



Government of Himachal Pradesh
Department of Environment, Science & Technology

No. STE-A(9)-8/2019 Dated: Shimla 2

9th 10.2019

NOTIFICATION

In pursuance of the decision of 8th State level Project Steering Committee meeting held on 2nd September, 2019 an Assurance Fund is hereby created in DC Office, Sirmaur for the beneficiaries of the SLADRC (*Sustainable Livelihood of Agriculture Dependent Rural Communities in Drought Prone District of HP through Climate Smart Solutions*) project supported by the MoEF&CC, GoI under NAFCC (National Adaptation Funds for Climate Change) for implementation in three development blocks (Pachhad, Paonta Sahib & Sangrah) of district Sirmaur.

The Assurance Fund will be operated as per the guidelines, byelaws mentioned at Annexure-A.

By Order

Addl. Chief Secretary (Env.,S&T) to the
Government of Himachal Pradesh

Endst No. STE-A(9)-8/2019 Dated: Shimla 2

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Copy forwarded for information & necessary action to:

1. The Joint Secretary (CC Division), MoEF&CC, GoI, New Delhi.
2. The Director, Deptt. of Env.,S&T, Shimla, HP-1.
3. The Deputy Commissioner, District Sirmaur, HP.
4. The CGM, Regional Office, NABARD, Shimla-9.

(D.C Rana)
Special Secretary (Env.,S&T) to the
Government of Himachal Pradesh
Ph.No. 177-2626212

Assurance Fund under 'Sustainable Livelihood of Agriculture Dependent Rural Communities in Drought Prone Districts of Himachal Pradesh through Climate Smart Solutions (SLADRC)' project under National Adaptation Fund being implemented in Paonta, Sangrah and Pachhad Blocks of District Sirmour, HP

Background

Climate change is an immediate and serious threat to sustainable development and poverty eradication in many developing countries including India and entire Indian Himalayan region (IHR) is specifically categorised to be extremely vulnerable to climate change thus needs proactive actions. IHR by its geography and location is at the 'frontline' for climate change impacts. But communities and farmers are amongst the least prepared to adapt and to respond to the consequences they face.

2. The land holdings in IHR are very small. There are different cropping patterns, depending upon the agro climatic conditions of the region. Most of the time weather conditions are not very favourable and farmers face huge and disproportionate losses. At times these losses are not comparable to the national scales. Most of the crops they grow are also not covered under the weather based crop insurance schemes or other insurance schemes. For example, current schemes only cover crops like wheat, maize primarily but not tomato, peach, garlic, peas, strawberry, vegetables, capsicum, cauliflower, ginger, cabbage etc. which are predominantly grown in the area under the Sustainable Livelihood of Agriculture Dependent Rural Communities in Drought Prone Districts of Himachal Pradesh through Climate Smart Solutions project. Under the project a lot of irrigation projects are being constructed and these schemes can help farmers increase their income by diversifying agricultural practices.

3. As per discussion held with the Agriculture Department hardly any insurance compensation is sanctioned or any amount is paid to any farmer in the project District despite the cover provided under the current crop insurance schemes. This clearly indicates that only premiums have been paid and no compensation on loss or damage has been assessed or sanctioned or paid. Moreover the mechanism for assessment is also differently applied.

4. For a farmer having marginal land holding growing very small quantity of crops, making claims getting financial cover seems to be difficult. Therefore, the State Steering Committee constituted under the Project held on 05-09-2018 at Nahan had a view that a new mechanism be piloted over the project area by setting up an Assurance Fund with specific guidelines by giving cover to all farmers of three blocks. It was felt that rather than paying the premium to insurance companies, innovative activities like creation of an Assurance Fund will provide opportunity to local administration to compensate farmers for the loss caused to their crops due to climatic conditions like floods, draught, hailstorms etc. and popularise the concepts of climate adaption and adoption of climate smart agricultural practices. It will also encourage farmers to diversify their agriculture practices and go for crops which bring them higher returns. In the long run, it is going to catalyze better preparedness against weather extremes and definite actions for poverty alleviation. Besides, this project aims to increase the capacity of marginal farmers to adapt to climate change and to facilitate improved income to vulnerable farmers of these blocks. This is being achieved through a phased implementation approach by applying various adaptive actions and this assurance fund will supplement the process.

5. In order to bridge these gaps and to ensure that farmers diversify their crops, adapt to climate change under the project Component No. 5 - Financial Inclusion – which provides that some insurance scheme shall be piloted by providing a financial cover to at least 15000 farmers - an Assurance Fund Scheme is proposed to be started in the project area.

Terms of Reference of the Assurance Fund to Support Loss & Damages Caused due to Extreme Weather Conditions

6. An Assurance Fund to support marginal farmers upon loss and damages caused to their agricultural and horticulture crops due to extreme weather conditions such as high intensity rains/flash flood, draught/draught like conditions, hailstorm, and frost in three selected blocks namely, **Paonta, Sangrah and Pachhad** is hereby established (hereinafter referred to as "the Fund").

