Chapter 9

Calamity Relief

9.1 Para 10 of the TOR requires us to review the present arrangements as regards financing of disaster management with reference to the National Calamity Contingency Fund and the Calamity Relief Fund and make appropriate recommendations thereon.

Calamity Relief Fund (CRF)

9.2 The problem of funding relief expenditure has been recognized by every finance commission since the second. Successive finance commissions since then have made recommendations with regard to provision for relief expenditure out of the revenues of the states and the extent of support to be extended by the centre to the states. The earlier arrangement made in this regard, at the behest of the Second Finance Commission, was commonly called the 'margin money scheme'. This arrangement, which involved setting apart a specified sum by the states as margin for relief expenditure, with centre meeting excess requirement, continued to be endorsed by the later finance commissions upto the eighth, with some minor changes.

9.3 The present scheme of CRF is essentially based on the recommendations of the Ninth Finance Commission. While determining the size of the CRF the Ninth Finance Commission did not restrict itself to the margin money, as was done by the earlier (fourth to the eighth) finance commissions but took into consideration the average of ceilings of expenditure, which included margin money, advance plan assistance (grant and loan), special central assistance and the state's own share of 25 per cent over the ten year period ending in 1988-89. On this basis, the total amount of CRF for all states was worked out to Rs.804 crore per year. While determining the size of the CRF, the Tenth Finance Commission considered the average of the aggregate of ceilings of expenditure for the years 1983-84 to 1989-90 and the amount of CRF for the years 1990-91 to 1992-93 The amount so worked out for all the states was adjusted for inflation up to 1994-95 and thereafter, at graduated rates with the same elasticity as for other non-plan revenue expenditure, upto 1999-2000. The total amount of CRF for all states for the period 1995-2000 was thus worked out to Rs.6304.27 crore.

9.4 The salient features of the present scheme of the CRF, which is based on the recommendations of the Eleventh Finance Commission (EFC), are as under:

(i) The CRF should be used for meeting the expenditure for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood and hailstorm.

(ii) The size of the CRF of the states was fixed after taking into account the average expenditure incurred by the states under the major head 2245 for 12 years ending on 1998-99 at 1998-99 prices, after fully adjusting for inflation on the basis of consumer price index for industrial workers. The amount so worked out has been projected up to 1999-2000 on the basis of estimated inflation, and provision for each year up to 2004-05 has been made after assuming the current rate of inflation. Where the average expenditure worked out to be less, the allocation for the year 2000-01 was maintained at the level of 1999-2000, to ensure that no state got less than what it was getting earlier. In the case of the poorer states, such as Assam, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and West Bengal, the size of their CRF was strengthened by an additional provision of ten per cent of the aggregate size of the CRF, allocated among these six states in the same ratio in which these states had their own CRF.

(iii) The contributions from the centre and the states to the CRF are to be in the ratio of 75:25.

(iv) The share of the central government is remitted to the state governments in two installments on 1st May and 1st November of each financial year. Likewise the state governments also transfer the total contribution (including their own share) to the fund in two installments in May and November of the same year. Before an installment is released, the state should give a certificate indicating that the amount received earlier has been credited to the CRF. The certificate is to be accompanied by a statement giving the up-to-date expenditure and the balance amount available in the CRF. In order to ensure that the CRF funds are not diverted to meet expenditure not approved as per the items/norms laid down by the expert committee, the central government has now prescribed a detailed proforma in which the states are to report item-wise expenditure.

(v) The money drawn from the CRF is to be utilized for the purpose of providing immediate relief to the affected area and population only on items of expenditure and as per norms contained in the guidelines issued by the Ministry of Home Affairs, which has substituted the Ministry of Agriculture as the nodal ministry for the scheme of CRF.

(vi) Expenditure on restoration of infrastructure and other capital assets, except those which are intrinsically connected with relief operations and connectivity with the affected area and population, should be met from the plan funds on priority.

(vii) If in a particular year, the amount required to be spent on the natural calamity is more than the sum available in the CRF, the state should be able to draw 25 per cent of the funds due to the state in the following year from the centre, to be adjusted against the dues of the subsequent year.

(viii) The CRF is administered by the respective state level committees, headed by the chief secretary of the state and consisting of other officials, who are normally connected with the relief work and experts in various fields in the state. The committee decides on all matters connected with the financing of the relief expenditure, arranges to obtain the contributions from the concerned governments; administers the fund and invests the accretions to the fund as per the norms approved by the central government. The committee ensures that the money drawn from the CRF is actually utilized for the purposes for which the fund has been set up and only on items of expenditure and as per norms contained in the guidelines issued by Ministry of Home Affairs.

