CHAPTER III

DISASTER MANAGEMENT INDIA

3.1 INTRODUCTION

This chapter analyses with the evolution of disaster management in India and discusses the institutional framework in central, state and district level and the role of Finance Commission and also discusses the disaster management plans through five year plans.

India was recently, reactive and only responded to disasters and provided relief from calamity. It was a relief driven disaster management system. India also has the world’s oldest famine relief codes. In recent times, there has been a paradigm shift and India has become or is becoming more proactive with emphasis on disaster prevention, mitigation and preparedness.

India has traditionally accepted international help in responding to disasters. It was after the 2004 India Ocean tsunami, India refused to accept international response assistance from foreign governments. Not only that, India deployed its defense personnel, medical teams, disaster experts, ships, helicopters, and other type of human, material, and equipment resources to help Sri Lanka, Mauritius, and Indonesia. It may be noted that India itself suffered from the tsunami and was while Indonesia is middle-income group country. As the tsunami experience illustrates, disasters do not recognize or respect national geographic boundaries. Now a day increasingly globalized world, more disasters will be spread over many countries and will be regional in nature.66

Some of the natural disasters in recent times have led to changes in disaster policy and creation of new organizations.67 Policy changes include the enactment of

Disaster Management Act, 2005 and development of the national disaster management response framework. The National Disaster Management Authority was established to spearhead in creation of culture of disaster resilience. The National Institute of Disaster Management itself and along with Disaster Management Cells in the states is providing training opportunities in disaster management. 68

Over the past couple of years, the Indian government has brought about a paradigm shift in the approach to disaster management. The new approach proceeds from the conviction that development cannot be sustainable unless disaster mitigation is built into the development process. Another valuable stone of the approach is that mitigation has to be multi-disciplinary spanning across all sectors of development. The new policy also came from the belief that investments in mitigation are much more cost effective than expenditure on relief and rehabilitation. Management of the disaster occupies an important place in this country’s policy framework as it is the poor and the under-privileged who are worst affected on account of calamities/disasters. 69

3.2 EVALUATION OF DISASTER MANAGEMENT

In India, recurrent crises in the form of more famines and lowest invasion were a common feature of the colonial rule. The British set up the Department of Revenue and Agricultural and Commerce in 1871 on the recommending of the famine commission in 1981 a separate Department of Agriculture was constituted. It was upgraded to Ministry of Agriculture in 1947. In 1969 assessment of damage to crops and loss of property due to natural calamities was brought under it’s a purview. In 1974 matters relating to less of human life and relief for drought scarcity of famine


were transferred from the Department of food to the Department of Agricultural and co-operation.  

Thus as the disaster management center responsible for the matter relating to floods and droughts as they were seen to have a regular impact on agriculture. After the UN precedential floods of 1956 the GOI took several initiatives and constituted a number of committees to study the problems of floods in county. Some of committees are high level Committee on Flood Control (1964), Ministerial Committee on floods and Flood Relief (1972), Nation Flood Commission(1976) etc. Government intervention in the form of relief measures in the years of droughts and famines has a long story in India going back to the 19th century.  

3.3 CURRENT POLICIES AND STRATEGIES

In the post independence era Disaster Management was considered as a post disaster activity, focusing mainly on relief, rescue and rehabilitation. In the recent past there has been a paradigmatic shift in India’s approach to Disaster Management. The new approach is multi disciplinary, multi holistic and proactive, process. As it is the poorest and under privileged, who are vulnerable to disasters. This new approach has been incorporated into national disaster framework or map prepared by National Disaster Management division of Ministry of Home Affairs (MOHA).  

The framework is comprised the following eight components.

- Institutional mechanisms
- Disaster mitigation

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70 GOVT OF INDIA, "High Powered Committee on Disaster Management-Report", Department of Agriculture & Cooperation, Ministry of Agriculture, New Delhi.
71 M K Sharma, Overview of Flood Management in India, Indian Journal of Public Administration, Vol-XLIX, July-Sep 2003, p525-530
73 High Power Committee on Disaster Management Report, Department of Agriculture and Cooperation, Ministry of Home Affairs, Government of India (New Delhi, Nation Centre for Disaster Management IIPA Oct-2001), P-27
• Legal policy framework
• Preparedness and response
• National network of emergency operation centers
• Early warning systems
• Human resource development and capacity building
• Research and knowledge management.

The MOHA has advised all the governments that is central and state government ministries/ departments to prepare their own road maps following the National road map as per the broad guidelines. In order to institutionalize the new approach, the GOI has decided to frame a National Policy on Disaster Management and accordingly a draft policy has been formulated and is expected to be promulgated soon.\textsuperscript{74}

However, despite its importance, the subject of management of disaster does not find any mention in any of the three lists included in the 7\textsuperscript{th} Schedule of the Constitution of India. List I: the Union list, List II: the State List, and List III: the Concurrent List. As per Entry 97 of the Union List, the Union government should deal with this subject. However, in practice, it is a state subject. In view of this dichotomy, a lot of confusion exists when it comes to pinpointing specific responsibilities for dealing with various problems. Recently, the constitutional Review Committee has recommended that disaster management be included in the Concurrent List of the Constitution (List III).\textsuperscript{75}

Beside that there is no other specific legislation to provide an appropriate legal framework for disaster management, and the existing codes/regulations are not enforced strictly and the adoption of various standards and guidelines is not

\textsuperscript{74} Id., p 27
mandatory. In view of this, it is necessary to review the existing laws/ codes/
regulations relating to various aspects of disaster management and evolve a suitable
mechanism for their strict enforcement preferably through a Central Act and State Acts as recommended by the High Powered Committee on Disaster Management (GOI, 2001).

Furthermore, there is no any integrated programme for management of
disasters. What we have is an assortment of several projects and programmes that aim
at reducing the vulnerability of people to disasters. Some of those programmes are:
Integrated Rural development Programme (IADP), Drought Prone Area programme
(DPAP), Integrated Wastelands Development Programme (IWDP), Desert Development Programme (DDP), Flood Control Programmes, National A forestation
and Eco-development Programme (NA&ED), Accelerated Rural water Supply Programme (ARWSP), Indira Awas Yojana (IAY), national Agricultural Insurance Scheme, Crop insurance Scheme, Sampoorna Grameen Rozgar Yojana (SGRY), and Disaster Risk Management Programme. Most of these programmes have the rural poor as their main target group and hence the may be called pro-poor.76

Until recently, disaster management was not conceptually linked with
developmental planning in India. It was only in the 10th Five Year Plan that it was
mainstreamed into the process of planning and separate chapter on Disaster
Management was included in it. But even now, there is no long-term strategy for
mitigation and development of hazard prone areas for disaster reduction. The
Eleventh Finance Commission has suggested that this task needs to be addressed by
the Planning Commission, which in consultation with the state governments, and the

76 Disaster Management in India- A Status Report National Disaster Management Division, Ministry of Home Affairs, Government of India, New Delhi, Aug-2000, p 41
concerned ministries of Government of India should identify works of capital nature to prevent the recurrence of specific calamities, to be financed under planned funds.\textsuperscript{77}

India traditionally accepted international help in responding disaster. However after the 2004 Indian Ocean tsunami India refused to accept international response assistance from foreign governments. Not only that India deployed its defense personal, Medical teams, disaster experts, ships helicopters and other type of human material and equipments resources to help Sri Lanka, Mauritius and Indonesia. It may be noted that India itself suffers from the tsunami and was internally responding at the same time. India is also lower income group country, while Indonesia is middle income group country.

As the tsunami experiences illustrates, disasters do not recognize or respect national geographic boundaries. In the increasingly globalize world, more disasters will be spread over many countries and will be regional in nature. India has set up an example of responding internally and simultaneously in neighboring countries for the other countries to follow.

