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OPINION IN LEAD

India overhauls its indirect tax system

Starting July 1, 2017 India overhauled its entire indirect tax system by introducing a single Good and Services Tax (GST), which replaced numerous local and central taxes to create a common national market. The biggest fiscal reform adopted by the Indian government aims at streamlining the indirect taxes into a common system in order to promote seamless flow of goods and services within India and improve Asia's fastest growing economy's standing as a business-friendly destination.

Despite the long gestation period and an overdrawn process to get the constitution amended and laws passed by upper and lower houses, and billions spent on advertising, by the time of the roll-out Indian public and businesses were still confused. The chaos was expected when such a regime change is happening in a country of 1.3 billion with a US$2 trillion economy. The confusion has been transmitted to the traders in neighbouring Nepal and Bhutan as well as India is the largest trading partner of the two landlocked South Asian countries and their third-country trade transits exclusively through India.

GST is basically a destination-based tax levied on consumption. The burden of paying tax falls on the person who is buying the good or seeking the service. The tax is levied on each transaction happening during the entire manufacturing chain of a commodity. The buyer or service receiver will have to pay the GST during each stage of manufacturing and distribution. However, in the new regime, the tax payer can claim credit for the tax already paid in the previous stage, which eventually reduces the burden of tax on the end consumer. Earlier, tax cascading led to consumer paying multiple taxes.

Based on the new regime, Indian consumers will have to pay GST rates of five per cent, 12 per cent, 18 per cent and 28 per cent based on the nature of commodity or service as fixed by the GST Council. Transaction undertaken within the territory of a state is divided equally between the central and state governments as Central GST and State GST, respectively. The rates of integrated GST levied on interstate transaction do not vary from CGST or SGST but the tax is administered by the centre.

Through this common tax market, India has not only done away with various types of state taxes imposed at multiple rates, the different forms of entry and exit taxes levied by each state such as *octroi* have also been dissolved. It is estimated that the seamless movement in India's 22 states and Union Territories will save billions and cut down freight time for commercial vehicles by at least 25 per cent. This tax regime change is expected to reform India's image in terms of ease of doing business. As the tax filing is done digitally and there is a system of claiming credits for the tax paid by the previous entities in the value chain, the GST is expected to promote transparency and help curb tax evasion.

Despite these benefits, the roll-out of GST was marred by protests due to lack of functional clarity. As goods and service providers with an annual turnover of about US$31,000 (INR 2 million) come under GST, micro and small enterprises such as retailers have complained that the new system will increase their expenses. These small business owners say that they lack the expertise to file returns and will have to pay for professional service. *Bhartiya Udyog Vyapar Mandal*, a national traders association that claims 60 million members, called a day long strike on 30 June to protest the GST.

India's tax overhaul will also have a lasting impact on its neighbours, notably, Nepal and Bhutan. India is the biggest trade partner of both these countries and the GST is expected to impact their commodity prices. Under the GST, imports of goods and services are treated as inter-state supplies and will be levied IGST in addition to the regular customs duty. The new system has done away with, among others, countervailing duty and special additional duty. The GST may make the imports into India expensive if the effective IGST rate is higher than the duties other than basic customs duty levied previously. Thus, a case-by-case analysis is necessary to understand the actual impact on exports from Nepal and Bhutan to India.

In terms of exports from India, all exports are treated as zero rated supplies, that is, no GST is levied on exported goods and services as the incidence of tax follows the destination. Imports of goods into Bhutan and Nepal from India, therefore, could potentially become cheaper in general. Whether the reduction in import price at the border will be passed on to consumers is another matter. Further, the reduction in import price will also have implications for the already struggling domestic import-competing enterprises, calling for effective strategies to help shore up their competitiveness.

As the third-country trade of both Bhutan and Nepal is undertaken through India's ports, the changes in rates imposed on transport and logistical services will also affect these countries. The introduction of the GST has increased the tax on terminal handling and inland haulage services—for both imports and exports—to 18 per cent from the earlier service tax of 15 per cent. Likewise, freight handling also draws five per cent service charge which did not exist under the earlier system. However, the waiver of *octrois* and the removal of state check posts will benefit the smooth movement of cargo through India, thus helping in removal of one of the numerous non-tariff barriers faced by these countries.

