

POLICY BRIEF

Activation of the District Disaster Management Fund

KEY MESSAGES



Disaster risk financing mechanisms, such as the District Disaster Management Fund, can serve as powerful levers for resilience and preparedness — but only if they are fully activated and properly utilized. Despite the legal framework supporting the Disaster Management Fund (DM Fund) in Bangladesh, actual use of the fund remains alarmingly low, underscoring the need for more effective implementation and oversight.



More than 80% of districts across Bangladesh have neither received nor utilized any funds from the DM Fund since its inception, revealing systemic issues in fund distribution, capacity, and awareness. This inaction compromises the ability of local authorities to respond swiftly and effectively to disasters.



Urgent reforms to current policies and practices are essential to unlock the full potential of the DM Fund. These include revising fiscal rules that limit flexibility, improving monitoring and evaluation systems, and building the capacities of district-level stakeholders to manage and deploy resources efficiently.



Meaningful community participation, increased stakeholder awareness, and the integration of digital tools and data systems are vital for successful disaster risk financing. Local engagement, transparency, and access to timely information will empower communities to become active partners in preparedness and response.



If operationalized strategically, the DM Fund can become a transformative mechanism for disaster preparedness, local resilience building, and climate adaptation. It offers Bangladesh a unique opportunity to strengthen its disaster governance systems and serve as a regional and global example of proactive risk financing.

Introduction

Bangladesh is highly vulnerable to frequent disasters and climate hazards, including floods, cyclones, landslides, and the looming threat of earthquakes. These challenges pose significant risks to the lives, livelihoods, and economy of its 170 million people. The country's unique geographical location, high population density, and low-lying deltaic landscape—combined with the escalating impacts of climate change—have compounded these risks, intensified the frequency and severity of disasters, and placed immense pressure on communities.

Recognizing the urgent need for a robust and comprehensive disaster management system, the Government of Bangladesh has formulated the National Disaster Management Act 2012¹, the Standing Orders on Disaster 2019², the National Plan for Disaster Management (NPDM) 2021-2025³, and the Disaster Management (Fund Operation) Rules, 2021⁴, among other critical policies and regulations. These frameworks are designed to ensure timely and effective disaster response and recovery while also mobilizing funds and resources for disaster preparedness, risk reduction, and resilience building.

Overview of the DM Fund

The Disaster Management Fund (DM Fund) is established under the Disaster Management (Fund Operation) Rules, 2021, grounded in Sections 58 and 32(6) of the Disaster Management Act 2012. The DM Fund provides critical financial support across all phases of disaster management—before, during, and after a crisis. In the pre-disaster phase, it supports early warning systems, evacuation planning, and preparedness efforts. During officially declared emergencies, the DM Fund facilitates the provision of essential services such as shelter, sanitation, food, and animal care. In the aftermath of disasters, it finances relief efforts for displaced populations, including temporary housing, medical supplies, clothing, and other essential needs.

The DM Fund also prioritizes both structural and non-structural risk reduction measures to protect vulnerable communities. Its core objectives include establishing and operationalizing the National Disaster Management Fund (NDMF) and the District Disaster Management Fund (DDMF), facilitating timely resource allocation, supporting livelihood recovery and project implementation, and enhancing the overall efficiency of fund utilization to fulfill the broader mandates of the Disaster Management Act 2012.

1 [National Disaster Management Act 2012](#)

2 [Standing Orders on Disaster 2019](#)

3 [National Plan for Disaster Management \(2021-2025\): Action for Disaster Management Towards Resilient Nation](#)

4 [The Disaster Management \(Fund Operation\) Rules, 2021](#)



FUNDING SOURCES FOR THE NDMF AND DDMF



Objectives of the Policy Review

Overall Objective

To **review** the Disaster Management (Fund Operation) Rules, 2021 and provide policy recommendations for its refinement and updating.

Specific Objectives

1. **Assess** the current status of the National Disaster Management Fund (NDMF) and the District Disaster Management Fund (DDMF).
2. **Measure** the progress of policy implementation.
3. **Identify** the causes of any delays in implementation.
4. **Determine** the potential benefits of the NDMF and DDMF.

However, despite its strong legal foundation and strategic purpose, the fund has seen alarmingly low utilization, as demonstrated in the examples below⁵.

✕ Widespread Inactivity: Out of 64 districts, 51 did not receive any funds.

💰 Limited Collection and Utilization: Only 13 districts received funds, mostly with minimal amounts. For example, Dhaka collected only BDT 500 and Chattogram BDT 10,000. Moreover, 11 of them did not spend even a single taka.

