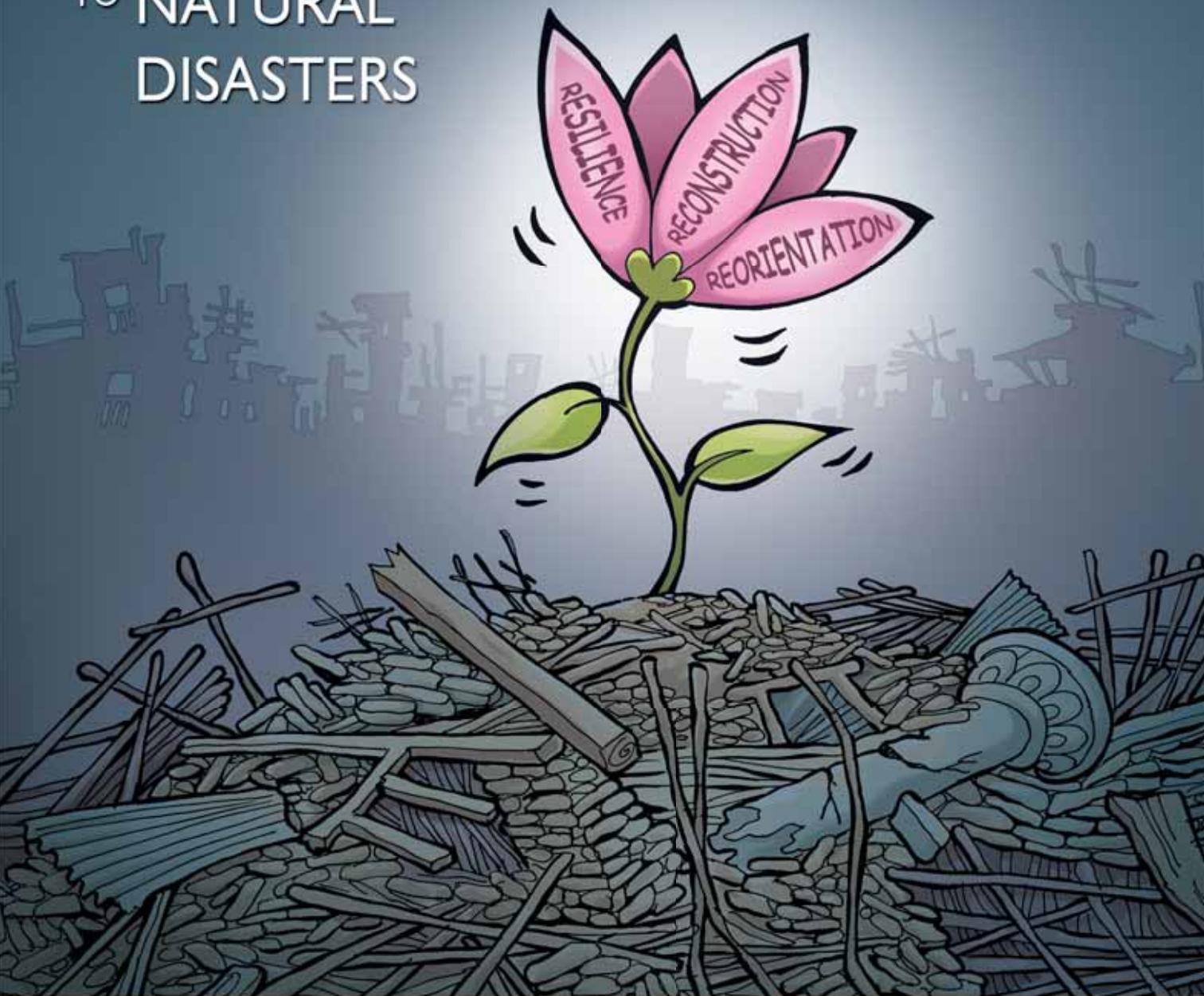


● TRADE ●

# insight

## RESPONDING

TO NATURAL  
DISASTERS



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## DRR efforts in South Asia

**SOUTH** Asia is one of the most disaster-prone regions in the world. Climate change is further expected to intensify disaster risks in the region. This is a serious challenge for the region that is poor and faces severe resource constraints to meet its development challenges. For South Asian Association for Regional Cooperation (SAARC), reducing the risk of disasters is key to achieving its poverty reduction goals.

South Asian countries have already adopted comprehensive disaster risk management programmes and action plans at the national and regional levels. Governments are increasing investments in disaster risk reduction (DRR) and improving their response from the community to the national level. Such DRR programmes are designed along the lines of the Hyogo Framework for Action (HFA) 2005-2015, which foresees “a more effective integration of disaster risk considerations into sustainable development policies, planning and programming at all levels, with a special emphasis on disaster prevention, mitigation, preparedness and vulnerability reduction”.

