CHAPTER -9
FINANCIAL ARRANGEMENTS

With change of paradigm shift in DM from the relief-centric to proactive approach of prevention, mitigation, capacity building, preparedness, response, evacuation, rescue, relief, rehabilitation and reconstruction, effort would be made to mainstream and integrate disaster risk reduction and emergency response in development process, plans and programmes of the Government at all levels. This would be done by involving all the stakeholders – Government organisations, research and academic institutions, private sector, industries, civil society organization and community. DDMA will ensure mainstreaming of disaster risk reduction in the developmental agenda of all existing and new developmental programmes and projects which shall incorporate disaster resilient specifications in design and construction. Due weight age will be given to these factors while allocating resources. Project which help in reducing the existing vulnerability of the area would be given preference over projects which are likely to enhance it.

9.1) DISASTER RESPONSE AND MITIGATION FUNDS

District Disaster Response Funds and District Disaster Mitigation funds would be created at the District Level as mandated under section 48 of the Act . The disaster response funds at the district level would be used by the DDMA towards meeting expenses for emergency response, relief, rehabilitation in accordance with the guidelines and norms laid down by the Government of India and the State Government. The mitigation funds shall be used by the DDMAs for the purpose of mitigation as per the HP State Disaster Management Rules 2011.

9.2) RESPONSIBILITIES OF THE STATE DEPARTMENTS AND AGENCIES

All State Government Departments, Boards, Corporations, PRIs and ULBS will prepare their DM plans including the financial projections to support these plans. The necessary financial allocations will be made as part of their annual budgetary allocations, and ongoing programmes. They will also identify mitigation projects and project them for funding in consultation with the SDMA/DDMA to the appropriate funding agency. The guidelines issued by the NDMA vis a vis various disasters may be consulted while preparing mitigation projects.

9.3) TECHNO-FINANCIAL REGIME

Considering that the assistance provided by the Government for rescue, relief, rehabilitation and reconstruction needs cannot compensate for massive losses on account of disasters, new financial tools such as catastrophe risk financing, risk insurance, catastrophe bonds, micro-finance and insurance etc., will be promoted with innovative fiscal incentives to cover such losses of individuals, communities and the corporate sector. In this regard, the Environmental Relief Fund under the Public Liability Insurance Act, 1991, enacted for providing relief to chemical accident victims is worth mentioning. Some financial practices such as disaster risk insurance, micro-finance and micro-insurance, warranty on newly constructed houses and structures and linking safe construction with home loans will be considered for adoption