn will refer the project proposal to the Committee headed by the Member, SDMA for appraisal.
- (iii) The recommendations of the Appraisal Committee of SDMA shall be placed before the SEC for consideration/ sanction.

14 **State Executive Committee (SEC):**

- i) SEC, constituted by the State Government as per provision of section 20 of the DM Act, 2005, will decide on matters connected with the administration of SDMF including obtaining contributions from the Central Government, investing the accretions to the SDMF in accordance with the prescribed norms and approving the mitigation project from SDMF.
- ii) SEC shall ensure that the money drawn from SDMF is actually utilized for the purpose for which the SDMF has been set up.

15 Release of Funds:

Upon sanction of projects by SEC, funds will be released from SDMF for mitigation projects/ works. Procedure as in vogue in the State for the release of funds under SDRF shall apply to SDMF also.

16. Unspent balance in the SDMF:

The unspent balance in the SDMF account as at the end of the financial year 2021-22 shall be the opening balance of SDMF account of the financial year 2022-23. The Central Government will communicate the modalities for handling any balances available at the end of 2025-26 in SDMF of the State.

17. Execution of Projects:

SDMA shall supervise and monitor the approved projects during implementation and will be responsible for submitting completion certificates as well as required reports, including maintaining updated database containing information about all projects implemented with the assistance from SDMF/NDMF.

18. Accounts and Audit:

- i. The State's SDMF account should distinctly show source of receipt into funds namely:
 - a. Centre's share of SDMF
 - b. State's share of SDMF
 - c. Return on investments
 - d. Redemption of investments
 - e. Contribution from reconstruction bond, CSR/ Implementing partners/ community etc., if any.
 - f. Penal Interest (at bank rate or overdraft rate as the case maybe)
- ii. The actual expenditure out of SDMF should be booked under respective Minor Heads within Major Head 2245.
- iii. The detailed accounts of fund and investment thereof shall be maintained by Accountant General In-charge of Accounts of the State.
- iv. The accounts of SDMF 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.

19. Developing a Disaster Database:

NDMA shall develop a disaster database as a special initiative. The database should have disaster assessments, the details of allocations and expenditure and preparedness and mitigation plans. The database of the projects includes all the details related to project components, expenditure, reviews, evaluation and outcome.

20. Outcome Framework:

Projects taken up from SDMF must have verifiable and measurable outcomes. NDMA shall develop an outcome framework to ensure a greater accountability for allocation and utilization of NDMF/SDMF resources. This framework could be based on achieving the Sendai Framework indicators which may include reducing mortality, supporting community recovery and resilience and improving the quality and substance of disaster assistance. The set of indicators may be determined by NDMA.

21. Procurement of Goods and Services:

All procurements required for implementing the approved projects shall be made by the Government agencies for implementing the proposal in accordance with the latest General Financial Rules (GFR) and from GeM portal.

22. Savings:

- i. In case of any difficulty in interpretation of any of these guidelines, the matter shall be referred to MHA, whose decision shall be final.
- ii. MHA, with the concurrence of Ministry of Finance, may amend these guidelines, in such a manner as may be required to facilitate smooth operation of immediate mitigation measures.
- iii. MHA is the nodal Ministry for overseeing the operation of SDMF and shall monitor compliance with the prescribed processes. MHA may issue directions/ instructions under the DM Act, 2005 in this regard.