The SAARC Disaster Management Centre (SDMC) was established in 2006 with a mandate to provide policy advice, facilitate capacity building services and exchange of information, among others, for effective DRR in South Asia.

Despite all good intentions, disaster management systems tend to rely on a reactive approach in South Asia. The institutional arrangements and other mechanisms are more focused on post-disaster emergency responses. SAARC programmes on DRR often have a limited coverage, and their inability to effectively respond to disasters becomes very visible during crises.

Regional organizations such as SAARC need to carve a common vision for DRR in the region and develop a more proactive approach, in which disasters are avoided in the first place with adequate preparations and financing. The first important step for SAARC would be to help its member countries document the impacts of natural disasters on social and economic development; assess countries' capacity to reduce and manage disaster risks; and identify options for more effective management of such risks.

SAARC states should update their national DRR policies and align them with a SAARC-level DRR policy in accordance to the “Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030”, the successor of the HFA. There is also a need to align DRR policies with other development goals including the Sustainable Development Goals that will govern the post-2015 development agenda.

SAARC countries should also increase their cooperation by sharing best practice in development planning and policies that reduce disaster risks. There is a clear case for SAARC to scale up its DRR programmes with, disaster embedded as an important cross-cutting issue in all its operations.

It is imperative for SAARC to learn from its inability to deliver on several of its initiatives—and from other regional organizations that have moved much ahead in regional cooperation—to design and implement prudent policies, including for DRR, to uplift millions of South Asians living in vicious cycle of poverty and risks. This will change the dominant narrative that SAARC is a lost cause, with actions limited to conspicuous hullabaloo during its Summits. ■



## Responding to natural disasters in South Asia

**COVER FEATURE 14**

## Visible need for regional disaster response



**REGIONAL DISASTER 10**

## Complexity of international institutions : Implications for access and benefit sharing



**FARMERS' RIGHTS 28**

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<b>IN THE NEWS</b>	<b>4</b>
<b>REPORT</b>	<b>9</b>
Development through Aid for Trade	
<b>FOOD SECURITY</b>	<b>20</b>
Disasters in South Asia : Invoking SAARC food security	
<b>ECONOMIC IMPACT</b>	<b>24</b>
Poverty and livelihoods macroeconomic impact of earthquakes in Nepal	
<b>REFLECTION</b>	<b>33</b>
Natural disasters and governmentality : Impressions from the Nepal Earthquake	
<b>BOOK REVIEW</b>	<b>35</b>
"INEQUALITY : What can be done?"	
<b>KNOWLEDGE PLATFORM</b>	<b>36</b>
SAARC Comprehensive Framework on Disaster Management	
<b>NETWORK NEWS</b>	<b>38</b>

### BANGLADESH

1. Bangladesh Environmental Lawyers' Association (BELA), Dhaka
2. Unnayan Shamannay, Dhaka

### INDIA

1. Citizen consumer and civic Action Group (CAG), Chennai
2. Consumer Unity & Trust Society (CUTS), Jaipur
3. Development Research and Action Group (DRAG), New Delhi

### NEPAL

1. Society for Legal and Environmental Analysis and Development Research (LEADERS), Kathmandu
2. Forum for Protection of Public Interest (Pro Public), Kathmandu

### PAKISTAN

1. Journalists for Democracy and Human Rights (JDHR), Islamabad
2. Sustainable Development Policy Institute (SDPI), Islamabad

### SRI LANKA

1. Institute of Policy Studies (IPS), Colombo
2. Law & Society Trust (LST), Colombo

# SARSO to set up testing lab for removing non-tariff barriers in South Asia

**THE** South Asian Regional Standard Organization (SARSO) is planning to set up a state-of-the-art testing laboratory in Dhaka to remove non-tariff barrier in regional trade. The headquarters of SARSO, one of the two specialized bodies under SAARC, was set up last year in Dhaka and it has already started its operations.

“For the next one or two years, we will set up the standards for the priority products which will be tested in the lab,” said a Foreign ministry official of Bangladesh. The priority products are those, which have the major share in the trading basket. Citing examples, the official said many goods are traded in the region but agriculture products, dairy and confectionery products, and some industrial products and raw materials have the lion’s share in the trade basket.

Meanwhile, another Foreign Ministry official said German testing



sarso.portal.gov.bd

organization, the German National Metrology Institute (PTB), is helping SARSO in developing its capacity. SARSO has also approached ISO and International Electrotechnical Commission (IEC) to forge a cooperation deal with them, he said. “It will have manifold benefits. If SARSO can reach an agreement with

them, its certified products will also be accepted in Europe and American markets,” he said. SARSO has already certified some products including refined sugar, biscuit, code of hygienic practice for dairy products, jute and cotton related products, he added. ([www.dhakatribune.com](http://www.dhakatribune.com), 28.08.2015). ■

## Afghan customs empowered to verify containers at border

**THE** Pakistan Federal Board of Revenue (FBR) has introduced an online module for safe transportation under the Afghan Transit Trade (ATT), which enables the Afghan Customs to verify containers crossing the border. The Web Based One Customs (WeBOC) online system for trade clearance had been amended by the Directorate of Automation and Reform on 24 August, and introduced for the verification of transit goods entering the Afghan territory.