Some of the catastrophic disasters in recent times have led to changes in disaster policy and creation of new organization. Policy changes include the enactment of Disaster Management act 2005 and development of the national disaster management response framework. The national institute of disaster management itself and along with the disaster management cells in the states in providing training opportunity is disaster management.

3.4 INSTITUTIONAL POLICY FRAMEWORK UNDER DISASTER MANAGEMENT ACT 2005

3.4.1 The Historical Background

Government intervention in the form of relief measures in the years of droughts and famines has long history in India going back to the 19th century, when the British government of India formulated a Famine code specifying what is to be done by whom and under what circumstances. Following the Famine code, every state government formulated its own relief manual. The relief manuals of the states provide for provision of employment or relief only on a spasmodic basis. They acknowledged that the present system of relief could only be looked upon as a temporary measure, which would have to be set aside later and replaced by more systematic measures. Since the Indian state provides no social security or unemployment relief, the official declaration of the drought or flood continues to be the sole means of mitigating their harmful effects.

3.4.2 Current policies and strategies

In 1999, the governments setup a high powered committee to develop disaster management plans at the national, state and district levels. While the high powered committee was engaged in consultation with various stake holder groups around the country, the super cyclone which hit Orissa in October 1999 and the Bhuj earthquake which hit Gujarat in 2001 exposed major weakness in our disaster preparedness and emergency response capacities. The national committee on Disaster management constituted by the government of India reviewed the high powered committee report and approved some of the recommendations, one of the most significance ones being

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79 Famine commission 1988

the shifting of the primary responsibility for disaster management from the ministry of agriculture to the ministry of home affairs in government of India.

India became one of the first countries after the Indian Ocean tsunami of Dec 2004 to declare the national commitment to setup appropriate institutional mechanisms for more effective disaster management at the national, state and district levels. The disaster management bill was unanimously adopted by both houses of parliament and disaster management act 2005 demonstrated the national vision of paradigm shift from post disaster response to improving the pre disaster Preparedness, initiating disaster mitigation projects and strengthening emergency response capacities in the country. The Disaster Management act2005 stipulated the establishment of requisite institutional mechanisms for drawing up and monitoring the implementation of disaster management planes ensuring measures by various wings of the government for prevention and mitigating the effects of disasters and for undertaking a holistic co ordinate and prompt response to any disaster situation.91

3.4.3 The New Institutional Framework

The Disaster Management Act 2005 envisaged the establishment of the National Disaster Management Authority (NDMA), chaired by the Hon’ble Prime Minister of India, as the apex body for disaster management in the country, the State Disaster Management Authorities (SDMAs) chaired by the respective Chief Ministers at the state level and the District Disaster Management Authorities (DDMAs) chaired by the respective District Collectors and co-chaired by the elected representative of the Zilla Parishad in the respective districts. During NDMA’s first meeting, the Hon’ble Prime Minister for Finance, Union Minister for agriculture and the Deputy Chairman of the Planning Commission should be Permanent invitees for the NDMA

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meetings henceforth to facilitate greater synergy in decision making and for more effective mainstreaming of disaster management in development planning.  

A dedicated agency called the National Disaster Response Force (NDRF) has been established with personnel from the Para military forces for strengthening the preparedness and emergency response in the country. Eight battalions of the NDRF have been setup and deployed in strategic locations in the country and the NDRF personnel are being trained and equipped with state-of-the-art life saving equipments, search and rescue equipments, inflatable boats, etc. The NDRF personnel are also being trained for preparing and responding to chemical, Biological, radiological, and Nuclear (CBRN) emergencies. Since their inception, NDRF personnel have been deployed in many natural disaster situations to assist the local administration. During the Kosi floods in Bihar in 2008, the NDRF personnel evacuated more than 100,000 people from the flood-affected villages through the sustained effort of NDRF search and rescue teams using inflatable boats, and local country boats.  

The National Institute for Disaster Management (NIDM) has been established as the apex training institute for disaster management in India. NIDM coordinates the capacity building efforts for disaster management faculty in State Training Institutes and is collaboration with the World Bank Institute. The NIDM also hosts the SAARC Centre for Disaster Management”.

The disaster Management Act 2005 also stipulated that Disaster Response Funds and Disaster Mitigation Funds will be sent up at the national State and District levels. As the 12th finance Commission recommendations are applicable till 2010, the rationale and the modalities for the

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83 National Institute for Disaster Management(NIDM) p.25
setting up of these funds are being discussed with the 13th Finance Commission for their consideration and approval.\(^{84}\)

Besides, there is no specific legislation to provide an appropriate legal framework for disaster management, and the existing codes/registrations are not enforced strictly and the adoption of various standards and guidelines is not mandatory. In view of this, it is necessary to review the existing laws/codes/regulations relating to various aspects of disaster management and evolve a suitable mechanism for their strict enforcement preferably through a Central Act and State Acts as recommended by the High Powered Committee on Disaster Management. Furthermore, several projects and programmes that aims at reducing the vulnerability of people to disasters.

**3.5 THE NATIONAL DISASTER MANAGEMENT AUTHORITY**

**3.5.1 Establishment of National Disaster Management Authority**

Establishment of National Disaster Management Authority:-

- With effect from such date as the Central government may, by notification in the Official Gazette appoint in this behalf, there shall be established for the purposes of this Act, an authority to be known as the National Disaster Management Authority.

- The National Authority shall consist of the Chairperson and such number of other members, not exceeding nine, as may be prescribed by the Central Government.

- The term of office and conditions of service of members of the National Authority shall be such as may be prescribed.\(^{85}\)

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84 Recommendations of 13th Finance commission
85 Sec.3 of Disaster Management Act 2005
3.5.2 **Meeting of National Authority.**

The National Authority shall meet as and when necessary and at such time and place as the Chairperson of the National Authority may think fit.

- The Chairperson of National Authority shall preside over the meetings of the National Authority.
- If for any reason the Chairperson of the National Authority is unable to attend any meeting of the National Authority, the Vice-Chairperson of the National Authority shall preside over the meeting\(^86\).

3.5.3 **Appointment of officers and other employees of the National Authority.**

The Central Government shall provide the National Authority with such officers, consultants and employees, as it considers necessary for carrying out the functions of the National Authority\(^87\).

3.5.4 **Powers and functions of National Authority.**

Subject to the provisions of this act, the National Authority shall have the responsibility for laying down the policies, plans and guidelines for disaster management for ensuring timely and effective response to disaster.

Without prejudice to generality of the provisions contained National Authority may –

- Lay down policies on disaster management,
- Approve the National Plan,
- Approve plans prepared by the Ministries or Departments of the Government of India in accordance with the National Plan,

\(^86\) Sec4 of Disaster Management Act 2005
\(^87\) Sec5 of Disaster Management Act 2005
Lay down guidelines to be followed by the different Ministries or Departments of the Government of India for the purpose of integrating the measure for prevention of disaster or the mitigation of its effects in their development plans and projects,

Coordinate the enforcement and implementation of the policy and plan for disaster management,

Recommend provision of funds for the purpose of mitigation,

Provide such support to other countries affected by major disasters as may be determined by the central Government,

Take such other measures for the prevention of disaster, or the mitigation, or preparedness and capacity building for dealing with the threatening disaster situation or disaster as it may consider necessary,

Lay down broad policies and guidelines for the functioning of the National Institute of Disaster Management.

The Chairperson of the National Authority shall, in the case of emergency, have power to exercise all or any of the powers of the National Authority but exercise of such powers shall be subject to ex post facto ratification by the National Authority.\textsuperscript{88}

\textbf{3.5.5 Constitution of advisory committee by National Authority:-}

The National Authority may constitute an advisory committee consisting of experts in the field of disaster management and having practical experience of disaster management at the National, State or District level to make recommendations on different aspects of disaster management. The members of the advisory committee

\textsuperscript{88} Sec.6 of Disaster Management Act 2005
shall be paid such allowances as may be prescribed by the Central Government in consultation with the National Authority.  