REPORT

Productivity, competitiveness needed to boost South Asian exports

South Asia is all set to become the next global factory amid the ageing workforce and rising labour costs in China and other East Asian countries, according to the latest World Bank report, *South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse,* that has detailed the drivers and constraints impacting South Asia's competitiveness.

With the education levels on the rise, more than one million young workers entering the labour market each month, and the population of the region's mega-agglomerations and sprawling cities expanding monthly by roughly the same number, South Asia's potential is unquestionable, says the Report. But despite some promising prospects across a handful of sectors, locations and leading firms, this potential remains largely unexploited.

The reality is that South Asia ranks below its neighbours and various global benchmarks in attracting investment, penetrating tough markets, diversifying and upgrading its products and regional integration. These forgone opportunities are also reflected in low scores across a range of measures of international competitiveness.

From 1990 to 2014, the region's foreign direct investment (FDI) inflows were, on average, between 2.2 and 2.8 percentage points of GDP below that of countries in East Asia. South Asia, with its dismal level of intraregional trade integration, receives only a tiny amount of FDI from within the region. From 1990 to 2014, South Asia's average ratio of exports to GDP varied from 17 to 21 percentage points below that of East Asia. The average ratio of imports to GDP was 21 to 22 percentage points lower.

The region has also made limited progress in diversifying its exports and moving up the value chain. Although South Asia has had some success in penetrating new markets, almost 80 per cent of the region's export growth from 2001 to 2013 came from sales of the same goods to the same destinations. The remaining 20 per cent came from selling the same products in new markets.

Overall, the region's export basket does not reflect a substantial transformation of production structures or innovative activities. Although the sophistication of exports has increased in India, it has remained low in the rest of South Asia and quality has generally remained low, even declined for some countries.

Amid the slowing global trade, the Report proposes that the solution lies in improving productivity, and thus competitiveness, and looks for ways to do so in the dynamics of firms, industry value chains, clusters, and cities across the region. It suggests participation in larger regional and global markets to raise productivity. The stronger competitive pressures weed out the least productive firms, while others improve by gaining access to knowledge and better inputs.

Similarly, movement of resources from agriculture to higher-productivity manufacturing and services is another important mechanism for long-term improvement in productivity. Between 1960 and 2013, the share of agriculture in South Asia's GDP decreased from 44 per cent to 19 per cent, while the share of industry rose from 18 per cent to 29 per cent. South Asia also has a vibrant and expanding services sector that contributed to about 60 per cent in overall growth between 2000 and 2010 in India, the Maldives and Sri Lanka.

However, the movement of labour from agriculture to industry and services in South Asia has not been rapid enough to substantially reduce the large differences in productivity across sectors. In other words, the region has significant untapped potential, compared to the developed economies, to reap productivity gains by a further reallocation of labour from lower to higher productivity activities.

Another important mechanism for productivity growth operates within sectors through the movement of resources from less productive to more productive firms. In South Asia, the high dispersion of productivity levels across firms and a strong bias of firm distribution toward small, inefficient and slow growing firms indicate that this mechanism has a strong potential to increase efficiency.

Barriers to the growth of firms, can also be found in government policy. Across the region, factors such as, labour regulations that increase the cost of hiring and firing, financial sector regulations that favour small enterprises and inadequate bankruptcy laws may have limited the ability of efficient plants to grow and enabled inefficient plants to survive. Similarly, improving firm capability and leveraging technology can substantially raise firm productivity.

(Adapted from the World Bank report South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse published in June 2017)

NEWS

Maldives welcomes first Green Climate Fund donation

Green Climate Fund (GCF) has made its first donation to the Maldives with the aim of delivering safe freshwater in the islands facing climate change risks. GCF's disbursement of funds to this project will bolster an integrated water supply system based on rainwater, groundwater and desalinated water to provide a low-cost supply to vulnerable households in the Maldives. The project will also provide an uninterrupted supply of water to 49 islands that currently rely on emergency deliveries for three months of each year.

GCF's transfer of US$3 million marks the start of GCF's total contribution of US$23.6 million pledged to the country. Other contributors to this five-year grant project, totalling US$28.2 million, are the Maldives Ministry of Environment and Energy and the United Nations Development Program (UNDP), which GCF has accredited to implement the project.

"Projects such as this can have enormous impact in countries like the Maldives, which is highly vulnerable to the impacts of climate change, including rising sea levels, saltwater intrusion and more frequent droughts, storms and flooding," explained Mr. Achim Steiner, UNDP Administrator. "This new, integrated approach to climate-induced water scarcity will help build a more sustainable, climate-resilient future for the people of the Maldives."