📁 Significant Collection but No Utilization: Two districts received significant amount of funds. Cox's Bazar collected BDT 1,527,008.34 and Sylhet BDT 970,001. However, both districts did not utilize the funds.

📁 Effective Use of Funds: Only three districts made good use of the DM Fund. Kishoreganj utilized BDT 302,000, Natore used BDT 3,297,733, and Joypurhat spent BDT 326,613 on local disaster management initiatives.

Strengthening Disaster Preparedness and Activating the DM Fund

The Bangladesh Preparedness Partnership (BPP) is a strategic initiative led by the Ministry of Disaster Management and Relief (MoDMR), with technical assistance from the Asian Disaster Preparedness Center (ADPC) and funding from the Gates Foundation. BPP aims to operationalize the SOD 2019 to build a safer and more resilient Bangladesh through disaster preparedness, employing a multi-stakeholder, whole-of-society approach.

5 [Reviewing Disaster Management \(Fund Operation\) Rules, 2021 by Mr. Asim Chandra Banik, Deputy Secretary and Member Secretary, BPP Mobilization Desk, November 2024](#)

A key focus under Outcome 1.3 of the Strengthening Partnership pillar of the BPP Roadmap is policy advocacy to activate district-level DM Funds. As part of this initiative, BPP supported MoDMR in conducting a comprehensive policy analysis in 2024—three years after the fund's launch. This analysis utilized quantitative and qualitative methods, including individual surveys, key informant interviews, focus group discussions, and a review of national and international fund policies, to assess the operational status and challenges of the DM Fund. The analysis was led by Mr. Asim Chandra Banik, Deputy Secretary at MoDMR and Member Secretary of BPP's Mobilization Desk.

On January 15, 2025, BPP hosted a 'National Consultation Workshop on District Disaster Management Fund 2021'⁶ to share the MoDMR's research findings and gather technical input from DM Fund practitioners at the national, district, and upazila levels. The workshop brought together key government officials, national disaster management experts, representatives from six district administrations, and 14 BPP partner organizations from the government, private sector, civil society, and academia.

The MoDMR policy analysis and the BPP National Consultation Workshop, along with studies and reports from donors such as the International Monetary Fund (IMF)⁷ and development partners such as the Network for Information, Response, and Preparedness Activities on Disaster (NIRAPAD)⁸, identified key gaps and challenges contributing to the DM Fund's low performance, and proposed actionable recommendations for improved implementation.



6 [Proceedings of National Consultation on District Disaster Management Fund 2021 by BPP, Jan 15, 2025](#)

7 [Bangladesh: Technical Assistance Report-Disaster Risk Financing, 2025](#)

8 [Utilization of District Disaster Management Funds and Relevant Financing Mechanisms for Anticipatory Action, 2023](#)

Key Findings from the Policy Analysis⁹

Listed below are the key findings from the policy analysis conducted by MoDMR in November 2024. These were discussed and strongly endorsed by the participants of the National Consultation Workshop organized by BPP in January 2025.



Out of 57 participants, 63% (36 respondents) viewed Rule 11(4)—which mandates the return of unspent funds to the treasury at the end of each fiscal year — as a significant barrier to effective fund utilization. Additionally, 49% (28 respondents) noted weak compliance, highlighting the absence of clear performance indicators that complicate the evaluation of fund utilization and policy effectiveness.



90% (51 respondents) affirmed that the community involvement improves disaster outcomes.



80% (46 respondents) agreed that increasing public awareness enhances policy effectiveness.



79% (45 respondents) believed that the application of modern technologies in fund allocation and vulnerability assessments is still inadequate.



58% (33 respondents) noted that disaster management personnel lack essential fund management skills.



39% (22 respondents) identified fund collection as the main bottleneck, while 28% (16 respondents) admitted lack of awareness about fund collection issues.

Key Challenges in Activating and Utilizing the DM Fund

The results of BPP consultations, MoDMR policy analysis, and review of reports have highlighted several critical challenges and weaknesses that impede the effective implementation of the DM Fund. These include:

- Fiscal year-based fund restrictions hinder timely and flexible disaster response;
- Absence of clear performance indicators hinders fund evaluation and oversight, leading to under utilization, poor coordination, and delayed disbursement;
- Nearly half of disaster management personnel lack the necessary skills to manage funds effectively;
- Modern technologies are underutilized and there is inadequate technological support for data collection and analysis;
- Locally generated funds, though better suited for multi-year use, are often directed toward relief rather than preparedness;
- Fund allocation often falls short of the actual needs on the ground;
- Low community awareness and culturally insensitive campaigns reduce public engagement in disaster preparedness; and
- Lack of community engagement in disaster planning and preparedness.