The latest system has been evolved to eliminate the pilferage

of imported goods inside Pakistan. According to the latest change: “System should generate security release request to Assistant or Deputy Collector concerned when gate-in information is completed regarding all containers for a particular goods declaration (GD).” The latest changes also restrict traders and clearing agents for filing security release request. In all, the latest update in the WeBOC system would resolve many issues with transit trade and help the country to prevent revenue losses.

The 2011 Federal Tax Om-

budsman (FTO) in its report had forwarded many recommendations that are not being materialized or under process. It recommended that customs clearance and cross border certification and reconciliation procedures need massive improvement, consolidation and rationalization; crosschecks need to be upgraded, diversified and externalised; and transport system used for Afghan Transit Trade needs to be organized on competitive basis, and transporters given a level-playing field, etc. ([www.thenews.com.pk](http://www.thenews.com.pk), 25.08.2015). ■

# Fruits, vegetables fail to enter EU markets

**FRUIT** and vegetable shipments from Bangladesh continue to be turned down at the port of entry to European markets due to non-compliance by exporters and poor monitoring by the related government agencies. Between January and July, the European Union (EU) has rejected 143 export consignments due to pest and absence of phytosanitary or plant health certificates, according to its Food and Veterinary Office's (FVO) reports.

The EU has already extended a ban on betel leaf imports from Bangladesh until 30 June 2016 due to traces of bacteria in the leaves that cause health hazards. The EU, listing six vegetables from Bangladesh as critical items, had earlier also sought actions from the government. Subsequently in May, Bangladesh shared an action plan with the EU promising to ensure shipment of vegetables and betel leaf through contract farming arrangements between exporters and farmers as well as guarantee registration of exporters. The Agriculture Ministry also decided to include certain security features to prevent the use of fake plant health



certificates to ship vegetables to the EU, one of the main buyers of the country's fresh farm produce.

However, the EU, in its notice on the extension of the ban on betel leaf imports from Bangladesh, said the action plan is "incomplete and there are no guarantees on its effective application and enforcement". Dhaka Customs House Commissioner Lutfor Rahman said it is difficult for customs officials to check the authenticity of the certificates instantly in the absence of automation. Meanwhile, Moham-

mad Mansur, general secretary of Bangladesh Fruits, Vegetables & Allied Products Exporters' Association, said the problem of vegetable exports without certificates or with fake certificates is taking place repeatedly due to the absence of coordination among government agencies. The problem could be checked if the plant quarantine station officials remain present in the cargo build-up area, where exportable items are kept and finally packaged for loading on planes. (*www.thedailystar.net*, 20.08.2015). ■

## India raises rice support prices

**INDIA** has raised the price at which it will buy new-season common rice varieties from local farmers by 3.7 percent and has offered to pay an extra INR 2,000 a tonne to pulse growers over government-set support prices, Ravi Shankar Prasad, the law minister said.

For common grades of rice, the government has fixed the support price at INR 14,100 a tonne and for superior varieties the guaranteed price stands at INR 14,500 a tonne, up from 14,000 a tonne last year. For the three main varieties of lentils, popularly called pulses in India, the government has offered

an additional INR 2,000 a tonne over support prices that had been fixed at 44,250, 46,500 and 44,250 rupees a tonne.

The government buys rice and wheat from local farmers at a fixed price to build stocks for its food welfare programmes and meet emergency needs.

Unlike rice and wheat, the government does not buy pulses from farmers. But if local prices fall below the government-fixed support price, state agencies will purchase pulses to protect growers from distressed sales.

India is sitting on massive stockpiles of rice and wheat but the country

has to import between 3.5 million tonnes and 4 million tonnes of pulses from countries like Austria, Canada and Myanmar to meet a shortfall.

Expecting a sharp rise in local prices, the government last week said it could consider allowing pulse imports by state-backed trading companies to ensure availability in the domestic market.

Forecasts of sub-par monsoon rains have stoked worries of a spike in retail food inflation that eased to 4.8 percent last month from 5.11 percent in April. (*www.in.reuters.com*, 10.06.2015). ■

# India allows driving cars destined for Nepal over its roads

**NEPALESE** traders are now able to drive Nepal-bound imported automobiles over Indian roads as the Indian government has approved the letter of exchange (LoE), which is one of the components of the amended Treaty of Transit. Prior to this arrangement, such vehicles were allowed to be transported under the Treaty only by railway wagons and trucks or trailers after receiving proper seals from the Indian Customs. The movement of vehicles on their own power to Nepal has been allowed through Raxaul-Birgunj, Joghani-Biratnagar, Sunauli-Bhairahawa and Nepalgunj Road-Nepalgunj border points.