(ix) The investment of the funds is carried out by the branch of the Reserve Bank of India (RBI), having a banking department at the headquarters of the state. In the case of states in which there is no such branch of the RBI at state headquarters, the investment is to be carried out by the bank designated by RBI and in the case of governments of Jammu & Kashmir and Sikkim, these functions are carried out by their bankers. The accretions to the fund together with the income earned on the investment is to be invested in one or more instruments, such as (i) central government dated securities, (ii) auctioned treasury bills, (iii) interest earning deposits and certificates of deposits with scheduled commercial banks and (iv) interest earning deposits in co-operative banks. If for some reason, it is not possible to invest in the manner prescribed in the scheme, the periodic contributions to the fund as well as other income of the fund may be kept in the public account, on which the state government should pay interest on half-yearly basis to the fund at one and half times the rate applicable to overdrafts under Overdraft Regulation Scheme of the RBI.

(x) The balance in the fund at the end of the five-year plan period is made available to the state for being used as a resource for the next plan.

National Calamity Contingency Fund (NCCF)

9.5 Successive finance commissions have acknowledged the need for quick response and direct intervention of the central government in cases of calamities of rare severity and made recommendations in this regard. The seventh and eighth finance commissions recommended that in case the calamity is of rare severity, the centre should provide special assistance to the affected state over and above its prescribed share. The Ninth Finance Commission expected that, if any region faced a calamity of such dimensions and severity as to warrant its handling at the national level, the centre would take appropriate action as the situation demanded and incur the necessary expenditure. The Tenth Finance Commission, for the first time, formulated a distinct funding mechanism for taking care of calamities of rare severity. The Commission observed that any definition of the term 'rare severity' would bristle with insurmountable difficulties and is likely to be counter-productive. The Commission was of the view that a calamity of rare severity would necessarily have to be adjudged on a case-to-case basis taking into account, inter alia, the intensity and magnitude of the calamity, level of relief assistance needed, the capacity of the state to tackle the problem, the alternatives and flexibility available with the plans to provide succour and relief, etc. The Commission recommended setting up of a 'National Fund for Calamity Relief' (NFCR) to be managed by a National Calamity Relief Committee (NCRC). Both the centre and the states were to be represented in NCRC, which was to be chaired by the Union Minister of Agriculture and had members including the Deputy Chairman, Planning Commission and some chief ministers. The NFCR was to have a corpus of Rs. 700 crore to be contributed by the centre and the states in the ratio 75:25 over a period of 5 years.

9.6 While deliberating on the issue of calamities of rare severity, the EFC observed that under the scheme of NFCR the states had to go through a long-drawn procedure before they were allocated any relief from the committee. It was also pointed out that there had been occasions when the recommendations made by the central teams and the Inter-Ministerial Group for providing relief were either not accepted or were modified and the amount of relief was reduced. The EFC further observed that the corpus of the NFCR was not adequate to last for the full five years; it was exhausted in the first three years i.e. 1995-98 and had to be supplemented. The Commission recommended discontinuation of the fund, as it had not resulted in making funds readily available for meeting the calamity of rare severity. The EFC was, however, of the view that in the case of occurrence of calamity of rare severity, the states can not be left to fend for themselves and that the centre and other states are also expected to come forward to provide relief to the distressed state. The Commission, therefore, felt that there was a need to develop a system in which it should be possible to take suo motu cognizance of the occurrence of calamities of rare severity by the central government, without waiting for any memorandum from the state government or for the deputation of a central team for getting on-the-spot assessment of the damage and of the extent of relief required. The EFC recommended setting up of National Calamity Contingency Fund.

9.7 The salient features of the present scheme of the NCCF, based on the recommendations of the EFC, are as under:

(i) A National Centre for Calamity Management (NCCM) under the Ministry of Home Affairs has been established to monitor natural calamities relating to cyclone, drought, earthquake, fire, flood and hailstorm. The NCCM is expected to monitor such occurrences on a regular basis and assess their impact on the area and the population and to assess whether the state would be in a position to provide relief in a specific case of calamity of severe nature from the CRF and its own resources. It should then make a recommendation to the central government, on its own, as to whether the calamity is of a severe nature, and therefore, eligible for assistance from the central government and other state governments. The centre should then take appropriate action on such recommendation.