The geographic characteristic of the Maldives—consisting of 1,190 small, low-lying coral islands spread over 90,000 square kilometres—puts this South Asian nation at the forefront of climate change. High poverty levels in the Maldives' outer islands exacerbate drinking water shortages during its dry season which leads to environmental and social impacts.

Source: http://www.greenclimate.fund/, 30.06.2017.

GM crops will impact food security, fear farmers

Proponents of natural and organic farming and progressive activists in India have cautioned against permitting commercial cultivation of genetically modified (GM) crops saying that it will have a negative impact on the food security of the country as farmers will lose seed sovereignty.

The issue came to the fore in view of the impending clearance of the commercial production of GM mustard by the Centre during a public interaction on the subject on 25 June 2017. The interaction was held in Karnataka, one of the few States in India to have a policy on organic farming.

"I have been following natural farming and believe it is the way forward as the cost of cultivation is negligible, income and production is high, helps in biodiversity conservation, maintenance of soil fertility and is hence environment-friendly besides ensuring my freedom to cultivate the variety I want," said Mr. Kailashmurthy, a farmer in Karnataka. He cautioned that once farmers lose seed sovereignty they will be at the mercy of multinational corporations (MNCs) and will be forced to cultivate the crops for which the seeds are available and this will have a bearing on India's food security.

Mr. Krishnaprasad of *Sahaja Samruddha*, an organization promoting chemical-free farming, said that there are issues regarding loss of biodiversity, environment, food security and farmers coming under the clutches of MNCs if the GM crops are promoted. "We have already witnessed how cotton cultivators are now under the clutches of the MNCs. What has already come true in case of cotton will come true with regard to other GM crops as well and hence should be opposed," he added.

Vast swathes of H.D. Kote in Mysuru district cultivated organic cotton and indigenous cotton till a few years ago. But over time it has been supplanted by Bt cotton resulting in native cotton seeds disappearing from the market. Farmers are thus forced to procure them from MNCs who, reportedly, manipulate prices. Statistics indicate that cotton cultivation is the highest in H.D. Kote accounting for almost 65 per cent of the total cultivation in the district. As against nearly 48,000 hectares under cotton cultivation in 2014-15, H.D. Kote has 31,000 hectares now and more than 95 per cent are under Bt cotton.

Source: http://www.thehindu.com, 26.06.2016.

UN Human Rights Council adopts access to medicines resolution

The United Nations Human Rights Council (UNHRC) today adopted a resolution on the right to health in relation to the UN 2030 Sustainable Development Goals (SDGs), including a call for medicines and vaccines access for all. The resolution also requested the UN Human Rights Commissioner to report on the right to health. The resolution notes that at least a third of the world's population lacks regular access to medicines, and that the problem cuts across developing and developed countries.

In the resolution, the Council "calls upon the international community to continue to assist developing countries in promoting the full realization of the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including through access to medicines, in particular essential medicines and vaccines; and requests the United Nations High Commissioner for Human Rights to prepare a report which presents contributions of the right to health framework to the effective implementation and achievement of the health-related SDGs, identifying best practices, challenges and obstacles thereto, and to submit it to the Human Rights Council at its thirty-eighth session," the sources said.

The United States, despite accepting the overall resolution, issued statements opposing the request for a UNHCR report on grounds that it does not fall within UNHRC's mandate and disagreeing with framing the SDGs in a "right to health framework". It also opposed what it viewed as a threat to intellectual property rights. "The United States objects to statements on technology transfer found in resolutions adopted by this body and reaffirms that this language will have no standing in future negotiations. The United States continues to oppose language that we believe undermines intellectual property rights", the statement read.

Source: https://www.ip-watch.org/, 23.06.2017.

Tea industry hit in Darjeeling shutdown

The indefinite shutdown in Darjeeling hills has hit hard its famed tea industry with the premium quality 'second flush' tea leaves going waste causing heavy losses to the garden owners and putting at stake the livelihood of more than two hundred thousand tea workers. Darjeeling is home to 87 tea gardens and the ongoing shutdown has pushed them to the brink. The tea garden owners feel that they will be losing 45 per cent of their yearly revenue.