Contribution

7. The fund will consist of contributions from the following:-
- Contributions to the Fund will be from the SLADRC project under Component No. 5
 - Any Contributions to the Fund from any other source such as Corporate Environment Responsibility (CER), Corporate Social Responsibility (CSR).
 - Any interest earned in the Fund.

Fund Utilisation

8. The utilisation of fund will be governed as under:-
- This Fund shall be managed, disbursed and audited in conformity with the State Financial Rules and Procedures and Standard Operating Procedures (SOP) Project Financial Disbursement and Reporting norms.
 - The Fund shall serve as a pool of financial resources to support marginal farmers upon loss and damages caused due to extreme weather conditions in three selected blocks only.
 - Any release shall be in conformity with direct benefit transfer scheme.
 - No cash transaction will be allowed under the fund.

Admissible Activities/ Claims

9. The fund will be used to achieve the objective of sustainable livelihood of agriculture dependent communities in drought prone districts of Himachal Pradesh through climate smart solutions in selected blocks and identified beneficiaries by giving financial cover/inclusion as a risk transfer measure. The following broad activities will be covered the assurance fund:
- Direct loss of crops due to extreme weather events like high intensity rains/flash flood, draught/draught like conditions, hailstorm, and frost;
 - Direct damage of crops due to extreme weather event like high intensity rains/flash flood, draught/draught like conditions, hailstorm, and frost.

Crops for which Claim is Admissible:

10. The claim of direct loss and damage due to extreme weather conditions shall be admissible for following crops:

Tomato, Garlic, Peas, Capsicum, Cauliflower, Ginger, Cabbage, Peach, Strawberry or crops as may be certified by the Agriculture and Horticulture Department that are grown predominantly by the farmers in three selected blocks of the project.

Extreme Weather Conditions

11. The extreme weather conditions shall be determined with the help of Indian Meteorology Department (IMD) and field reports and claims shall be based on the report certified by the officials of the Departments of Revenue, Agriculture/Horticulture.

Extent of Loss and Rate of claim

Sr. No.	Extent of Loss	Type of Crop	Admissible Rate* @ (Rs.) per Bigha
1	75% and above	Fruit	1500.00
		Vegetable	1200.00
2	50% up to 75%	Fruit	1200.00
		Vegetable	1000.00
3	30% -up to 50%	Fruit	800.00
		Vegetable	600.00
4	15% up to 30%	Fruit	500.00
		Vegetable	300.00

* Subject to sealing of maximum reimbursement per claim upto Rs. 7000/- per farmer family.

Governance of the Fund

12. The fund shall be governed as under:-

- The Assurance Fund would be administered by a District level Project Steering Committee chaired by Deputy Commissioner, District Sirmour, H.P. and Sub Divisional Officer (Civil) as its Member Secretary for respective selected Blocks.
- The State Steering Committee of SLADRC project shall be the overseeing body for the fund.
- The Deputy Commissioner, Sirmour at Nahan shall act as the custodian of the Fund. The Deputy Commissioner, Sirmour at Nahan shall open a separate bank account for the Fund.
- The Deputy Commissioner shall produce an annual financial report to the State Steering Committee Meeting and shall present the seasonal report to the Nodal Department i.e. Department of Environment Science and Technology (DEST).
- For approving claims to utilise this Fund the committee at district level will base its decision on the basis of claim of the farmer residing in three project block and claims which are duly certified by the concerned Patwari, GP Pardhan, EO of Agriculture or Horticulture Department and report of IMD.

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Fund Approval and Disbursement

13. Any marginal farmer(s) who seeks to submit claim under the Fund shall make an official request in writing to the Sub-Divisional Officer (Civil) of the concerned Block in Form A. The claim once approved by the District Committee will be sanctioned to the concerned Sub-Divisional Officer (Civil) of the concerned Block who will disburse payment to the applicant farmer within a period of 15 days through DBT.

Removal of difficulties

14. The District Steering Committee constituted under the Project shall be fully competent to issue clarifications and remove difficulties to implement the fund.

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Form for Claims under Assurance Fund on Climate Change

1. Name of Applicant.....
2. Address.....
3. Name of VillageName of Gram Panchayat.....
4. Patwar Circle..... Mohal.....
5. Total Cultivable land.....
6. Details of Loss and Damage to Crop.....
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.....
.....
7. Name of the Crop.....
8. Value of crop loss.....

Certified that the particulars given above are true to the best of my knowledge and belief.

(Name and Signature of Applicant)

Contact No.

Address

Bank A/C No.

Name of the Bank & Address

IFSC

- 9:-

9. %age of loss of crop.....

10. Certificate of verification by Pradhan concerned Gram Panchayat.

11. Certificate of verification from concerned Patwari.

12. Certificate of assessment of loss due to extreme weather by concerned Extension
Officer of Agriculture Department and Horticulture Department as the case may be.

Address.

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