(ii) Any financial assistance provided by the central government to the states in this regard, should be recouped by levy of a special surcharge on central taxes. Collections from such a surcharge/cess should be kept in a separate fund created in the public account of the central government, to which it should contribute Rs. 500 crore as the initial core amount. Outgo from this fund should be recouped by levy of the surcharge.

(iii) The unspent balance in the National Fund at the end of the financial year 2004-05 will be available to the central government for being used as resource for the next plan.

Views of the States

9.8 The states have expressed their views on various issues related to the schemes of CRF and NCCF. Their views on some of the key issues are given below:

(a) On the issue of the size of the CRF, Andhra Pradesh, Punjab, Uttar Pradesh and Himachal Pradesh have urged that the size of the fund may be raised at least by 10 per cent per annum. Arunachal Pradesh and Assam have requested for raising the corpus of CRF by twice and thrice respectively. Kerala has suggested that the CRF may be enhanced to 10 per cent of the amount of the annual state plan size of the state concerned. Some of the states have represented that the size of the CRF should not be fixed on the basis of average annual expenditure only. While Andhra Pradesh and Orissa want the Twelfth Finance Commission to consider the proneness of the states to calamities and their severity, Madhya Pradesh has suggested for considering the drought prone area, duration, periodicity and other related factors. Bihar has submitted that the size of CRF be fixed on the basis of population affected, as per norms of relief and provision for restoration of infrastructural facilities. It further added that whatever be the size of the CRF, inflation should be fully provided for. Uttar Pradesh has also suggested for taking into consideration the intensity, regularity and duration of relief required, while determining the size of the CRF.

(b) Andhra Pradesh, Bihar, Haryana, Kerala, Maharashtra, Meghalaya, Orissa, Punjab, Tamil Nadu and Rajasthan have suggested that the contribution of the states to the CRF be reduced to 10 per cent, while Uttar Pradesh has suggested for keeping it at 15 per cent. Assam, Nagaland, Sikkim and Manipur are of the view that the entire funding should be done by the centre. Madhya Pradesh has suggested that backward states should not be made to contribute to the fund or alternatively, their contribution may be limited to 10 per cent. Tripura wants special category states to be relieved of making any contribution to the fund. Similarly, Uttaranchal has suggested that, for a disaster prone state like Uttaranchal, which is also fiscally disadvantaged, the entire relief should come from the centre as 100 per cent grant. Manipur has urged that, in view of the fiscal constraints being faced by the state, entire contribution to the CRF in its case should be made by the centre.

(c) A large number of calamities have been suggested by the states for providing relief. Most of these are area specific and have only been suggested by states, which get affected by these calamities. The calamities that have been suggested, apart from the existing six calamities under the CRF, (names of the states shown in the parenthesis), are landslides (Arunachal Pradesh, Assam and Tamil Nadu), soil erosion (Assam), heat and cold waves (Bihar, Haryana, Orissa), lightening (Haryana), pest attacks (Punjab, Tamil Nadu), water logging (Punjab), bamboo flowering (Mizoram) and changes in the course of rivers (Bihar).

(d) Andhra Pradesh, Assam, Himachal Pradesh, West Bengal and Uttar Pradesh have requested for allowing the states to meet expenditure on restoration of damaged infrastructure and bring it to pre-calamity level. On the issue of norms fixed for relief expenditure to be met out of the CRF, states have represented for their relaxation for the sake of flexibility of the scheme. According to Andhra Pradesh, in severe drought conditions norms may be relaxed for expenditure on capital works like digging of bore wells, installation of pumps etc. Gujarat and Uttar Pradesh have suggested that the expenditure on establishment to oversee the relief work should also be a valid charge on the CRF.

(e) Chhattisgarh and Gujarat have suggested that the states be allowed full freedom in the matter of investment of the accretion to the fund on the ground of liquidity. While Gujarat has suggested for keeping the fund in the public account of the states, Chhattisgarh is for complete freedom to the states on this issue, including the freedom to keep it in public account of the states. Uttar Pradesh has represented that for the sake of liquidity and sufficient return on the investment of funds, the investment pattern should be left to the discretion of state level committees.