Nepal government had requested India to allow movement of vehicles on their own power citing the requirements of additional handling facilities, special carriers and equipment, which added to the



upload.wikimedia.org

cost and time of clearance of vehicles from Kolkata Port. The request had been made during the third meeting of Nepal-India Joint Commission held in Kathmandu on 25 and 26 July 2014.

Nepalese auto importers were persistently pushing the government to request the Indian government so that they could bring Nepal-bound vehicles on their own power rather than bring it via rail. As per Shekhar

Golchha, president of Nepal Automobile Dealers' Association, the decision will help traders save the time and reduce the cost of importing automobiles. Earlier, they had to wait at least two to three weeks in the Kolkata Port to fill up the container and this provision will reportedly bring down the cost of four-wheelers by at least NPR 100,000. (*www.thehimalayantimes.com*, 23.06.2015). ■

## NBSM to receive international accreditation

**THE** Nepal Bureau of Standards and Metrology (NBSM) will soon be able to issue internationally recognized certification to Nepalese exporters of cement, textiles and iron rods. Lack of such facilities in the country has been forcing exporters to obtain the quality assurance certification from laboratories in India.

The NBSM will begin providing certification to exporters after receiving international accreditation of its laboratories which is in the final stages. The certification will allow Nepalese exporters to provide quality assurance of their products as per international norms and the requirements of the importing countries. Director General Bishwa Babu Pudasaini of the NBSM said

they had upgraded the calibration and quality testing laboratories and were in the final stages of receiving accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL), India. According to him, the NBSM is waiting for the NABL's confirmation of non-conformity testing in five to six categories, most of which are related to environmental issues.

At present, the NBSM can issue ISO 9000 certification to manufacturers through its accredited labs. The accreditation allows the NBSM to certify the quality management system of an organization as per international standards.

Pudasaini said that they were now in the process of receiving ac-

creditation for an additional 42 parameters that would enable them to test the quality of Nepalese cement, textiles and iron rods. The accredited laboratories at NBSM can also certify testing for 27 parameters that are related with the measurement and chemical testing of GI wire, noodles and drinking water, among others.

The NBSM has been carrying out upgradation activities with technical support from the PTB (National Metrology Institute) of Germany since 2007. The government has also been providing financial support to 7 set up labs of international standard under its Nepal Trade Integration Strategy 2010. (*www.ekantipur.com*. 08.04.2015). ■

# India, Bangladesh to extend protocol on Inland Water Transit and Trade

**INDIA** and Bangladesh have agreed on the extension of Protocol on Inland Water Transit and Trade (PIWTT) with the provision of automatic renewal in line with the proposed amendment to Bangladesh-India Trade Agreement.

The Indian government today said the decision was taken during the Secretary-level talks between the two countries. It was also agreed between the two countries that a draft agreement for the regular movement of passenger and cruise vessels would be shared by India with Bangladesh through the diplomatic channel, said an official statement by the Indian Ministry of Shipping.

With regard to development of the entire protocol route under the

regional International Development Association (IDA) assistance of World Bank, while welcoming the proposal, Bangladesh agreed to revert after obtaining approval from the concerned authority on its side.

The issue relating to inclusion of the Pangaon container terminal (ICT) in Bangladesh as a Port of Call was discussed. Bangladeshi side informed that Pangaon (ICT) along with two other ICTs in Bangladesh may be used as a Port of Call by cargo vessel operators. It added that the Bangladesh side requested that Farraka and Bandel on National Waterway (NW) - 1 may be declared as Port of Call.

Port of Call is any port except its home port being visited by a ship,

especially to load or unload cargo or passengers.

A draft agreement on coastal shipping was also initiated by both the countries. The two countries also agreed to finalize the Standard Operating Procedures (SOP) in about two months time.

On cooperation on Light House and marine training, India offered to extend training to the personnel in Bangladesh. Importantly, it was also agreed between the two countries that a draft agreement for the regular movement of passenger and cruise vessels would be shared by India with Bangladesh through the diplomatic channel. (*www.articles.economictimes.indiatimes.com, 21.04.2015*). ■

## Pre-shipment inspections, brokers needed to remove trade barriers

**THE** Ministry of Commerce and Supplies (MoCS) has said that Nepal could carry out pre-shipment inspections and use customs brokers in order to remove barriers to the free movement of trade goods. These are the measures a country should be able to implement to get technical assistance for infrastructure development and legal reforms from the WTO.

According to the MoCS, Nepal has started using customs agents to clear the customs process of both imported and exported goods. "We are all set to implement the pre-shipment inspection process," said Naindra Prasad Upadhyay, Secretary of MoCS.