"This is the season of second flush, which gives very high quality tea leaves. The tea that is produced in this season accounts for around 40 per cent of the total revenue generated. We will be losing it completely as the leaves will get elongated," said Mr. Arun Singh, Managing Director at Goodricke Group Ltd. The West Bengal-based group owns several tea estates in Darjeeling and produces around 10 per cent of the total tea produced in the hills.

Flush means picking up of small high quality leaves at the beginning of the season and the tea produced out of it are one of the best in the world. Darjeeling tea gardens have five flushes in a year. The first flush, also known as spring flush happens in March, the second flush known as summer flush takes place from June 1 – June 30 or first week of July. The rest three are the monsoon flush, autumn flush and winter flush, explained Mr. Azam Monem, Chairman of Indian Tea Association (ITA).

"Darjeeling produces around 8-10 million kg of tea every year, out of which 50 per cent is exported. The tea that is produced in the second flush is completely exported as it is the most high quality premium one. It fetches around 45-50 per cent of total revenue. The loss that the tea industry in Darjeeling is incurring will run into millions," Mr. Momen said.

Mr. S. S. Bagaria, former chairman of Darjeeling Tea Association and owner of four tea gardens, said the shutdown is a "death knell" for the tea industry of Darjeeling. "This year in the first flush we had faced losses due to lack of proper rains. In the second flush we are facing this shutdown. We are losing premium quality tea. Now the leaves will get elongated and will have to be slashed off. We will lose both financially and production-wise," said Mr. Bagaria.

According to Mr. Monem, ITA has sent representation to the Union Home Ministry, the Commerce Ministry, the State Government and *Gorkha Janamukti Morcha* for steps to save the tea gardens from incurring heavy losses.

Source: http://indianexpress.com, 21.06.2017.

SAARC workshop on Safe Trade in Live Animal and Animal Products

The Regional Support Unit of Food and Agriculture Organization of the United Nations (FAO), in partnership with the South Asian Association for Regional Cooperation (SAARC) Secretariat, organized a four-day regional training with the participation of all the eight South Asian Association for Regional Cooperation Secretariat (SAARC) member states on 'Enhancing Capacity for Sanitary and Phytosanitary (SPS) Measures for Safe Trade in Animal and Animal Products in South Asia'.

About 35 participants of the SAARC countries as well as international SPS experts from Agencies like World Organization for Animal Health (OIE), Centre for Agriculture and Biosciences International (CABI), South Asian Regional Standards Organization (SARSO) participated in the training program that kicked off on 19 June 2017. The training aims at enhancing regional capacity among SAARC Member States for safe and enhanced trade in livestock and livestock products, according to the FAO.

Mr. MJH Jabed, Director of Agriculture and Rural Development at SAARC Secretariat, stressed the need for adopting SAARC standards developed by SARSO, which, he said, is essential to develop regional capacity and induce meaningful change in the coming years in terms of successful implementation of the South Asian Free Trade Area (SAFTA). Underlining that the national standards can differ from the relevant SAARC standards, he urged the Member States to notify each other about such differences along with the reasons.

Speaking as Chair, Dr. Vijay Chandra Jha, Deputy Director General of the Department of Livestock Services of the Government of Nepal, observed that member countries of the World Trade Organization (WTO) are obliged to adhere to the WTO Agreement on the Application of Sanitary and Phytosanitary Measure, ensuring that such measures are adapted to the sanitary or phytosanitary characteristics of the area where the product originated from or destined to.

Source: https://www.spotlightnepal.com, 20.06.2017.

Afghan president inaugurates first air corridor with India

President Ashraf Ghani has inaugurated the first Afghanistan-India air corridor during a ceremony at Kabul’s international airport. The direct route that bypasses Pakistan is meant to improve commerce. Mr. Ghani, who thanked Indin Prime Minister Mr. Narendra Modi for the air corridor, said the aim of the route is to create more opportunities and make Afghanistan an exporter country.

The President’s Adviser, Mr. Sediqullah Mujadedi, said Afghan agricultural products will for the first time head to India on cargo planes. He informed that the first India-bound flight on 19 June included 60 tons of medicinal plants and a second flight will carry 40 tons of dry fruits from the southern Kandahar province.

The Afghan Chamber of Commerce and Industries (ACCI) said the medicinal plants carried on the first flight were valued at US$11 million. ACCI officials said the cost of transporting a kilogram of vegetables and fresh fruit from Kabul and Kandahar to Indian markets will be about 20 cents per kg, and the cost of a kilogram of goods from India to Afghanistan will be about 40 cents.