(f) The states have suggested for the continuance of the NCCF, but with enhanced corpus. The states of Andhra Pradesh, Arunachal Pradesh and West Bengal are of the view that corpus of the NCCF is inadequate and should be suitably increased. Kerala has suggested that the corpus of the fund may be enhanced to the level of 10 per cent of the aggregate amount transferred as the central share of the CRF to the states. As per Maharashtra, the initial core amount of Rs. 500 crore for NCCF should be increased to Rs. 1000 crore.

(g) Kerala is of the view that the disaster of rare severity may be defined very clearly with parameters for different kinds of disasters and scales of intensity so as to minimize discretion and delay. Orissa has expressed the view that the funding and rehabilitation during the natural calamities of rare severity should be flexible and adequate and it should be free from any bias.

Views of the Central Government

9.9 The Ministry of Home Affairs has, in its memorandum, made a case for shifting focus from post-disaster relief to pre-disaster preparedness and mitigation. The Ministry has suggested setting up of a special fund called Disaster Mitigation Fund to be created for the preparedness and mitigation aspects, and to be placed at the disposal of the Ministry of Home Affairs. It has also been brought out in the memorandum of the Ministry of Home Affairs that, based on the recommendations of an expert group set up by the Ministry, the norms of expenditure have been revised. Now the states are permitted to use 10 per cent of the inflows into the CRF each year for the procurement of search and rescue equipment for the search and rescue teams to be set up by the states. The Ministry of Home Affairs considers this, alongwith the provision of permitting use of CRF for training specialists' teams as a change in orientation – permitting use of CRF for preparedness. On the other hand, the Ministry of Finance is of the view that it is important to keep the focus of CRF/NCCF primarily on calamity relief and disaster mitigation; reconstruction and like activities should be funded separately as distinct plan schemes. The Ministry of Home Affairs is of the view that the present system of determining the size of CRF on the basis of average expenditure incurred in the past is heavily loaded against poorer states and the states which incur expenditure from CRF more cautiously. The Ministry has therefore, recommended that factors like vulnerability/hazard profile, poverty status of the states, amount of losses due to disasters in last ten years, etc. should be taken into consideration in addition to the existing criteria for determining the size of CRF. Other suggestions made by the Ministry of Home Affairs are with regard to inclusion of land slides and avalanches in the list of calamites eligible for relief from CRF/NCCF and making provision for relief to union territories from the NCCF, as no contribution is made by the states to the corpus of NCCF.

Recommendations

9.10 Having considered the views of the states and the central ministries, we find that the CRF scheme has by and large fulfilled the objective of meeting the immediate relief needs of the states. Accordingly, we recommend continuance of the scheme of CRF in its present form with some minor changes as suggested hereafter.

9.11 In order to determine the size of the CRF, relief expenditure incurred under the major head 2245 for the years 1993-94 to 2002-03 has been taken into account, as the figures for 2003-04 were available as revised estimates only. For this purpose, allocations from the NCCF have been excluded. Thereafter, we have followed the methodology of the EFC for fixing the size of the CRF. The average of the total expenditure incurred during these years has been adopted as the projected figure for 2003-04 and an annual rate of inflation of 5 per cent has been added for each year up to 2009-10. It was noticed that in some years, the expenditure of some of the states increased considerably, because of certain events (like earthquake in Gujarat or super cyclone in Orissa), which may not recur during our award period. It is also recognized that taking expenditure as the criterion for providing relief may not do justice to states, which could not afford to spend because of low fiscal capacity, despite the need. The EFC had made an additional provision of ten per cent of the aggregate size of the CRF to be allocated among 'low-income' states of Assam, Bihar, West Bengal, Orissa, Uttar Pradesh and Madhya Pradesh. In our view, the problem of low income states persists and we have taken care of this aspect by making an additional allocation of 25 per cent to undivided Uttar Pradesh, Madhya Pradesh and Bihar alongwith those for Orissa, West Bengal and the special category states. Allocations to the newly created states of Jharkhand, Chhattisgarh and Uttaranchal have been made on the basis of the proportion of area. We noticed that in case of Uttaranchal, reckoning of average relief expenditure on the basis of area and making of additional provision on account of its being a special category state, have not done full justice to the state. This is for the first time that the size of the CRF of Uttaranchal is being determined. Uttaranchal, although comparable to Himachal Pradesh in area, terrain and climatic conditions, has more population. Therefore, to bring some degree of parity to the CRF of Uttaranchal as compared to that of Himachal Pradesh, its allocation is enhanced by a sum of Rs. 144 crore. Taking all these into consideration, the size of the CRF of each state has been determined for each year from 2005-06 to 2009-10. The size of the CRF, thus, gets enhanced from Rs.11007.59 crore in the EFC period to Rs.21333.33 crore under our allocation. The centre's contribution increases from Rs.8255.69 crore to Rs. 16,000 crore. It may be noted that the size of CRF for each state as recommended by us, is larger than what was recommended by the EFC even after indexation for inflation. This takes care of the demand of the states to enhance the size of the CRF and for providing for inflation. We are, however, not inclined to agree to the suggestions of the states and of the Ministry of Home Affairs to take into account other factors like the proneness of the states to calamities and their severity and amount of losses due to disasters in last ten years. We endorse the views of the EFC on the issue, that all these factors are reasonably captured by data on relief expenditure incurred under the major head 2245 over a period of time. We are also not inclined to agree to the suggestion of the states with regard to reducing the contribution of the states to the CRF. States' own contribution to the CRF instills a sense of responsibility in the states and curbs the tendency to incur wasteful expenditure from the fund. We, therefore, recommend that the centre and the states will continue to contribute to the CRF to the extent of 75 per cent and 25 per cent respectively.

