



MoHCA/NYA (MO- 01)/2018-19/ 603

9 April, 2019

Dasho Dzungdag/Thrompon
 Dzongkhag/ Thromde Administration

Sub: Amended Operational Guidelines for Disaster Financing 2017

Dasho,

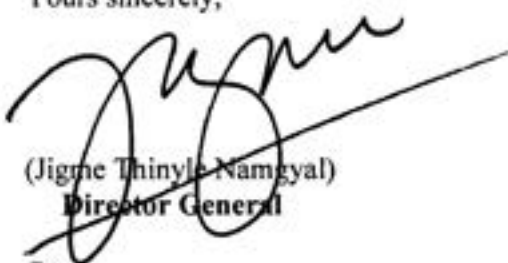
The Department of Disaster Management, Ministry of Home and Cultural Affairs is pleased to share herewith the amended "Operation Guidelines for Disaster Financing 2017" for your kind reference and compliance in the event of any disaster hereafter. The Operational Guidelines, as you may be aware, has been formulated jointly by the Department of Disaster Management and the Department of National Budget as per the Disaster Management Act of Bhutan 2013. The Operational Guidelines provide three core financing arrangements and types of disaster as follows:

- I. Financing for Response and Relief Activities;
- II. Financing for Immediate Restoration of essential Public Infrastructure and Service Centre and
- III. Financing for Recovery and Reconstruction Activities

As always, we look forward to receiving your continued support and cooperation in implementing this guidelines.

Thanking you

Yours Sincerely,



(Jigme Thinley Namgyal)
 Director General

Cc:

- 1. The P.S. to the Hon'ble Prime Minister and Chairman, National Disaster Management Authority, Gyalong Tshogkhag, Thimphu, for kind information.
- 2. The Hon'ble Minister, MoHCA, Tashichhodzong, for kind information.
- 3. The Hon'ble Secretary, MoHCA, Tashichhodzong for kind information.
- 4. The Director, Department of National Budget, MoF for kind information.

Operational Guidelines for Disaster Financing 2017

1. Introduction

This Operational Guideline shall be called the Operational Guidelines for Disaster Financing 2017. It is developed in line with Chapter 8, Section 80 of the Disaster Management Act of Bhutan, 2013 to facilitate efficient, effective and timely response during disaster emergencies.

2. Objective & Scope

The main objective of this Operational Guideline is to facilitate agencies in accessing financing from a separate budget (General Reserve for Disaster Relief) allocated for National Disaster Management Activities under the Ministry of Finance as required by Section 82 of the DM Act 2013. This Guideline shall cover financing requirements of all disaster related activities in the country and shall extend its application to agencies responsible to coordinate as per the DM Act 2013.

3. Authority

The Chairperson, Disaster Management Committee (DMC) shall after duly verifying the scope of financing eligibility under various categories of disaster financing shall have the authority to approve expenditure for providing immediate relief to the affected people in the communities and restoring infrastructures to restore the business back to normalcy. Any fund request must be submitted under the signature of Chairperson/Ofttg. Chairperson of the DMC without which the request shall be considered incomplete and shall not be processed.

4. Financing Arrangements

There shall be three types of financing arrangements for disaster management activities as per Chapter 8 of DM Act 2013 as given below:

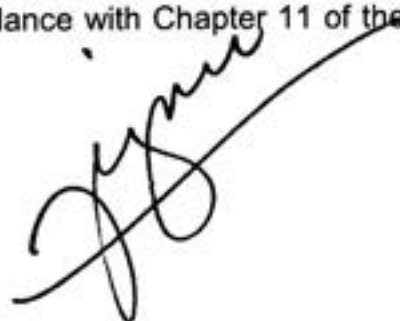
- I. Financing for Response and Relief Activities;
- II. Financing for Immediate Restoration of essential Public Infrastructure and Service Centre and
- III. Financing for Recovery and Reconstruction Activities

4.1 Financing for Response and Relief Activities

'Response and relief' shall refer to measures taken immediately during or after a disaster in order to bring relief to people and communities affected by the disaster. Activities under '*Response and Relief*' includes providing food, shelter and other essential relief items for the affected people in the communities and to the 'Responders' as per the minimum standards set by the Department of Disaster Management (DDM). The response and relief support shall not exceed 21 days for disaster type III and 10 days for disaster type I & II. The disaster period may, however, be altered in accordance to DM Act 2013.