3.5.6 Constitution of National Executive Committee

The Central Government shall, immediately after issue of notification constitutes a National executive Committee to assist the National Authority in the performance of its functions under this Act.

3.5.7 Powers and Functions of National Executive Committee

National Executive Committee shall assist the National Authority in the discharge of its functions and have the responsibility for implementing the policies and plans of the National Authority and ensure the compliance of directions issued by the Central Government for the purpose of disaster management in the country.

- Prepare the National Plan to be approved by the National Authority,
- Coordinate and monitor the implementation of the National Policy,
- Lay down guidelines for preparing disaster management plans by different Ministries or Departments of the Governments of India the State Authorities,
- Provide necessary technical assistance to the State Governments and the State Authorities for preparing their disaster management plans in accordance with the guidelines laid down by the National Authority,
- Monitor the implementation of the National Plan and the plans prepared by the Ministries or Departments of the government of India,
- Monitor the implementation of the guidelines laid down by the National Authority for integrating of measures for prevention of disasters and mitigation by the Ministries or department in their development plans and projects,

89 Sec.7 of Disaster Management Act 2005
• Monitor, coordinate and give directions regarding the mitigation and preparedness measures to be taken by different Ministries or Departments and agencies of the Government,

• Plan and coordinate specialized training programme for disaster management for different levels of officers, employees and voluntary rescue workers,

• Coordinate response in the event of any threatening disaster situation or disaster,

• Lay down guidelines for, or give directions to the concerned Ministries or departments of Government of India, the State Governments and the State Authorities regarding measures to be taken by them in response to any threatening disaster situation or disaster,

• Require any department or agency of the Government to make available to the National Authority or State Authorities such men or material resources as are available with it for the purposes of emergency response, rescue and relief,

• Advise, assist and coordinate the activities of the Ministries or Departments of the government of India, State Authorities, statutory bodies, other governmental or non-governmental organizations and others engaged in disaster management,

• Provide necessary technical assistance or give advice to the State Authorities and District Authorities for carrying out their functions under this Act.

• Promote general education and awareness in relation to disaster management, and

• Perform such other functions as the National Authority may require it to perform.\(^\text{90}\)

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\(^{90}\) Sec10 of Disaster Management Act 2005
3.6 STATE DISASTER MANAGEMENT

3.6.1 Establishment of State Disaster Management Authority

Every State Government shall, as soon as may be after the issue of the notification under Official gazette, establish a State Disaster Management Authority for the State with such name as may be specified in the notification of the State Government.

A State Authority shall consist of the Chairperson and such number of other member, not exceeding nine, as may be prescribed by the State Government and, unless the rules otherwise provide, the State Authority shall consist of the following members, namely

- The chief Minister of the State, who shall be Chairperson, ex officio,
- Other members, not exceeding eight, to be obtained by the Chairperson of the State Authority.91

3.6.2 Meeting of the State Authority

The State Authority shall meet as and when necessary and at such time and place as the Chairperson of the State Authority may think fit.

- The Chairperson of the State Authority shall preside over the meetings of the State Authority.
- If for any reason, the Chairperson of the State Authority is unable to attend the meeting of the State Authority, the Vice-Chairperson of the State Authority shall preside at the meeting.92

91 Sec14 of Disaster Management Act 2005
92 Sec15 of Disaster Management Act 2005
3.6.3 Powers and functions of State Authority

Subject to the provisions of this act, a state Authority shall have the responsibility for laying down policies and plans for disaster management in the State.

- Approve the State Plan in accordance with the guidelines laid down by the National Authority,
- Approve the disaster management plans prepared by the departments of the Government of the State,
- Lay down guidelines to be followed by the departments of the Government of the State for the purposes of integration of measures for prevention of disasters and mitigation in their development plans and projects and provide necessary technical assistance therefore,
- Coordinate the implementation of the State Plan,
- Recommend provision of funds for mitigation and preparedness measures,
- Review the development plans of the different departments of the State and ensure that prevention and mitigation measures are integrated therein,
- Review the measures being taken for mitigation, capacity building and preparedness by the departments of the Government of the State and issue such guidelines as may be necessary.
- The Chairperson of the State Authority shall, in the case of emergency, have power to exercise all or any of the powers of the State Authority but the exercise of such powers shall be subject to ex post facto ratification of the State Authority."43".

43 Sec16 of Disaster Management Act 2005
3.6.4 Constitution of State Executive Committee

The State Government shall, immediately after issue of notification constitutes a State Executive Committee to assist the State Authority in the performance of its functions and to coordinate action in accordance with the Guidelines.\(^4\)

The State Executive Committee shall consist of the following members, namely:-

- The Chief Secretary to the State Government, who shall be Chairperson, ex officio,
- Four secretaries to the Government of the State of such departments as the State Government may think fit, ex officio.
- The Chairperson of the State Executive Committee shall exercise such powers and perform such functions as may be prescribed by the State Government and such other powers and functions as may be delegated to him by the State Authority.
- The procedure to be followed by the State Executive Committee in exercise of its powers and discharge of its functions shall be such as may be prescribed by the State Government.

3.6.5 Functions of the State Executive Committee

The State Executive Committee shall have the responsibility for implementing the National Plan and State Plan and act as the coordinating and monitoring body for management of disaster in the State.

- Coordinate and monitor the implementation of the national Policy, the National Plan and State Plan,

\(^4\) Sec19 of Disaster Management Act 2005
• Examine the vulnerability of different parts of the State to different forms of disasters and specify measures to be taken for their prevention or mitigation,

• Lay down guidelines for preparation of disaster management plans by the departments of the Government of the State and District Authorities,

• Monitor the implementation of disaster management plans prepared by the departments of the Government of the State and District Authorities,

• Monitor the implementation of the guidelines laid down by the State Authority for integrating of measures for prevention of disaster and mitigation by the departments in their development Plans and projects,

• Evaluate preparedness at all governmental or non-governmental levels to respond to any threatening disaster situation or disaster and give directions, where necessary, for enhancing such preparedness,

• Coordinate response in the event of any threatening disaster situation or disaster,

• Give directions to any department of the Government of the State or any other authority or body in the State regarding actions to be taken in response to any threatening disaster situation or disaster,

• Promote general education, awareness and community training in regard to the forms of disasters to which different parts of the State are vulnerable and the measures that may be taken by such community to prevent the disaster, mitigate and respond to such disaster,

• Advise, assist and coordinate the activities of the Departments of the Government of the State, District Authorities, statutory bodies and other governmental and non-governmental organizations engaged in disaster management,
• Provide necessary technical assistance or give advice to District Authorities and local authorities for carrying out their functions effectively,

• Advise the State Government regarding all financial matters in relation to disaster management,

• Examine the construction, in any local area in the State and, if it is of the opinion that the standards laid for such construction for the prevention of disaster is not being or has not been followed, may direct the District Authority or the local authority, as the case may be, to take such action as may be necessary to secure compliance of such standards,

• Provide information to the national Authority relating to different aspects of disaster management,

• Lay down, review and update State level response plans and guidelines and ensure that the district level plans are prepared, reviewed and updated,

• Ensure that communication systems are in order and the disaster management drills are carried out periodically,

• Perform such other functions as may be assigned to it by the State Authority or as it may consider necessary.95

3.7 DISTRICT DISASTER MANAGEMENT

3.7.1 Constitution of Disaster Management Authority

Every State Government shall, as soon as may be after issue of notification in the official Gazette, establish a District Disaster Management Authority for every district in the State with such name as may be specified in that notification.

