



National Disaster Response Fund

 drishtias.com/printpdf/national-disaster-response-fund

Why in News

The Central Government has allowed **contributions from any person or institution** in the **National Disaster Response Fund (NDRF)** as per Section **46(1)(b) of the Disaster Management (DM) Act, 2005**.

Key Points

- **Formation:**
 - National Calamity Contingency Fund (NCCF) was renamed as National Disaster Response Fund (NDRF) with the enactment of the Disaster Management Act in 2005.
 - It is defined in Section **46 of the Disaster Management Act, 2005 (DM Act)**.
 - It is placed in the “**Public Account**” of Government of India under “**reserve funds not bearing interest**”.
 - **Public Accounts:** It was constituted **under Article 266 (2)** of the Constitution. It accounts for flows for those transactions where the **government is merely acting as a banker** eg. **provident funds, small savings** etc. These funds do not belong to the government and have to be paid back at some time.
 - Expenditures from it are not required to be approved by the Parliament.

- **Role:**
 - It is **managed by the Central Government** for meeting the expenses for **emergency response, relief and rehabilitation** due to any threatening disaster situation or disaster.
 - It supplements the **State Disaster Response Fund (SDRF)** in case of a disaster of severe nature, provided adequate funds are not available in the SDRF.
 - SDRF is the **primary fund available with the State governments** for responses to notified disasters to meet expenditure for providing immediate relief.
 - The Centre contributes 75% of the SDRF allocation for general category States and Union Territories, and 90% for special category States/UTs (northeast States, Sikkim, Uttarakhand, Himachal Pradesh, and Jammu & Kashmir).
- **Financing:** Financed through the **levy of a cess on certain items**, chargeable to excise and customs duty, and approved annually through the **Finance Bill**.
 - Currently, a **National Calamity Contingent Duty (NCCD)** is levied to finance the NDRF and additional budgetary support is provided as and when necessary.
 - NCCD is levied in the case of goods specified in the Seventh Schedule (goods manufactured or produced).
- **Monitoring: Department of Agriculture and Cooperation** under the Ministry of Agriculture and Farmer Welfare monitors relief activities for calamities associated with **drought, hailstorms, pest attacks and cold wave/frost** while **rest of the natural calamities** are monitored by the **Ministry of Home Affairs (MHA)**.
Comptroller and Auditor General (CAG) audits the accounts of NDRF.

Source: TH