9.12 We find considerable justification in widening the list of calamities, which may be covered by our recommendations. The definition of natural calamity, as applicable at present, may be extended to cover land slides, avalanches, cloud burst and pest attacks. Although our terms of reference include the term “disaster”, we do not consider it feasible to expand the scope of the term further. Other disasters, chemical and industrial, as also air/railway accidents may continue to be taken care of by the respective ministries.

9.13 Expenditure on restoration of infrastructure and capital assets will continue to be excluded, as any expenditure other than that incurred for the purpose of providing immediate relief to the states on the occurrence of a calamity, will not only put a very heavy burden on the CRF but will also lead to wasteful expenditure on the part of the states to the detriment of the scheme of CRF. The restoration of damaged infrastructure has to be planned very often to new standards, arrived at after detailed analysis of the phenomena that caused the damage and also it has to be done by following the prescribed procedure, which, obviously, is not possible as part of any immediate relief programme.

9.14 Several states as well as the Ministry of Home Affairs have referred to the requirements relating to disaster preparedness and mitigation. We agree that this is an important area, which requires consideration. But, this needs to be built into the state plans, as has been the practice. The focus of CRF/NCCF must be primarily on calamity relief. In relation to disaster preparedness, a suggestion that has been made is for hazard mapping for different types of calamities. In this context, it will be useful to set up a committee consisting of scientists, flood control specialists and other experts to study the hazards to which several states are subject to, given the geo-physical and agro-meteorological heterogeneity of the country.

9.15 We also decline to interfere with the present arrangements with regard to investment of unspent funds lying in the CRF and items/norms for incurring relief expenditure from the CRF. We, however, suggest that the Ministry of Finance may have a re-look at the issue of investment of the funds lying in the CRF and give necessary guidelines to the states, provided that such guidelines do not contravene the broad framework of the present scheme.

9.16 We are in agreement with the suggestions of the states with regard to continuance of the scheme of NCCF. We, therefore, recommend that the present scheme of the NCCF should continue in its present form. The scheme has stood the test of Gujarat earthquake and in addressing other situations, which were beyond the control of the states. On the front of raising funds also, the scheme has stood the test of time, as the fund gets replenished each year, in the absence of any special time-bound surcharge, by way of National Calamity Contingent Duty imposed on cigarettes, pan masala, biris and other tobacco products. This duty is exclusively for replenishing the NCCF and is estimated to yield Rs. 1769 crore for the year 2004-05. This yearly accretion to the NCCF enables build-up of its corpus.

9.17 We have considered the views of the states with regard to the inadequacy of the funds in NCCF and enhancement of the core corpus of Rs. 500 crore. As the funding mechanism of the scheme of the NCCF provides for immediate and simultaneous replenishment of the fund on account of any outgo, the corpus of Rs.500 crore appears to be a reasonable amount to take care of any eventuality that may arise as a result of occurrence of a calamity of rare severity. We, therefore, do not see any justification for enhancing the core corpus of the NCCF.