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95 Sec22 of Disaster Management Act 2005
• The District Authority shall consist of the Chairperson and such number of other members, not exceeding seven, as may be prescribed by the State Government, and unless the rules otherwise provide, it shall consist of the following namely,

The collector or district Magistrate or Deputy Commissioner, as the case may be, of the district who shall be Chairperson, ex officio,

• The elected respective of the local authority who shall be the co-chairperson, ex officio,

• The State Government shall appoint an officer not below the rank of Additional Collector or Additional District Magistrate or Additional Deputy Commissioner.96

3.7.2 Powers of chairperson of District Authority

The Chairperson of District authority shall, in addition to presiding over the meetings of the District authority, exercise and discharge such powers and functions of the District authority may delegate to him.

• The chairperson of the district authority shall, in the case of an emergency, have power to exercise all or any of the powers of the district authority but the exercise of such of powers shall be subject to ex post facto ratification of the district authority.

• The district authority or the chairperson of the district authority may, by general or special order, in writing delegate such of its or his powers and functions to the Chief Executive Officer of the district authority, subject to such conditions and limitations, if any as it or he deems fit.97

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96 Sec25 of Disaster Management Act 2005
97 Sec26 of Disaster Management Act 2005
3.7.3 **Meetings.** The district authority shall meet as and when necessary and at such time and place as the Chairperson may think fit.

3.7.4 **Powers and Functions of District Authority**

The district authority shall act as the district planning; coordinating and implementing body for disaster management and take all measures for the purpose of disaster management in the district in accordance with the guidelines lay down by the National authority and State authority.

- Prepare a disaster management plan including district response plan for the district,
- Coordinate and monitor the implementation of the National policy, State policy, National plan State plan and District plan,
- Ensure that the areas in the district vulnerable to disasters are identified and measures for the prevention of disasters and the mitigation of its effects are undertaken by the departments of Government at the district level as well by local authorities,
- Ensure that the guidelines for prevention of disasters, mitigation of its effects, preparedness and response measures as laid down by the National authority are followed by the departments of the Government at the district level and the local authorities in district,
- Give directions to district authorities at the district level and local authorities to take such other measures for the prevention or mitigation of disasters as may be necessary,
- Lay down guidelines for prevention of disaster management plans by the department of the government at the district level local authorities in the district,
• Monitor the implementation of disaster management plans prepared by the Departments of the Government at the district level,

• Lay down guidelines to be followed by the departments of government at the district level for purpose of integration of measures for prevention of disasters and mitigation in their development plans, projects and provide necessary technical assistance,

• Ensure that the departments of the government at the district level and local authorities prepare their response plan,

• Lay down guidelines for or give direction to the concerned department of the government at the district level or any other authorities within the local limits of the district to take measures to respond effectively to any threatening disaster situation or disaster,

• Advise, assist and coordinate the activities of the departments of the government at the district level, statutory bodies and other governmental and nongovernmental organizations in the district engaged in the disaster management,

• Coordinate with and give guidelines to, local authorities in the district to ensure that measures for the prevention or mitigation of threatening disaster situation or disaster in the district are carried out promptly and effectively,

• Provide necessary technical assistance or give advice to the local authorities in the district for carrying out their functions,

• Review development plans prepared by the departments of the government at the district level, statutory authorities with a view to make necessary provisions there in for prevention of disaster mitigation,
• Examine the construction in any area in the district and if it is of the opinion that the standards for the prevention of disaster or mitigation lay down for such construction is not being or has not been followed, may direct the concerned authority to take such actions may be necessary to secure compliance of such standards,

• Identify buildings and places which could, in the event of any threatening disaster situation or disaster, be used as relief centers or camps and make arrangements for water supply and sanitation in such buildings or places,

• Establish stockpiles of relief and rescue materials or ensure preparedness to make such materials available at a short notice,

• Providing information to the State authority relating to different aspects of disaster management,

• Encourage the involvement of nongovernmental organizations and voluntary social welfare institutions working at the grassroots level in the district for disaster management,

• Ensure communication system are in order, and disaster managements are carried out periodically,

• Perform such other functions as the State government or State authority may assign to it or as it deems necessary for disaster management in the District.\textsuperscript{98}

\textsuperscript{98} Sec30 of Disaster Management Act 2005
3.8 INSTITUTIONAL POLICY FRAMEWORK

At the national level, the Ministry of Home Affairs is the nodal Ministry for all matters concerning disaster management. The Central Relief Commissioner (CRC) in the Ministry of Home Affairs is the nodal officer to coordinate relief operations for natural disasters. The CRC receives information relating to forecasting/warning of a natural calamity from India Meteorological Department (IMD) or from Central water Commission of Ministry of Water Resources on a continuing basis. The Ministries/Departments/Organizations concerned with the primary and secondary functions relating to management of disasters include,\textsuperscript{99} India Meteorological Department, Central Water Commission, Ministry of Home Affairs, Ministry of Defense, Ministry of Rural Development, Ministry of Urban Development, Department of Communication, Ministry of Health, Ministry of Water Resources, Ministry of Petroleum, department of Agriculture and cooperation, Ministry of power, Department of Civil Supplies, Ministry of Railways, Ministry of Information and Broadcasting, Planning Commission, Cabinet Secretariat, Department of Transport, Ministry of Social Justice, Department of Women and Child Development, Ministry of Environment and Forest, Department of Food. Each department nominates their nodal officer to Crisis Management Group chaired by Central Relief Commissioner. The nodal officer is responsible for preparing action plan for managing disasters.\textsuperscript{100}

3.8.1 Roles and Responsibilities

NDMA as the apex body is mandated to lay down the policies, plans and guidelines for disaster management to ensure timely and effective response to disasters. Towards this, it has following responsibilities.


\textsuperscript{100} Id  p.06
3.8.2 Approve the National Plan

Approve plans prepared by the Ministries or Departments of the Government of India in accordance with the national Plan,

- Lay down guidelines to be followed by the State Authorities in drawing up the State Plan,
- Lay down guidelines to be followed by the different Ministries or Departments of the Government of India for the Purpose of integrating the measures for prevention of disaster or the mitigation of its effects in their development plans and projects,
- Coordinate the enforcement and implementation of the policy and plan for disaster management,
- Recommend provision of funds for the purpose of mitigation,
- Provide such support to other countries affected by major disasters as may be determined by the central government,
- Take such other measures for the prevention of disaster, or the mitigation, or preparedness and capacity building for dealing with the threatening disaster situation or disaster as it may consider necessary,
- Lay down broad policies and guidelines for the functioning of National Institute of Disaster Management.\(^\text{101}\)

3.8.3 Organization

National Disaster Management Authority has been constituted with the Prime Minister of India as its chairman, a Vice Chairman with the status of Cabinet Minister, and eight members with the status of Ministers of State. Each of the

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members has a well defined functional domain covering various states as also disaster specific areas of focus and concern. To carry out the mandated functions, NDMA has evolved a lean and professional organization which is IT enabled and knowledge based. Skills and expertise of the specialists are extensively used to address all the disaster related issues. A functional and operational infrastructure has been built which is appropriate for disaster management involving uncertainties coupled with desired plans of action. The concept of organization is based on disaster divisions cum secretariat system. The NDMA secretariat headed by a secretary is responsible to provide secretarial support and continuity.\(^{102}\)

3.8.4 National Disaster Response Force -NDRF

The Disaster Management Act, 2005 has and dated constitution of NDRF, a specialist response force, foe the purpose of specialized response to natural and man-made disasters. This Force will function under the National Disaster Authority which has been vested with its control, direction and general superintendence. This will be a multi-disciplinary, multi-skill, high-tech force for all types of disasters capable of insertion by air, sea and land. All the eight battalions of NDRF are equipped and trained for all natural disasters including four battalions in combating nuclear, biological and chemical disasters.\(^{103}\)

3.8.5 National Crisis Management Committee (NCMC)

Cabinet Secretary, who is the highest executive officer, heads the NCMC. Secretaries of all the concerned Ministries /Departments as well as organizations are the members of the committee the NCMC\(^{104}\) gives direction to the Crisis Management Group as deemed necessary. The Secretary, Ministry of Home affairs is responsible for ensuring that all developments are brought to the notice of the NCMC promptly.