The procurement of goods and services for the purpose of relief and response may be exempted from following normal Government procurement procedures specified in the Procurement Rules and Regulations. However, where there is annual quotation, efforts shall be made to purchase within the annual framework quotation.

No compensation shall be paid to individuals or private entities on damages caused by natural disasters. However, in case where a person's or private property is used, lost or damaged during response, relief and recovery operations, compensation shall be admissible in accordance with Chapter 11 of the DM Act 2013. Wherever relevant, the



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Government rate of compensation shall be applied. The Compensation shall not be payable for loss or damage in the event that an amount for loss or damage is recovered or recoverable under any policy of Insurance.

The agencies in coordination with DMC shall submit detailed accounts of expenditure with copies of documentary evidences to the DDM. The DDM shall review in line with minimum standardized relief items and forward the request to the Department of National Budget (DNB) for budget. The DNB shall, upon receipt of the request from the DDM, transfer the amount of budget from General Reserve for Disaster Relief to the agencies concerned at the earliest possible. The agency may initially use their normal budget to incur expense for response and relief activities.

The Chairperson (DMC) shall ensure to maintain a detailed inventory of goods/items and services procured for response and relief operation.

4.2 Financing for Immediate restoration of Essential Public Infrastructure and Service Center

The activities under this category shall include immediate restoration of essential public infrastructure and service centers damaged by disaster so as to continue providing undisrupted services that are essential to the community. The essential public infrastructure and service center shall;

- a. be fully owned and maintained by the government and is not involved in profit making activities;
- b. be an integral and necessary part of the public infrastructure; and
- c. severely disrupt the normal functioning of community.



Operational Guidelines for Disaster Financing 2017

(Some examples of essential public infrastructure and service centers are; school, hospital, gewog office, rural water supply scheme, irrigation channel, bridge, highway, Gewog Centre road)

For the purpose of financing such activities (*rehabilitation/restoration*), the DMC shall assess, verify and submit sufficiently detailed damage report along with work plans, cost estimates and pictorial evidences to DNB with a copy to DDM within 45 days of the disaster event. The request received after 45 days shall be construed as recovery and reconstruction activities.

Upon receipt of the request from the DMC, the DNB shall transfer budget from General Reserve for Disaster Relief to the respective agency. The DNB may conduct physical verification to re-confirm or validate the report submitted by the DMC.

4.3 Financing for Recovery and Reconstruction Activities

'Recovery and Reconstruction' means effort including development aimed at restoring normalcy in condition caused by disaster, mitigating the effect of disaster or creating circumstances that will reduce the risk of similar disaster from occurring in future.

The agencies shall, for the purpose of recovery and reconstruction of public assets and infrastructure, undertake detailed damage assessment within its area of responsibility as per the post disaster assessment framework endorsed by the NDMA. The budget requirement for the recovery and reconstruction activities shall follow the normal planning and annual budgeting process.



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5. Interpretation and Revision

The Department of Disaster Management, MoHCA and Department of National Budget, MoF shall be the final authority to interpret the Guidelines and may revise the same jointly from time to time as deemed necessary.

6. Accounts, Audit and Accountability

- 6.1. The agencies concerned shall maintain the books of accounts for all financing provided for disaster activities as per Financial Rules and Regulations, 2016.
- 6.2. The Royal Audit Authority shall audit all disaster related expenditures.
- 6.3. Accountability for non-compliance, making false claims and misappropriation shall be vested with the Chairperson (DMC)

7. Effectiveness

The revised Operational Guidelines for Disaster Financing 2017 shall come into effect from Day 1 Month July Year (2017)

A handwritten signature in black ink, appearing to be 'Z. M. M.', written over a horizontal line.