

NDRF AID ONLY FOR SEVERE CALAMITIES

Relevant for: Environment & Disaster Management | Topic: Disaster and disaster management

The Union government has declared the Kerala floods a “calamity of severe nature”. Here is a look at what this means, whether the State can expect additional help from the Centre and how the various disaster relief funds in the country are funded and deployed.

What are the classifications of disasters, and how does this affect funding?

According to the National Disaster Management Policy, the State governments have to provide disaster relief from their respective State Disaster Response Funds (SDRFs), and only for a “calamity of severe nature”, will additional assistance be provided from the National Disaster Response Fund (NDRF).

There is, however, no provision in the law or rules for the government to designate a disaster as a “national calamity”.

Minister of State for Home Kiren Rijiju informed Parliament recently that the guidelines of the NDRF and the SDRFs did not contemplate declaring a disaster a national calamity.

How are the NDRF and the SDRFs funded?

The NDRF is funded through a National Calamity Contingent Duty levied on pan masala, chewing tobacco and cigarettes, and with budgetary provisions as and when needed. A provision exists to encourage any person or institution to make a contribution to the NDRF. However, this source of funding has not been tapped so far, according to the government.

The 14th Finance Commission recommended changes to this structure once the cess was discontinued or subsumed within the Goods and Services Tax. However, the government, instead, decided to continue with the National Calamity Contingent Duty even in the GST regime. The SDRF corpus is contributed by the Union government and the respective State governments in a 75:25 ratio for general category States and 90:10 for Special Category States.

The allocation of the SDRF for each State is done by the Finance Commission, and the Centre contributes its specified share each financial year. The Central share of SDRF is released in two equal instalments, in June and then in December.

What has been the trend in budgetary allocations to the NDRF and SDRFs?

The Union government has maintained a steady flow of funds to the NDRF each year, ranging from Rs. 5,690 crore in 2015-16 to a budgeted amount of Rs. 2,500 crore for the current financial year. In addition, the Centre has also been contributing to the SDRFs every year, amounting to Rs. 8,374.95 crore in 2016-17 and Rs. 7,281.76 crore in 2017-18.

How have NDRF funds been allocated to States in the recent past?

In 2017-18, up to December 27, 2017, the Union government released NDRF funds to nine States — Arunachal Pradesh, Bihar, Himachal Pradesh, Karnataka, Kerala, Nagaland, Rajasthan, Tamil Nadu, and Telangana — over and above its contributions to their respective SDRFs. The recipient of the highest amount was Karnataka, which got Rs. 913 crore that year.

Over the four years till December 27, 2017, the Centre has released the most cumulative funds to Maharashtra (Rs. 5,244.69 crore), Karnataka (Rs. 5,122.45 crore), Uttar Pradesh (Rs. 4,949.04 crore), Tamil Nadu (Rs. 3,115.31 crore), and Madhya Pradesh (Rs. 1,958.93 crore). For specific calamities, the Centre released Rs. 1,365.67 crore for the Chennai floods of 2015 and Rs. 218.76 crore after Cyclone Vardah in 2016. Andhra Pradesh received Rs. 400 crore and Rs. 230 crore after Hudud ravaged Visakhapatnam.

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