\(^{102}\) Available at http://ndma.gov.in/ndma/index.htm visited on 25.01.12 at 02.35p.m
\(^{103}\) Available at http://www.ndrf.net/ visited on 26.01.12 at 04.00p.m
\(^{104}\) Available at http://www.ncmc.net /visited on 27.01.12 at 03.45p.m
The NCMC can give directions to any Ministry/Department/organization for specific action needed for meeting the crisis situation.

3.8.6 Crisis Management Group

The Central Relief Commissioner in the Ministry of Home Affairs is the Chairman of the CMG, consisting of senior officers (called nodal officers) from various concerned Ministries. The CMG’s functions are to review every year contingency plans formulated by various Ministries/Departments/Organizations in their respective sectors, measures required for dealing with natural disasters, coordinate the activities of the Central Ministries and the State Governments in relation to disaster preparedness and relief and to obtain information from the nodal officers on measures relating to above. The CMG, in the event of a natural disaster, meets frequently to review the relief operations and extend all possible assistance required by the affected States to overcome the situation effectively. The Resident Commissioner of the affected State is also associated with such meetings.105

3.8.7 Control Room (Emergency Operation Room)

An emergency Operation Centre (Control Room) exists in the nodal Ministry of Home Affairs, which functions round the clock, to assist the Central Relief Commissioner in the discharge of his duties. The activities of the Control Room include collection and transmission of information concerning natural calamity and relief, keeping close contact with governments of the affected States, interaction with other Central Ministries/Departments/Organizations in connection with relief, maintaining records containing all relevant information relating to action points and contact points in Central Ministries etc., keeping up-to-date details of all concerned officers at the central and State levels.106

3.8.8 Contingency Action Plan

Contingency Action Plan (CAP) for dealing with contingencies arising in the wake of natural disasters has been formulated by the Government of India and it had been periodically updated. It facilitates the launching of relief operations without delay. The CAP identifies the initiatives required to be taken by various Central Ministries/Departments in the wake of natural calamities, sets down the procedure and determines the focal points in the administrative machinery.\textsuperscript{107}

3.8.9 State relief Manuals

Each State Government has relief manuals/codes which identify that role of each officer in the State for managing the natural disasters. These are reviewed and updated periodically based on the experience of managing the disasters and the need of the State.\textsuperscript{108}

3.8.10 Funding mechanism

The policy and funding mechanism for provision of relief assistance to those affected by natural calamities is clearly laid down. These are reviewed by the Finance Commission appointed by the Government of India every five years. The Finance Commission makes recommendation regarding the division of tax and non-tax revenues between the Central and the State Governments and also regarding policy for provision of relief assistance and their share of expenditure thereon. A **Calamity Relief Fund (CRF)** has been set up in each State as per the recommendations of the Eleventh Finance Commission. The size of the calamity Relief Fund has been fixed by the Finance Commission after taking into account the expenditure on relief and rehabilitation over the past 10 years. The Government of India contributes 75\% of the


corpus of the Calamity Relief Fund in each State. Relief assistance to those affected by natural calamities is granted from the CRF. Overall norms for relief assistance are laid down by a national committee with representatives of States as members. Different States can have State specific norms to be recommended by State level committee under the Chief Secretary. Where the calamity is of such proportion that the funds available in the CRF will not be sufficient for provision of relief, the State seeks assistance from the NCCF – a fund created at the Central Government level. When such requests are received, the requirements are assessed by a team from the central Government and thereafter the assessed requirements are cleared by a High Level Committee chaired by the Deputy Prime Minister. In brief, the institutional arrangements for response and relief are well established and have proved to be robust and effective.

In the federal set up of India, the basic responsibility for undertaking rescue, relief and rehabilitation measures in the event of a disaster is that of the State Government concerned. At the State level, response, relief and rehabilitation are handled by departments of Relief and Rehabilitation. The State Crisis Management Committee set up under the Chairmanship of Chief Secretary who is the highest executive functionary in the State. All the concerned departments and organizations of the State and Central Government Departments located in the State are represented in this committee. This Committee reviews the action taken for response and relief and gives guidelines as necessary. A control room is established under the Relief Commissioner. The control room is in constant touch with the climate monitoring/forecasting agencies and monitors the action being taken by various agencies in performing their responsibilities. The district level is the key level for disaster management and relief activities.

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109 Available at www.crf.com visited on 25.08.12 at 02.30p.m
110 Available at www.nccf.com visited on 25.08.12 at 03.30p.m
The Collector/ Dy. Commissioner are the chief administrator in the district. He is the focal point in the preparation of district plans and in directing, supervising and monitoring calamities for relief. A District Level Coordination and Relief Committee is constituted and is headed by the Collector as Chairman with participation of all other related government and non-governmental agencies and departments in addition to the elected representatives. The Collector is required to maintain close liaison with the district and the State Governments as well as the nearest units of Armed Forces/Central police organizations and other relevant Central Government organizations like Ministries of Communications, Water Resources, Drinking Water, and Surface Transport, who could supplement the efforts of the district administration in the rescue and relief operations. The efforts of the Government and non-governmental organizations for response and relief and coordinated by the Collector/ Dy. Commissioner. The District magistrate/Collector and Coordinate Committee under him reviews preparedness measures prior to a impending hazard and coordinate response when the hazard strikes. As all the Departments of the State Government and district level report to the Collector, there is an effective coordination mechanism ensuring holistic response.\textsuperscript{111}

3.9 NEW INSTITUTIONAL MECHANISM

As has been made clear above, the existing mechanisms had based on post-disaster relief and rehabilitation and they have proved to be robust and effective mechanisms in addressing these requirements. The changed policy/approach, however, mandates a priority to full disaster aspects of mitigation, prevention and preparedness and new institutional and policy mechanisms are being put in place to address the policy change.\textsuperscript{112}

\textsuperscript{111} GOVT OF INDIA (2004), Disaster Management Status Report 2004, Ministry of Home Affairs, Govt of India, New Delhi
\textsuperscript{112} Disaster Management Act2005 p.86
It is proposed to constitute a National Emergency Management Authority at the National level. The High Powered Committee on Disaster Management which was set up in August, 1999 and submitted its Report in October, 2001, had inter alia recommended that a separate Department of Disaster Management be set up in the Government of India. It was, however, felt that conventional Ministries/Departments have the drawback of not being flexible enough especially in terms of the sanction procedures. The organization at the apex level will have to be multi-disciplinary with experts covering a large number of branches. The National Emergency Management Authority has, therefore, been proposed as a combined Secretariat/Directorate structure – a structure which will be an integral part of the Government and, therefore, will work with the full authority of the Government while, at the same time, retaining the flexibility of a field organization. The National Emergency Management Authority will be headed by an officer of the rank of Secretary/Special Secretary to the Government in the Ministry of Home Affairs with Special Secretaries/Additional Secretaries from the Ministries/Departments of Health, Water Resources, Environment and Forests, Agricultural, Railways, Atomic Energy, Defense, Chemicals, Science and Technology, Telecommunications, Urban Employment and Poverty Alleviation, Rural Development and India Meteorological Department as Members of the Authority. The Authority would meet as often as required and review the status of warning systems, mitigation measures and disaster preparedness. When a disaster strikes, the Authority will coordinate disaster management activities.\textsuperscript{113}