The pre-shipment inspection process includes appointing

permanent agents in countries with which Nepal conducts trade to deal with customs related obstacles there. These measures have been taken in line with the Trade Facilitation Agreement (TFA) signed during the WTO meeting in Bali, Indonesia in 2013. The aforementioned two measures come under the A category of the TFA which should be notified to the WTO within a year after the country is prepared to implement it. Following the notification, a country like Nepal can get technical assistance from the WTO to conduct legal reforms and manage the necessary infrastructure to facilitate trade. Similarly, legal reforms come under the B category of the TFA. Institutional capacity building, infrastructure development and enforcement

of information technology come under category C.

Mina Aryal, Under-secretary at the MoCS, said Nepal had started work to assess the country's ability to carry out legal reforms and manage the infrastructure necessary to facilitate trade. Aryal said the ministry was ready to notify the WTO regarding its readiness to implement clauses under category A. "The progress notification in this category could open up avenues for the country to receive technical support to enforce the conditions in the other two groups," she said. "Regarding the clauses in the other two groups, we will start studying which clauses the country can implement on its own and which it cannot." (*www.ekantipur.com, 29.07.2015*). ■

## Nepal to cut customs for Bangladesh

NEPAL agreed to provide preferential treatment to 50 Bangladeshi items at the two-day bilateral talks which began on 22 April 2015. Officials at the Nepal's Ministry of Commerce and Supply said Nepal agreed to reduce the customs duty on the select products.

Bangladesh had been seeking duty free access to 64 of its products, including fish, medicines, jute and juice, in the Nepalese market. The Secretary at the Ministry, Mr. Naindra Prasad Upadhyaya said it has agreed to reduce the customs duty in line with the SAFTA provisions. "We have agreed to reduce the customs duty to 5 percent on those products from the previous rates of 15 percent or more", he said.

The Ministry has also agreed to reduce customs duty to just 3 percent on the goods which were in the 3-15 percent duty range, Upadhyaya said, adding that the Bangladeshi delegation would finalise the proposal after discussions with the concerned authority in Dhaka.

Nepal also tabled a proposal on harmonising the sanitary-phytosanitary measures (quality standards) of the two countries. Nepal has handed over a draft of the Memorandum of Understanding on accepting the lab certification of one country to another for exports of agro products.

According to the Ministry, the meeting also decided to request the Indian authorities to establish an immigration office along the Fulbari-Baglabandh route in India. Currently,

Nepalese exporters have to endure problems in receiving visa and entry permit in Bangladesh in the absence of immigration office of India. Provided India sets up an immigration office, Bangladesh has agreed to provide the on-arrival visa to Nepalese exporters, he said.

Similarly, the meeting endorsed the duty free access to 108 Nepalese products in the Bangladeshi market as agreed in trade talks held in Dhaka in 2013. Nepal had proposed duty free access to 153 products is seeking such concession for 45 additional products, mainly in farm products like tea, vegetables and meat. The two countries have been holding the joint secretary-level trade talks since 2008. (*www.ekantipur.com*, 23.04.2015). ■

## India may drag EU to WTO

INDIA is considering the option of dragging the European Union (EU) to the WTO for "unjustly" banning 700 Indian drugs that were clinically tested at the Hyderabad-based GVK Biosciences.

The Commerce Ministry is reportedly examining at least two technical grounds to see if a case can be made against the 28-member bloc at the multilateral forum.

The French drug regulatory authority had complained to the European Medicines Agency (EMA) in 2014 that clinical trials for bio-equivalence testing (tests to prove that generic drugs are as effective as the ones whose patents have expired) of certain drugs conducted by GVK between 2008 and 2014 were unreliable. It claimed that one person's ECG data was used for different volunteers who underwent the tests.

In turn, GVK has denied the allegations and also produced evidence to



support its position. The ministry is said to have been also examining the scientific validity of the requirement for ECGs for testing the efficacy of the banned drugs.

Apart from proving that the ECGs were of different persons, if India can establish that the ECGs are not necessary to prove that the tested drugs were effective, then it will have a very strong case.

The Commerce Ministry has been trying to convince the EU about the authenticity of the GVK clinical trials for the past eight months. Indian Com-

merce Minister Nirmala Sitharaman had raised the issue with the EU Trade Commissioner in May this year.

Most of the banned generic drugs—copies of once patented medicines that are now off patent—were being sold in the European markets for several years without any adverse reports about their quality or effectiveness.

New Delhi is apprehensive that the EU's decision could have been guided more by commercial concerns rather than on health grounds as the Indian generics are available at a fraction of the price of the patented versions sold by pharmaceutical majors, many of them based in Europe.

India has already deferred its talks on the proposed Free Trade Agreement (FTA) to protest against the ban.