Afghanistan is a mountainous landlocked country and all imports and exports depend on neighbouring countries. Even before relations between Kabul and Islamabad became strained over accusations of harbouring militants, Pakistan is accused of stymying Afghanistan’s efforts to trade with India. After Afghanistan and Pakistan signed a transit trade agreement in 2010, Islamabad allowed Afghan trucks to carry goods up to the Indian border but barred them from ferrying any Indian goods through Pakistani territory.

Meanwhile, the Pakistan embassy in Kabul said in a statement on Monday that Pakistan too intends to open a transit route for Afghan exports.

Source: http://www.hindustantimes.com/, 19.06.2017.

India becomes 71st country to ratify UN TIR Convention

India has become the 71st country to ratify the United Nations Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention), that will boost trade and regional integration across South Asia and beyond, fast-tracking the region's potential to become a strategic trade hub.

TIR is the global standard for goods customs transit managed and developed by the International Road Transport Union (IRU).

China was the last TIR contracting party that acceded to the Convention on 6 July 2016.

The accession to the TIR Convention is part of India's multi-modal transport strategy that aims to integrate the economy with global and regional production networks through better connectivity, IRU said in a statement.

TIR will help India integrate with Myanmar and Thailand as well as Bangladesh, Bhutan and Nepal. It will also enable India to move cargo along the International North-South Transport Corridor via Chabahar port in Iran, to access land-locked Afghanistan and the energy-rich Eurasian region.

Source: http://timesofindia.indiatimes.com, 19.06.2017.

No consensus in sight ahead of December WTO summit

Trade ministers from over two dozen countries, including the United States and India, sharply differed on their priorities for the Buenos Aires meeting during a trade minsters' meeting held in Paris on the sidelines of the Organization of Economic Cooperation and Development (OECD) meeting.

The sharing session of the outcome of the meeting focused on the trade issues, including the 11th ministerial meeting of the global trade body in Buenos Aires due in December. The Indian Commerce Minister Ms. Nirmala Sitharaman said that India cannot imagine any outcome at Buenos Aires without the mandated permanent solution for public stockholding programmes for food security. She added that an outcome on special safeguard mechanism for developing countries to curb unforeseen surges in imports of agricultural products must be finalized at the ministerial meeting for addressing continued inequities in global agricultural trade.

Indonesia, South Africa and the coordinator for ACP (Africa, Caribbean and Pacific) countries concurred with India that there must be credible outcomes on the permanent solution for public stockholding programmes for food security as well as commitments for reducing farm subsidies.

India also warned that it will not agree to commitments for reducing trade-distorting domestic agricultural subsidies, maintaining that the Doha Development Agenda mandated the industrialized countries, and not developing countries, to undertake substantial reduction commitments.

Ms. Sitharaman made it clear that any outcome on fisheries subsidies—which is being prioritized as a major deliverable for the Buenos Aires meeting—must provide enhanced special and differential flexibilities for India's tens of millions of poor and artisanal fishermen who survive on fishing. She also flatly rejected attempts to launch negotiations on e-commerce by the European Union (EU), Japan, Korea and several other countries on grounds that it is not part of the agenda. She said India will not accept any negotiations on investment facilitation or disciplines for small and medium enterprises as proposed by major industrialized and some developing countries.

The United States said it will be guided by three principles in international trade. Outcomes in global trade must remain "free, fair, and reciprocal", United States Trade Representative Mr. Robert Lightizer said, maintaining that there has been no consensus on the possible deliverables for the Buenos Aires meeting.

But several other trade ministers from the EU, Japan, Australia, New Zealand, Brazil, Argentina and Korea, among others, delivered an optimistic assessment about what can be accomplished at Buenos Aires. These countries pressed for outcomes on fisheries subsidies, domestic regulation in services, trade-distorting domestic support, digital trade, investment facilitation, and small and medium enterprises.

Effectively, there is no consensus on what must be accomplished at the Buenos Aires meeting in December, South African Trade Minister Rob Davies said.

WTO director general Roberto Azevedo delivered a sombre assessment by saying that he cannot see any low-hanging fruits for harvesting in Buenos Aires.

Source: http://www.livemint.com, 10.06.2017.

Nepal, India agree to use cutting-edge technology to ease transit trade

Nepalese and Indian senior customs and trade officials met in Mumbai on 6 June 2017 to discuss ways to ease traffic-in-transit along the route from Kolkata to four major customs points of Nepal, including Raxaul, through an electronic tracking system.