3.10 DISASTER MANAGEMENT THROUGH FIVE YEARS PLANES

The Planning Commission, Government of India constituted a Working Group on Disaster Management in the context of preparation of the Eleventh Five year Plan (2012-2017), under the Chairmanship of Dr Mohan Kanda, Member, National Disaster Management Authority (NDMA), Government of India. The terms of

reference, inter alia, included examining the manner in which measures of disaster mitigation, preparedness and capacity building should be enhanced and integrated into the development plans of the Centre and the States. The Group was also entrusted with the responsibility of drawing up guidelines that need to be followed by the Planning Commission while according approval to programmes and projects, so as to ensure integration of disaster management principles in planning and plan implementation and to ensure that appropriate financial provisions for disaster management are build into the cost estimates.\textsuperscript{114}

For far too long disaster management in India was marginalized as an issue of providing relief and rehabilitation to the people affected by natural calamities. In the Central Government it occupied a place in the Ministry of Agriculture, in the States it was a concern of the Revenue or Relief Departments, while in the districts it was one of the many crisis management functions of the Collectors. There was hardly any attempt to look into the impact of disasters on the economy and development and to examine how at times development itself can lead to disasters as the recent urban floods in various parts of India has demonstrated. The significant issues of disaster risk reduction in the policies and programming of various plan schemes on poverty alleviation, environment, micro-credit, social and economic vulnerabilities, etc., have hardly ever been deliberated in the apex planning body of the country. the country’s commitment to mainstream disaster risk reduction into the process of development planning at all levels for sustainable development, as stated in Hyogo Framework of Action 2005-15: Building the Resilience of Nations and Communities to Disasters have not been carried forward across sectors for actionable programmes for achieving the desired results.\textsuperscript{115}

\textsuperscript{114} Yahoo News India. 2008. \textit{Developing world to deal with challenges in its own ways: PM}. Available at http://in.news.yahoo.com/-developing-world-to-deal-with-challenges visited on December 19, 2011 at 5.40 p.m
\textsuperscript{115}Hyogo Framework of Action 2005-15
3.10.1 Eleven Plan Formulations

The Eleven Five Year Plan, prepared in the backdrop of Orissa super cyclone, Gujarat earthquake and end of International Decade of Natural Disaster Reduction (IDNDR), for the first time, recognized disaster management as a development issue. The Plan document not only included a separate chapter on Disaster Management, it made a number of important prescriptions to mainstream disaster risk reduction into the process of development.

The Eleventh Plan Prescriptions on disaster Management can broadly be divided in three categories:

- Policy guidelines at the macro level that would inform and guide the preparation and implementation of development plans across sectors,
- Operational guidelines of integrating disaster management practices into development,
- Specific developmental schemes for prevention and mitigation of disasters”.

At the macro level, the Plan emphasized that while hazards, both natural or otherwise, are inevitable, the disasters that follow need not be so and the society can be prepared to cope with them effectively whenever they occur and called for a multi-pronged strategy for total risk management, comprising prevention, preparedness, response and recovery, on the one hand, and for initiating development efforts aimed towards risk reduction and mitigation, on the other”. It stated that only then we can look forward to “sustainable development.

At the operational level, the Plan made a number of very important prescriptions as given below:

- Institutional arrangements for disaster response should be streamlined by an integrated approach involving civilian and military resources, setting up a
modern permanent national command centre or operations room with redundant communications and data links to all State capitals, establishing a quick response team particularly for search and rescue operations, developing standard operating system for dealing with humanitarian and relief assistance from nongovernment sources and formulating a unified legislation for dealing with all types of disasters.

- A nationwide culture of prevention should be developed by introducing disaster management in school curriculum, including relevant aspects of disaster management in professional courses, enhancing the capacity of disaster managers by better training facilities and creating a massive awareness at all levels.

- Community level initiatives for disaster preparedness should be encouraged by involving people at the grassroots, particularly those who are more vulnerable, for better preparedness and response.

- Appropriate zone regulations, design standards, building codes and performance specifications should be developed for safe constructions.

- All development schemes in vulnerable areas should include a disaster mitigation analysis, whereby the feasibility of a project is assessed with respect to vulnerability of the areas.

- Disaster mitigation components should be built into all development projects, financed under the Plan, as part of approved project costs.

Given the pervasive nature of disasters and the widespread havoc caused by some of them, the Tenth Plan felt that “planned expenditure on disaster mitigation and prevention measures, in addition to the CRF, is required”. The Plan, however, stopped short of recommending any specific plan scheme for such scheme, except making a general recommendation as follows:
Creation of faculties in disaster management in all 28 states is proposed to be taken up in the Tenth Plan in addition to community mobilization, human resource development, establishment of Control Rooms and forging international cooperation in disaster management. There is also an urgent need for strengthening the disaster management pedagogy by creating disaster management faculties in universities, rural development institutes and other organizations of premier research.\textsuperscript{116}

3.11 CONCEPT OF DISASTER MANAGEMENT: NEW ORIENTATION

Neither the Planning Commission nor the Ministry of Home Affairs have a clear picture of the various Plan schemes of different Central Ministries and Departments which would qualify as mitigation schemes as per the Disaster Management Act. Hence a discussion may be called for with concerned Ministries and Departments regarding the status of implementation of the relevant mitigation schemes. The manner in which the schemes may be restructured for better convergence and implementation and for further mainstreaming disaster risk reduction into the process of their implementation during the XI Plan may have to be looked at. Across the board, disaster risk reduction measures can straightway be incorporated into all infrastructure projects and other development programmes involving construction of buildings, etc., such as Sarva Shikha Abhiyan, Indira Awas Yojana, Jawaharlal Nehru National Urban Renewal Mission, etc.\textsuperscript{117}

3.11.1 GOI-UNDP Disaster Risk Reduction Programme

The Ministry of Home Affairs is also implementing Phase II of a Community based Disaster Risk Mitigation Programme with the support of UNDP under a multi-donor programme at a total estimated cost of Rs. 153 crores (US$ 34 million) during the Tenth Plan period (2002-07). This programme is, however, outside the framework

\textsuperscript{117} Government of India 2009. Report of the High Powered Committee on Disaster Management, department of Agriculture and Cooperation, Ministry of Agriculture. p.23
of the Plane and is not reflected in the budget of the Ministry. Credited to be the largest community based disaster risk mitigation programme in the world, the programme covers 169 districts in 17 multi-hazard prone States of the country. The phase I of the programme was implemented in three states Gujarat, Orissa and Bihar during 2002-06 and has been rated well in a recent evaluation conducted by a team of consultants. While the general feedback of phase II of the programme is good, however, to draw the full benefit out of this, there is a definite need to increase the scope to cover other deficient areas too.

There is now a demand that the programme should be extended to all the States and Union Territories of the country. It is highly unlikely that the UNDP will be able to mobilize adequate donor assistance for continuing the programme beyond 2007. Therefore the programme should be taken up by the Government as a Plan Scheme covering the entire country. However on the basis of the experiences gained during the implementation of the programme, the design and content should be modified to integrate this with the District Disaster Management Authority and the Panchayat Raj system of the country. The programme should also be made more flexible according to the specific local needs and conditions prevailing in different parts of the country. It is estimated that an amount of Rs 450 crores shall be required for the implementation of Community based Disaster Risk Management Programme throughout the country during the Eleventh Plan period. This scheme will have to be specifically run by the NDMA with close assistance of all stakeholders.  