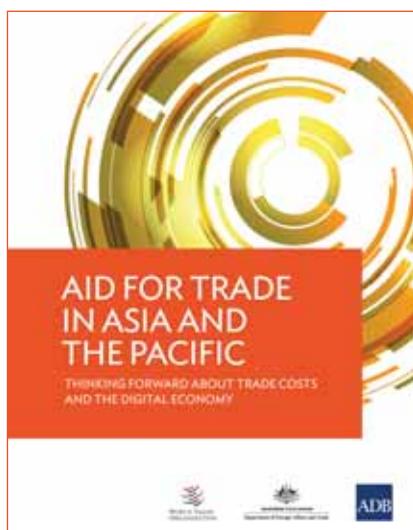
India annually exports drugs approximately worth US\$15 billion. (*www.thehindubusinessline.com*, 06.08.2015). ■

# Development through Aid for Trade

**HIGH** trade costs continue to slow the progress towards greater trade integration of many developing countries, particularly for the LDCs. With the realization that inclusive and sustainable growth cannot be achieved in the absence of effective trade facilitation efforts, the recently released report “Aid For Trade in Asia and the Pacific: Thinking forward about trade costs and the digital economy” calls for concerted action through the Aid for Trade Initiative to reduce trade costs and contribute to achieving the emerging post-2015 development agenda.

Since the start of the Aid for Trade (AfT) initiative, donors have disbursed a total of US\$264.5 billion in official development assistance (ODA) and an additional US\$190 billion in other official flows for financing trade-related programmes in developing countries. Within South Asia, India (US\$2.1 billion), Afghanistan (US\$1.2 billion) and Bangladesh (US\$903 million) were the top recipients of AfT disbursements in 2013. But despite poor quality of infrastructure in all South Asian countries except Sri Lanka, South Asia’s spending in physical infrastructure development is very limited. The report thus argues that investment in the maintenance and upgrading of existing and new infrastructure could provide an important boost to economic activity, particularly in Nepal, Bangladesh and Pakistan.

The existence of poor quality of infrastructure in South Asia continues to hamper domestic, regional and international integration. Consequently, it costs approximately the same to transport goods between South Asian countries as it does to move them between South and East Asia, which is indicative of a considerable degree of dysfunction in the intra-regional transport market and high trade costs in South Asia. Moreover, many countries in the region have been experiencing changes in the different categories of trade costs. In particular, the rapid



growth of e-commerce has brought different logistics and shipping issues, which are irrelevant to traditional traders.

Asia and the Pacific is one of the world’s leading e-commerce markets accounting for nearly one-third of global transactions. In South Asia, India is emerging as a large e-commerce market. The rise of e-commerce is opening new opportunities for small and medium-sized enterprises (SMEs) to engage in trade. Though SMEs are the backbone of regional employment and GDP, the vast majority are not engaged in exports likely due to fixed nature of trade costs, which makes them proportionally larger for small shipments. Thus, it is necessary to focus on reducing trade cost for SMEs. Moreover, it is also important to facilitate SMEs’ entry into the digital economy since online trade can significantly lower trade costs and has important implications for the gender barriers that impact enterprise growth.

According to the report, once women-led SMEs make it to the formal South Asian economy, larger share of women-led firms are likely to export when compared to male-led firms. But considering that there are only limited women exports in

the region, women’s entrepreneurship represents untapped potential for South Asian economies. Thus, it is necessary to address the barriers constraining the growth of women-led SMEs, which can to a large extent be done through greater use of information and communications technology (ICT) since ICT can help companies and SMEs expand potential global customers and link them into global value chains (GVCs).

But while much of AfT goes to transport and communications infrastructure, including ICT, many trade facilitation projects in South Asia merely aim to support the electrification of customs systems and border processing. In addition, internet penetration continues to be low; only about a fifth of the population has access to internet in the Pacific and South Asia. Against this backdrop, quality ICT infrastructure and SMEs focused trade facilitation actions will undoubtedly address many of the key constraints to women-led SMEs including high search costs, time poverty and limited access to learning opportunities.

In addition, one specific action that can address persistent high trade costs in South Asia is to ensure the timely implementation of the WTO Trade Facilitation Agreement (TFA), which will require sustained donor support to developing countries. Moreover, the post-2015 development agenda, which aims at inclusive and sustainable development, also requires significantly increased amount of financing. Thus, progress along the line prescribed under the post-2015 development agenda will require AfT to also contribute to inclusive and sustainable development outcomes, in addition to improving trade facilitation. It is also equally important to design effective solutions for cutting trade costs through close collaboration between the public and the private sector, which could contribute to effectively tackling value chain-related constraints. ■

Weeks after a South Asian experts' meeting in Nepal had expressed concern on the high vulnerability<sup>1</sup> of Nepal to earthquakes, a 7.6 magnitude earthquake struck the country on 25 April killing 9,000 people. According to the Post Disaster Needs Assessment (PDNA) conducted by the National Planning Commission of Nepal, 31 out

of 75 districts in the country have been directly affected by the earthquake, of which 14 districts have been worst hit. More than 300 aftershocks, along with numerous landslides and avalanches have caused widespread damage to private property, and numerous cultural and natural heritage sites throughout the country. As a result,

the people in the earthquake-affected districts faced a trauma.

