

DEPARTMENT OF EXPENDITURE -> PLAN FINANCE - I**NATIONAL CALAMITY CONTINGENCY FUND (NCCF)****Background to NCCF and Recommendations of Finance Commissions****Tenth Finance Commission:**

Tenth Finance Commission for the first time formulated a distinct funding mechanism for taking care of calamities of rare severity. The Commission recommended setting up of a 'National Fund for Calamity Relief' (NFCR) with a corpus of Rs. 700 crore to be constituted by the Centre and the States in the ratio of 75:25 over a period of 5 years.

Eleventh Finance Commission:

- The National Fund for Calamity Relief (NFCR) may be discontinued in its present form.
- Any assistance provided by the Centre to the States for calamity relief should be financed by the levy of a special surcharge on the Central taxes for a limited period. Collection from such surcharge should be kept in a separate fund to be known as National Calamity Contingency Fund (NCCF) created in the Public Account of the Government of India. The Government of India should contribute an initial core amount of Rs. 500 crore to this fund, to be replenished by the levy of the special surcharge as and when any drawls are made from it.

Twelfth Finance Commission:

- 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 surcharges.
- The definition of natural calamity, as applicable at present, may be expanded to cover landslides, avalanches, cloud burst and pest attacks.
- 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.
- 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.
- The provision for disaster preparedness and mitigation needs to be built into State plans, and not as a part of calamity relief.

Calamities covered:

Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack.

Release of grants to affected States:

- After receipt of memorandum from the State Government, a Central Teams is deputed for making on the spot assessment. Report of the Central Team is examined by an Inter-Ministerial Group (IMG). IMG recommendations are considered by High Level Committee (HLC) consisting of Agricultural Minister, Home Minister, Finance Minister and Deputy Chairman, Planning Commission. HLC decides about the quantum of assistance and release of funds from NCCF. Releases to the States under NCCF are made by the Finance Commission Division. State wise releases for last five years are as under:

Release of assistance from NCCF

Sl.No.	State	Assistance Released					
		2000-01	2001-02	2002-03	2003-04	2004-05	Total
0	1	2	3	4	5	6	7
1	Andhra Pradesh	0.00	30.44	59.94	116.75	87.20	294.33
2	Arunachal Pradesh	2.00	0.00	12.78	29.79	9.09	53.66
3	Assam	0.00	0.00	0.00	0.00	211.55	211.55
4	Bihar	29.67	0.00	0.00	0.00	398.92	428.59
5	Chattisgarh	40.00	42.88	100.68	26.83	52.74	263.13
6	Goa	0.00	0.00	0.00	0.00	0.00	0.00
7	Gujarat	585.00	994.37	23.29	32.41	55.00	1690.07
8	Haryana	0.00	0.00	0.00	2.20	0.00	2.20
9	Himachal Pradesh	8.29	61.48	14.05	0.30	0.00	84.12
10	Jammu & Kashmir	0.00	23.20	0.00	0.00	50.00	73.20
11	Jharkhand	0.00	0.00	0.00	0.00	0.00	0.00
12	Karnataka	0.00	0.00	196.88	316.47	63.62	576.97
13	Kerala	0.00	0.00	0.00	0.00	206.00	206.00
14	Madhya Pradesh	35.00	22.72	183.34	36.72	1.70	279.48
15	Maharashtra	0.00	0.00	20.00	77.46	173.23	270.69
16	Manipur	0.00	0.00	7.07	0.00	0.00	7.07
17	Meghalaya	1.00	0.00	0.00	0.00	6.16	7.16
18	Mizoram	0.00	0.00	0.00	0.00	10.68	10.68
19	Nagaland	0.00	0.00	0.00	0.00	1.81	1.81
20	Orissa	35.00	114.62	21.84	104.43	53.44	329.33
21	Punjab	0.00	0.00	0.00	0.00	0.00	0.00
22	Rajasthan	85.00	78.97	434.08	512.74	216.79	1327.58
23	Sikkim	0.00	0.00	0.00	0.00	9.90	9.90
24	Tamilnadu	0.00	0.00	215.99	289.45	783.14	1288.58
25	Tripura	0.00	0.00	0.00	0.00	0.05	0.05
26	Uttar Pradesh	0.00	0.00	310.06	41.87	192.10	544.03
27	Uttaranchal	0.00	0.00	0.00	0.00	0.00	0.00
28	West Bengal	103.25	0.00	0.00	0.00	0.00	103.25
Total		924.21	1368.68	1600.00	1587.42	2583.12	8063.43