3.11.2 Other New Plan Schemes

While the different Plan Schemes under various Central Ministries and Departments cover a large area of disaster mitigation, there are still wide gaps which are not covered under any of the existing programmes. One such area is the Cyclone

Risk Mitigation which is proposed to be covered under the World Bank assisted National Cyclone Risk Mitigation Project. The XI Plan must provide adequate provision for counterpart funding for the Project. Similarly a National Earthquake Risk Mitigation Project should be taken up, with focus on various structural and non-structural measures for mitigating the risks of earthquakes in different seismic zones of the country, including retrofitting of all life line structures in all urban areas located in seismic zones IV and V of the country. The estimated cost of the project is Rs1642 crores, which should also be provided in the XI Plan.\textsuperscript{119}

The ongoing deliberations on Eleventh Five Year Plan provide opportunity to conceptualize the composition of Disaster Mitigation Fund at National, State and District levels, as provided in the Disaster Management Act. The Act authorizes the Central Government to constitute a Fund to be called the National Disaster Mitigation Fund for projects exclusively for the purpose of mitigation. This Fund shall be established after due appropriation by Parliament by law in this behalf. The Act further directs the State Governments to establish State Disaster Mitigation Fund and District Disaster Mitigation Fund immediately after the notifications constituting the State and District Authorities are issued. Therefore constitution of the Disaster Mitigation Fund at the State and District levels is mandatory requirements of law immediately after the State and District Authorities are set up, but the National Disaster Mitigation Fund may come up as and when it is notified by the Central Government.

The Act defines mitigation to include ‘measures aimed at reducing the risk, impact or effects of a disaster or threatening disaster situation’. Thus, mitigation measures are essentially in the nature of developmental works which are normally

funded out of the Plan Budget of the Ministries/Departments of the Government. Therefore, formulation of Eleventh Five Year Plan provides a good opportunity to integrate Disaster Mitigation Fund with the well established planning mechanism of the country.

As yet there does not seem to be any clear thinking, much less a consensus, on the nature, composition, scope and quantum of Disaster Mitigation Fund that would be established at National, State and District levels. The High Power Committee (HPC) on Disaster Management had recommended that at least 10 percent of plan funds at the National, State and District levels should be earmarked and apportioned for schemes which would specifically address areas such as prevention, reduction, preparedness and mitigation of disasters. The Eleventh Finance Commission considered the issue at length and concluded that these cannot be funded either out of the Calamity Relief Fund (CRF) or National Calamity Contingency Fund (NCCF).120

3.12 ROLE OF FINANCE COMMISSION

3.12.1 Disaster Mitigation Fund

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3.12.2 Present Disaster Management Framework in India.

India has been affected by many disasters like earthquakes, cyclones, floods and droughts. Besides natural disasters, the vulnerability to nuclear, biological and chemical disasters and terrorism is increasing day by day. Approximately 58.6 percent of the total area of the country is vulnerable to earthquakes of moderate to very high intensity; over 12 percent of land (40 million hectares) is prone to floods and river disasters.

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erosion; around 68 per cent of the cultivable area is vulnerable to drought and about 8.5% of land (5,700 km of the 7,516 km) long coastline of the country is prone to cyclones and tsunamis. Disasters, natural or man-made, have always had substantial economic burden on the country.122

3.12.3 Change in Approach towards Disaster Management

Historically, Indian disaster management strategy has focused on post disaster relief, and reconstruction and rarely given importance to ex ante disaster management techniques. However, in the recent past with increasing natural disasters occurring across the country, the need for a more holistic approach to disaster management has been felt. Based on the recommendations of the Ninth Finance Commission, the Calamity Relief Fund was created in 1990 for each state1. In 2002, through an amendment to the Business Allocation Rules, the mandate of disaster management was transferred to the Ministry of Home affairs from the Ministry of Agriculture. Only drought remained under the Ministry of Agriculture and epidemics remained under the Ministry of Health. This brought a broader scope to disaster management in India.

The existing National Centre for Disaster Management which was established in 1995 as a response to the International Decade for Natural Disaster Reduction and in October 2003 was upgraded to form the National Institute of Disaster Management.123 The Disaster Management Act was passed in 2005 and was instrumental in bringing about fundamental and was instrumental in bringing about fundamental changes in approaching disaster management in India. Through this act, the NDMA under the chairmanship of the of the Prime Minister, SDMAs under the

Chief Ministers and DDMAs under the chairmanship of the District magistrates were set up. This Act has brought together all the institutions involved in the disaster management process. The National Disaster Management Authority was constituted in 2006. It concentrates on prevention, preparedness and mitigation of disasters. The NIDM was given the responsibility of developing training modules, undertaking research and documentation in disaster management through this act.

3.13 HISTORY AND GROWTH OF DOMESTIC DISASTER MANAGEMENT FUNDS

The National Disaster Management Program, put in place in 1992 had required increasing funding, from Rs. 63 million (in US) in the 8th Plan to Rs. 307.7 million (USD) in the 10th Plan. Currently, two (types of) funds are in place: CRF and NCCF. The present financial scheme which is in operation from 2005-06 to 2009-10 is based on the recommendations of the Twelfth Finance Commission and NCCF. It has also recommended that avalanches, cyclone, cloudburst, drought, earthquake, fire flood, hailstorm, landslide and pest attacks are to be considered as natural calamities for providing assistance from CRF/NCCF. CRF has been constituted for each state with an allocated amount. Contributions by the government and state government are in the ratio 3:1 Additional help is provided from the NCCF if the calamity is severe in nature. The Schemes of CRF/NCCF provide for only immediate relief to the victims of natural calamities. The expenditure on restoration of infrastructure and other capital assets are required to be met from the Plan funds of the States. In 2005, in the wake of the occurrence of several simultaneous natural disasters in India and following reports on Disaster management, the Government of India enacted the Disaster management Act. The disaster management mechanisms and financing changed in order to adopt a

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124 Available at ://ndma.gov.in/ndma/index.htmhttp://www.indiastat.com visited on 12.11.2012, at 06.25 p.m
more comprehensive approach to DM and a more adapted approach to fund requirements.125

3.14 CALAMITY RELIEF FUND

The existing Central Fund had been budgeted significantly increasing the amounts substantially (2\textsuperscript{nd} FC: Rs. 6.15 Crore up to 240.75 Crore by 8\textsuperscript{th} FC). The procedure to release funds necessary to state for receiving national funding consisted, until 1990, in providing a Memorandum by the State Government applying for Central aid and a visit by the central team to the affected State. From 1990 onwards, each state was to create a CRF. The decentralization of this fund enabled each state to assess the funds necessary to ensure appropriate disaster response and relief. The first amounts were based on the average expenditures by State for the 1980s decade, amount adjusted due to inflation. The funds, available as part of the CRF State funds, are to be spent to compensate losses such as loss of life, crop, livestock, emergency daily allowance, employment as per benefits defined by the Government. These funds are not available for infrastructure repairs are to be undertaken with only emergency necessary relief should be covered under these funds the contribution to the CRFs is shared between the Central Government – which contributes 75\% of the amounts and provides these sums in two installments every year – and the State Governments- for the remaining 25\%.126

The amounts deposited by the central Government and States in the CRF are invested in securities, deposits and other safe financial products as prescribed by Ministry of Finance. The investments are made by the local branch of the RBI or some other bank prescribed by the RBI. Funds transferred and maintained at state level are available to the state within reasonable time when a disaster occurs. Beside

the State Funds, a national fund, National Fund for Calamity NFCR, was in place. Its objective was to cover calamities of rare severity. But the definition of “rare severity” was not clear, leading to states using it inappropriately. It was therefore discontinued in 2005 upon recommendation of the 11th FC.\textsuperscript{127}

3.15 NATIONAL CALAMITY CONTINGENCY FUND

If the CRF is insufficient for a state confronted with a disaster, the state may request the use of a National Calamity Contingency Fund, provided by the Central Government. This fund is available in case of natural catastrophes like cyclones, drought, earthquakes, fire, flood, hailstorm, tsunami, landslide, avalanche and pest attacks. The State hit by a natural catastrophe has to request funds for the damage it incurred and funds necessary to cope with the outcome of the disaster. It has to submit a request to national-level commission.\textsuperscript{128}

3.16 PMNRF

It is a relief fund under the authority of the prime minister. The fund does not get any budgetary support and consists entirely of public contributions. All donations are exempt from taxes. The fund is generally invested in fixed deposits. The PMNRF is utilized to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and also to the victims of the major accidents and riots.