The widely circulated argument that "earthquakes do not kill people, it is weak structures that bury people to death" was particularly valid in the case of Nepal earthquake. The urban centres with relatively strong building structure and home to the more afflu-

# Visible Need for Regional Disaster Response

Shafqat Munir



ent population did not have to bear the brunt of the impact of the earthquake. The loss and damage due to the earthquake was highly concentrated in rural areas, reinforcing inequality across regions and income groups within the country. Moreover, the impact of the earthquake was highly uneven for men and women. According to the PDNA, “more women and girls died than men and boys, partly because of gendered roles that ‘disproportionately’ assign in-door chores to women”. Considering the disproportionate impact of the earthquake in terms of income and gender, it is necessary to ensure that the responses to disasters are also income and gender sensitive.

Nepal has historically been highly susceptible to a wide range of natural disasters, including flood, landslides and earthquakes. The vulnerability of Nepal to earthquake is due to seismic zones around the Himalayas, and the convergence of the Indian and Eurasian tectonic plates that puts it at risk along with other South Asian countries, including Afghanistan, Bhutan, India and Pakistan. Since 1900, Nepal has experienced 8 earthquakes compared to 45 floods

and 21 landslides in the same period (Figure). Despite the low frequency of earthquakes in Nepal, earthquake has nonetheless proven to be the deadliest national disaster in terms of death toll, infrastructure damage and economic loss. During the period 1900-2015, earthquakes have affected 8.7 million people accounting for 67 percent of total deaths and 86 percent of total economic losses caused by disasters. Meanwhile, floods have affected 3.8 million people and account for 25 percent of the total number of deaths and 13 percent of total economic losses. Given the scale of impact, earthquake is undoubtedly the deadliest among natural disasters in Nepal.

But despite the high casualty rate of earthquakes in Nepal, unlike in other disasters such as flood and drought, the survivors of earthquake can nonetheless, actively attempt to rescue their families and relatives instead of being forced to relocate; the victims of flood and drought are forced to relocate or risk being inundated or suffer from dehydration and famine. This unique nature of earthquakes has major implication on the response of aid agencies and disaster management authorities to earthquakes.

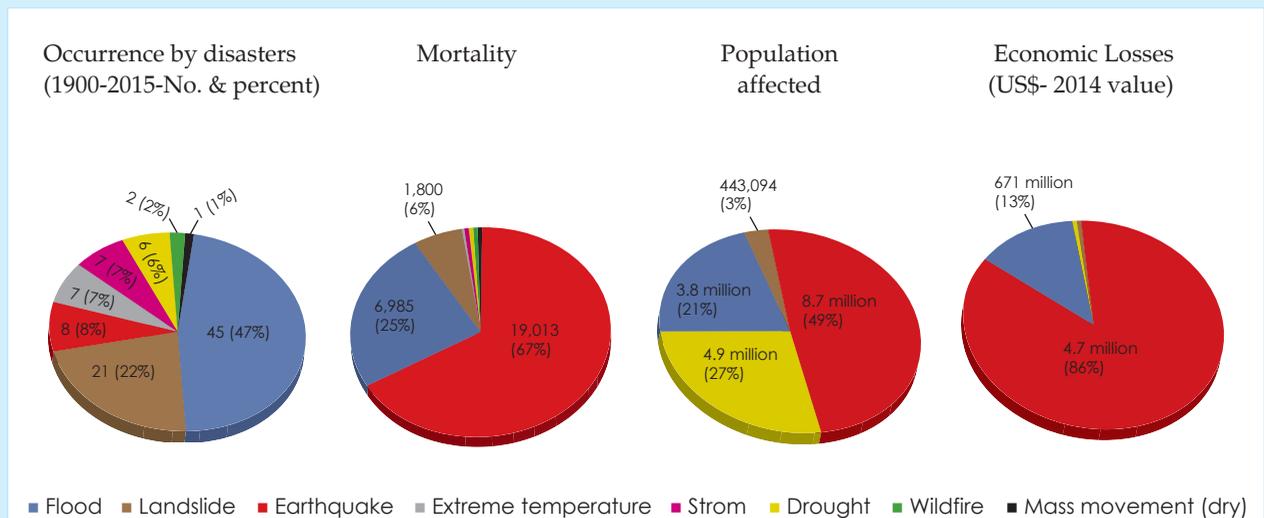
### Learning from Nepal earthquake

The 7.6 magnitude earthquake rocked Nepal at 11:56 am on a Saturday with, as mentioned earlier, huge loss of life and property. Nonetheless, it was fortunate that the earthquake occurred at noon on Saturday, a public holiday when all schools and offices were closed, and people were not deep asleep in the safety of their homes. Otherwise the loss of human lives and economic damage would have been much higher. The tragedy speaks volumes about the lack of strict implementation of building codes.