⁹ [Reviewing Disaster Management \(Fund Operation\) Rules, 2021 by Mr. Asim Chandra Banik, Deputy Secretary and Member Secretary, BPP Mobilization Desk, November 2024](#)

Policy Recommendations and Action Plan

To transform the DM Fund into an effective financial instrument, it is crucial to undertake comprehensive reforms and implement a nuanced, multi-dimensional strategy.

1: Revise Rule 11(4) and Steps to Enable Multi-Year Planning

Rule 11(4) of the DM Fund currently mandates that unspent funds be returned to the government treasury at the end of each fiscal year. Amending this rule to allow districts to retain unspent funds will enable better planning and preparedness.

Action Points:

- Amend Rule 11(4) to allow rollover of unspent funds.
- Develop guidelines for multi-year, localized fund utilization based on vulnerability.
- Allocate DM Fund from MoDMR to districts and upazilas for disaster preparedness and response.
- Include city corporations and municipalities as members of DM Fund Committees.
- Pilot DM Fund in highly vulnerable districts, municipalities, upazilas, and unions.

2. Strengthen Monitoring and Evaluation of the DM Fund

The current policy lacks a clear monitoring and evaluation (M&E) framework. A structured and well-defined M&E system is essential to enhance transparency, efficiency, and accountability in the management of the DM Fund.

Action Points:

- Develop a national framework for DM Fund monitoring and reporting.

- Define key performance indicators (KPIs) to track fund utilization and outcomes.
- Conduct periodic financial and programmatic audits.
- Establish designated oversight units at the district and upazila levels.

3: Prioritize Capacity Building for Disaster Management

Invest in training programs to enhance the financial and administrative capabilities of local authorities and implementing agencies. This will enable better planning, management, and utilization of the DM Fund.

Action Points:

- Provide capacity-building training for district and upazila DM Fund Committees on fund governance, disaster risk reduction planning, anticipatory action, and effective use of digital tools.
- Introduce modules on geographic information system (GIS), remote sensing, and digital fund allocation tools.
- Integrate the DM Fund session into the National Training Institute.

4: Improve Stakeholder Awareness and Communication

Stakeholder awareness plays a critical role in the effective utilization of DM Fund, as a significant proportion of stakeholders—particularly at the district and local levels—are unaware of how the DM Fund operates or how to access it. Strengthening awareness and communication is essential to ensure transparency, accountability, and community engagement.

Action Points:

- Launch culturally sensitive awareness campaigns using traditional and social media.

- Disseminate DM Fund guidelines and disaster preparedness information in local languages.
- Involve local leaders, youth groups, and civil society organizations in outreach.
- Regularly publish fund utilization reports, good practices, and stories in public domains.

5: Leverage Technology for Efficient Fund Allocation and Data-Driven Decision-Making

Technology should be harnessed to streamline fund allocation and improve data-driven decision-making processes. The deployment of mobile applications, real-time dashboards, and digital fund transfer systems will enhance transparency and operational efficiency.

Action Points:

- Develop and deploy digital platforms for real-time fund tracking and resource allocation.
- Use GIS and remote sensing to map risk-prone areas and guide fund prioritization.

6: Diversify Funding Sources for Enhanced Financial Sustainability

Reduce dependency on central government allocations by mobilizing alternative funding streams. By engaging the private sector, donors, and international partners, the government can reduce dependence on central allocations and ad hoc grants.

Action Points:

- Engage with private sector partners, corporate social responsibility (CSR) contributors, and international donors.
- Develop negotiation strategies to secure and manage diversified funding.

7. Learn from Global Best Practices

Adopt successful models and experiences from other disaster-prone countries to improve national disaster risk financing strategies.

Action Points:

- Study best practices from India, Indonesia, the Philippines, Thailand, and China, as recommended by participants of the National Consultation Workshop.
- Facilitate exchange visits and knowledge-sharing forums.
- Incorporate global insights into national policy and implementation.

The DM Fund, if activated effectively, can become a transformative mechanism to support local resilience, adaptive capacity, and effective disaster management. This policy brief outlines the reforms required to make the DM Fund a central pillar of national preparedness. By operationalizing these recommendations, Bangladesh will not only protect its people and economy but also demonstrate global leadership in disaster risk governance.





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