3.17 ACA – Additional Central Assistance

Another financing mechanism from the GIO to support states where disaster occurs exist, titled are the Additional Central Assistance. Unlike the other funds, the ACA is a combination of a Grant and a Loan to the affected state. States falling into


\textsuperscript{128} Available at www.disasterrelief.org visited on 03.04.2011, at 12.20 p.m
the general category receive 30% grant – 70% loan whereas the special category states get 90% of the amount as a grant and only 10% as a loan they will have to reimburse to the Central Government. The funds are released weekly according to the recommendations of the Aids Account and Audits division of the Ministry of Finance. The 12th Finance Commission has recommended that External Assistance may be passed on to states on the same terms and conditions, on which the loans/grants are received by GOI which has been accepted by the Government of India.\textsuperscript{129}

3.18 DRAWBACKS IN CURRENT MECHANISM

Now let us analyze the drawbacks of the current mechanism of flow of funds to disaster affected regions. There are many things that can be improved in the current system. Generally the state government will access the CRF for emergency disaster relief. But if the CRF is not sufficient to cover the losses, which is the case when severe disasters strike, the state government requests additional support from the central government. Whenever the state government requests additional financial support, the centre has to do a loss assessment on the basis of which, it decides the amount to be disbursed to the state government. If the central government is not able to supply funds, then it seeks help from bilateral and multilateral agencies. It requires acceptance of loan conditions which might not be in line with national or state capacity and ambitions. So, there is always a time gap between request for relief and actual financial support made available. There is considerable uncertainty in forecasting the actual losses and availability of funds. It is impossible to keep sufficient reserves to tackle disasters. Also, there is no standardized way for accurate loss assessment common to both the states and the centre. This can be observed from the fact that there is always a large difference between the amounts requested for by the states and the amounts delivered by the centre. Besides, the states cannot use

excess relief funds from the Calamity Relief Fund for risk mitigation activities as there is uncertainty in the amounts needed for the next financial year for post disaster relief. There are no specific steps towards the growth of domestic catastrophe insurance market. An efficient domestic insurance market backed by international reinsurers, government and other entities can take a significant part of the burden off the government’s shoulders.

3.19 ALTERNATE OPTIONS

We will now go through a number of exclusive pre-disaster mitigation tools that can be used by the government. These ex-ante mechanisms can be used as a rider with ex-post. They are

• **Catastrophe Risk Pooling**

Catastrophe risk pooling refers to the coming together of a range of parties like countries, insurers and reinsurers, people and donors who pool their resources to share the burden of an economic setback induced by a natural or man-made catastrophe. A country can share their disaster risk with other countries through a form of cooperative insurance. This is the concept of pooling. Such a mechanism can be effective when the number of countries sharing the risk is large enough, and the correlation of risks between participating countries is low which is a typical requirement in insurance for the ‘law of large numbers’ to work. Countries that are diverse geographically or among risks can form a group that will support each other during times of need. An example is the Caribbean catastrophe Risk Insurance Facility (CCRIF8). It is an insurance pool created by 16 Caribbean countries. It was started in 2007 with World Bank help. The risks covered are earthquake and hurricane.

130 Id p.12
• **Bank based solutions**

Debt forgiveness is a strategy for addressing post disaster financing is to make the repayment loans for projects or sovereign dept conditional on the non occurrence of catastrophic events. A country can apply this strategy when it takes loans from other countries or multilateral organizations. However unlike cat bond, which injects new capital, debt forgiveness repays existing debt. There is no automatic input of new capital that can then be spent. Debt is reduced, which frees up new borrowing capacity. But in order to invest in post disaster projects, the country has to activate this new debt capacity by appealing to its lenders for new capital.\textsuperscript{131}

• **Contingent financing**

It is always difficult for a country receiving severe blows from catastrophe to raise money in a medium term from debts. Most of such mid-term financing is essential to reset the infrastructure necessary for basic re-development of the affected region. However, very few lenders would agree to offer credit to such affected countries, looking at their vulnerable condition. Hence it is always beneficial to arrange for such credit in advance, contingent upon the catastrophe. That is, if a catastrophe occurs, the lender will deliver some certain amount of credit to the affected country/party in the country at the pre-determined rate. Though both of the financing techniques have been hardly implemented in the real world, they definitely hold a good potential. However, drastic reforms – particularly in the banking sector – will be required to actually see them in practice.\textsuperscript{132}

• **Need for Domestic insurance market**

The catastrophe market in India is in a very nascent stage. Only one percent of the losses (all catastrophe losses together till now) are insured. Uninsured loss of

\textsuperscript{131} Tobin, G., Sustainability and community resilience: the holy grail of hazard planning, Environmental Hazards, 2005. p. 13-25

income and assets caused by natural disasters in India is a major threat to the lives and livelihoods of a large section of the population. Hence, it is very important to promote the domestic insurance market. Typically, during a catastrophe government needs to give grants or soft loans to the needy. So, a well developed catastrophe market not only protects the insured but also puts lesser burden on government budget and it can focus more on providing relief and restoring public infrastructure. Mitigation of losses is very important aspect of disasters and without the community participation mitigation will not be very effective. Again, by making insurance available to only those communities that follow the norms, it is easy to implement the law. For example, in United States it is estimated that $1 billion of losses are reduced in every major flood because of the mitigation measured taken by the community alone. Insurer can manage risks better and would be able to market better. With its huge presence, Insurance industry will be able to better deliver the products and assess the claims. An insured individual is more certain about the time it will take for his claim to be settled and the amount he would receive. Though developed countries also are affected by disasters, they do not suffer that much casualty loss because of strict adherence to safety norms as compared to developing countries like India. By making insurance available only to the buildings that adhere to the norms set by the Government, it could be easy to enforce building standards and other safety norms.  

133 McCord Michael J. and Roth Jim(Micro insurance Centre LLC), “Scaling Up Index Insurance- What is needed for the next big step forward?”, 2007The World Catastrophe Reinsurance Market. p.45
3.20 CONCLUSION

From the grim realities of the scheme of having different type of world’s worst disasters, India has become a glowing example for other countries to follow in not only responding within the country during regional catastrophic disasters (exemplified by 2004 tsunami), but also to respond simultaneously in the neighboring countries. India has also shown the path to the world for starting disaster management education from middle and high school. This generation of middle and high school students will make probably near revolution in community based disaster management, which is the only proven method of disaster management; and it is hoped that India would be world leader in disaster management. Probably casting legal duty on citizens for providing help during disasters would also make India leading the way.

The greatest challenge India faces in disaster management is the challenge of removal of poverty, illiteracy, apathy, and corruption. Considerable pioneering and innovative advances are being made in disaster management education. Corruption is likely to reduce by use of Right to Information Act, 2005. Local and global competition and professionalism is likely to reduce apathy. But poverty is a herculean task for disaster management. For example, even if a fisherperson receives a warning and understands it properly, he may still take risk and venture in the sea in order to have means to feed his family in the evening.

There is paradigm shift in India from reactive approach of responding and calamity relief after the disaster to proactive approach of disaster prevention, preparedness, and mitigation. The enactment of Disaster Management Act, 2005, establishment of National Disaster Management Authority with Prime Minister as its Chairperson, and disaster management training by the national Institute of Disaster management along with the Disaster Management Cell of the state Administrative Training Institutes will help in India becoming disaster resilient.