9.18 The Commission has noted the allocation of foodgrains by the central government particularly to meet the drought situations in the states in recent years. The Ministry of Rural Development has formulated a scheme of its own, of a financial magnitude comparable with the CRF. The scheme has assured grain, free of cost, as well as cash to sustain employment. The programmes of rural employment announced by the Ministry under the Sampoorna Grameen Rozgar Yojna (SGRY) were integrated with the relief programmes in a number of states, particularly in Andhra Pradesh, Rajasthan and Karnataka. The SGRY was announced on 15.8.2001 and under the scheme, 50 lakh tonnes of foodgrains, worth Rs.5000 crore, were to be provided every year to the states/union territories, free of cost. In the recent years, Rajasthan has been the most notable beneficiary of the scheme of Ministry of Rural Development, as it was able to generate work for seven million people in 2003. Andhra Pradesh is another state which got substantial benefit from the scheme of the Ministry. The allocation to other states under the scheme, although not substantial, has still been comparable to the annual allocation under the CRF. The expenditure on the allocation of food grains to the affected states by the central government is essentially relief expenditure for mitigation in the aftermath of drought or other calamities and the central government can continue to make such allocations, putting in place a transparent policy in this regard.

9.19 Earlier commissions had explored the possibility of mitigating the effect of calamites by evolving a suitable insurance scheme. The terms of reference of the Ninth Finance Commission required it to examine the feasibility of establishing a national insurance fund to which the states may contribute a percentage of their revenue receipts. The Commission, however, observed that the concept of an insurance fund for disaster relief was neither viable nor practicable on the ground that the process of making the assessment of loss by an external agency was bound to be complicated and time consuming, which would defeat the very purpose, that is, of providing timely succour to the affected people. The EFC too did not find the concept of an insurance cover in which the premium is paid fully by the centre and the states, workable. The Commission, however, felt that the crop insurance scheme would help individual farmers, especially at the time of natural calamities and therefore, suggested for strengthening of the scheme. Andhra Pradesh, Kerala and Tamil Nadu have requested the Twelfth Finance Commission to recommend an insurance scheme for providing relief to the affected population.

9.20 We endorse the views of the Ninth and Eleventh Finance Commissions on this issue, as any insurance scheme, the premium for which is to be paid by the centre or the state governments will put a very heavy burden on them, year after year, without providing any substantial benefit to the affected population. The centre and the state governments can, however, play a vital role in encouraging insurance of private assets in vulnerable zones. Strengthening of the crop insurance scheme and loan-linked insurance schemes in rural areas is one such measure. Besides, micro-insurance seems to be the need of the hour. Micro-insurance refers to protection of assets and lives against insurable risks of the target populations, such as micro-entrepreneurs, small farmers and the landless, women and low-income people through formal institutions i.e. insurers and semiformal/informal institutions, such as NGOs, self-help groups etc. The concept is still at a nascent stage in the country and the Insurance Regulatory and Development Authority (IRDA) is in the process of finalization and notification of the micro-insurance regulations. Since formal institutions serve but a fraction of the population, which typically lies within the upper quartile of the social hierarchy, any initiative to involve the NGOs and self-help groups, which are directly accessible to all segments of the population, can be best done at the behest of the state governments.

9.21 We have been informed by the IRDA that the General Insurance Company has decided to create an "earthquake pool", which will enable all the insurance companies to share the burden of risk in case of huge losses arising out of earthquakes. A working group has already been constituted to look into the modalities for constitution of the "earthquake pool". Under this concept, the insurers will divert the earthquake premia to the "pool". Such a scheme can prove useful in providing social security to the public in the unfortunate event of a catastrophe. It is hoped that an insurance solution like this may result in orderly distribution of disaster relief to the affected population.

9.22 To sum up, our recommendations are as follows:

(a) The scheme of CRF be continued in its present form with contributions from the centre and the states in the ratio of 75:25.

(b) The size of the CRF for our award period is worked out at Rs. 21333.33 crore.

(c) Besides cyclone, drought, earthquake, fire, flood and hailstorm, the definition of natural calamity, as applicable at present, may be extended to cover land slides, avalanches, cloud burst and pest attacks.

(d) The provision for disaster preparedness and mitigation needs to be built into the state plans, and not as a part of calamity relief.

(e) A committee consisting of scientists, flood control specialists and other experts be set up to study and map the hazards to which several states are subject to.

(f) The scheme of NCCF may continue in its present form with core corpus of Rs. 500 crore. The outgo from the fund may continue to be replenished by way of collection of National Calamity Contingent Duty and levy of special surcharge.

(g) The centre may continue to make allocation of foodgrains to the needy states as a relief measure, but a transparent policy in this regard is required to be put in place.

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