India's Customs Commissioner Mr. Sandeep Kumar and Nepal's Commerce Ministry Joint Secretary Mr. Rabi Shankar Sainju signed a memorandum of intent to pilot the system for a trial period of at least 90 days starting later this year.

The electronic tracking system uses satellite positioning systems, cellular communications, radio frequency identification, electronic seals, and monitoring software to ensure the security of cargo. In doing so, traders will reduce the cost and time spent for clearing cargo at border crossings.

Nepal and India will pilot the tracking system for Nepalese transit cargo by road and rail along Kolkata-Birgunj via Raxaul; Kolkata-the inland container depot (ICD) in Sirsiya via Raxaul; Kolkata-Biratnagar via Jogbani; and Kolkata-Bhairahawa via Sonauli corridors.

The electronic cargo tracking system is an important initiative under the South Asia Subregional Economic Cooperation (SASEC) program, which involves Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka. The Asian Development Bank (ADB), as SASEC secretariat, is supporting the piloting of the electronic tracking system.

"Nepalese traders could benefit greatly from faster transit movement and simplified procedures from the electronic tracking system," says Mr. Sainju. "Through the application of the system, we will not only be able to track the movement of our cargo, but even more, we will easily detect any unwanted incidences such as infiltration, pilferage, or deflection that may occur to our transit cargo in route."

Source: https://www.adb.org/, 07.06.2017.

ACTIVITIES

National Policy Dialogue held to discuss tradable benefits of trans-boundary water

South Asia Watch on Trade, Economics and Environment (SAWTEE) organized an event on 29 June 2017 to discuss the prospects of inland waterways for transboundary connectivity in Kathmandu. The experts present at the National Policy Dialogue pointed out the urgent need of setting up of an institution to govern water transport to develop navigation as an alternative mode of transport.

The event which was organized to disseminate key findings of the diagnostic study conducted under the "Expanding Tradable Benefits of Trans-boundary Water: Promoting Navigational Usage of Inland Waterways in Ganga and Brahmaputra Basins". The study attempts to identify gaps in policies and institutional capacity for transboundary connectivity via waterways in Nepal. In addition, the study evaluated the connection between existing water transport services and impact on the livelihood of the locals and possibility of using waterways for trade logistics in the Koshi and Gandak River basins in Nepal.

The event saw participation of about 30 experts representing government agencies, private sectors and experts working in the water resources in Nepal.

Monthly forum on post-disaster reconstruction

SAWTEE, with support from The Asia Foundation (TAF), organised a discussion on 'Nepal Post Disaster Reconstruction Experience: Current Status and Lessons Learnt' under the project titled 'Initiating Dialogue on Post-Disaster Reconstruction' on 29 June 2017. During this first dialogue, to be followed by eight more Monthly Forums, Dr. Jagadish Chandra Pokharel, Former Vice Chairman of the National Planning Commission, made a presentation providing an overview of the progress on reconstruction and recovery and briefly assessed the impact of the disaster and reconstruction on different sectors while reviewing the state and quality of service delivery in earthquake affected areas.

Making his presentation, prominent planner of Nepal Dr. Pokharel, pointed out several institutional bottlenecks responsible for the sorry state of progress in reconstruction including much time wasted on institutionalising National Reconstruction Authority. He further emphasised that different policy concepts should be clear and there should be no misunderstanding in the issues like "compensation" vs "relief" or "right" vs "privilege".

Making his remarks as the Chief Guest of the programme, Prof. Dr. Gobinda Raj Pokharel, Chief Executive Officer of the National Reconstruction Authority (NRA) said that there has been satisfactory progress regarding the reconstruction activities as more than 960,000 houses are in the process of being rebuilt. He further said that this process has taken pace lately after the local level elections as NRA is trying to decentralise and let the local level take the initiative. He reiterated that government is committed to the reconstruction drive and will fulfil its duty to the optimum level possible.

Another discussant at the programme, Mr. Kishore Thapa, Expert Advisor of the Steering committee at the NRA expressed that the actual reconstruction aimed at creating resilient community not limiting itself to constructing damaged houses. He also pointed out short supply of skilled labourers as one of major reasons for the delay in reconstruction activities.

The event saw participation of about 30 participants from various organizations, research institutions, experts, activists and development partners

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