“In Nepal, municipalities are responsible for land-use planning, construction permits, and the enforcement of compliance with national building codes. These codes have been applicable for at least two decades, but urgently need updating to incorporate new knowledge about earthquake-resistant design and materials. Unfortunately, this 20-year old building code has been incorporated in the permitting processes of only three municipalities out of 58 nationwide. Even in these three, monitoring of code compliance is lax. For all practical purposes, the code is irrelevant

#### Figure

Disasters in Nepal during 1900-2015 (April & May 2015 included)



Source: Debarati (2015). Note 2.

and buildings are constructed in any way convenient to developers. Thus, the vast majority of buildings have sub-standard quality, and are prone to collapse during moderate to severe earthquakes".<sup>3</sup>

Thus, it is evident that Nepal lacks disaster preparedness. Due to political turmoil, the country's legislature could not adopt a proposed Disaster Management Act (which would have replaced the 30-year old 'National Calamities Act'). In the absence of effective legislation, the responsibilities for preparation and risk reduction, among others, lie with a number of departments and ministries in a fragmented manner. Nonetheless, community level disaster risk reduction strategies, limited to a few localities, are in place owing to interventions by international aid agencies. The April earthquake has necessitated that the government devise a comprehensive disaster response and preparedness plan to improve Nepal's resilience to disasters, including earthquakes. To this end, the government should prioritize the construction of disaster resilient hospitals, schools and government buildings to ensure that the people are not deprived of access to important social services during times of disaster.

In its pursuit for a disaster resilient Nepal, the country has to learn from experiences of other nations that have faced huge disasters. More importantly, Nepal needs to realize that global media attention and international relief efforts are often short-lived; global attention and international emergency relief efforts are quickly redirected to other emergency situations in other parts of the world. Therefore, Nepal should work with countries in the region and beyond to improve disaster resilience.

### Deadly earthquakes necessitate appropriate actions

Current humanitarian assistance and rebuilding efforts should focus on "building back better" so that new structures and institutions are resilient to the impacts of earthquake.

Moreover, unlike floods that call for massive evacuation response, an earthquake requires search and rescue efforts to find survivors and victims buried beneath the rubble. Importantly, the experiences in recent big disasters suggest that instead of providing relief items in the aftermath of a huge natural disaster, rehabilitation efforts should focus on cash disbursements to help the victims and survivors rebuild their lives and revive the local economy. The very concept of cash disbursement was formally introduced in 2010 earthquake in Haiti, and has subsequently been implemented in Kenya, Nigeria, Pakistan, Bangladesh and the Philippines, among others.

*"The emergency response in Haiti was characterized by a very high level of cash-based interventions, in particular cash-for-work and cash grants. Despite the massive destruction, local markets began functioning again shortly after the earthquake, prompting the government to stop direct food distributions within three months. The lack of automatic teller machines (ATMs) and point-of-sale terminals in stores discouraged the use of smart cards by aid agencies. More traditional delivery mechanisms, such as distributing cash in envelopes, collections at bank branches and the use of money transfer agents, were common, but most financial service points in Haiti are concentrated in and around the capital Port-au-Prince, making access to financial services in rural areas very difficult."*<sup>4</sup>

The author, while working in various emergencies in Asian countries (physically or remotely), has noted that cash disbursements empowered individual victims of disasters to choose to buy the food and non-food items they need most. Moreover, the

market became functional once the people had access to money, which decreased the demand for food supplies from aid agencies and reduced dependency on formal food supply system. Moreover, initiatives such as the cash grants and cash-for-work for post-earthquake debris management will be effective in restoring normalcy at the earliest by providing culturally and socially acceptable choices to those affected, thus boosting the morale of the affected communities. In most cases, it was observed that the banks provided hard cash to affected families, mainly through mobile phone transfers and/or through ATMs. Aid agencies in Nepal also practiced cash disbursements in the aftermath of the earthquake, which have widely been acknowledged to be successful.

### The regional response

South Asia is one of the most earthquake-prone regions in the world. The region experiences some 100,000 minor quakes every year, and one of magnitude 8 or greater every 25 years.<sup>5</sup> The building standards in densely populated urban centres and poorly planned cities and towns make the people extremely vulnerable to disasters caused by tremors.<sup>6</sup>

It is unfortunate that despite the decision at the 18<sup>th</sup> South Asian Association for Regional Cooperation (SAARC) Summit in Kathmandu in November 2014 to effectively implement the SAARC Agreement on Rapid Response to Natural Disasters, the regional body has missed the chance to stand by the global humanitarian community who came to Nepal to undertake rescue and relief efforts in the aftermath of the earthquake. SAARC Secretariat cannot undertake any humanitarian response in case of emergency in the region as its mandate is largely limited to knowledge management and capacity building of disaster management authorities in member countries. Due to such structural problems, the SAARC Secretariat could not mobilise other South Asian countries for a regional response. Nonetheless, SAARC member states

Current humanitarian assistance and rebuilding efforts should focus on "building back better".

did conduct unilateral aid relief and rescue efforts in Nepal.

The 18<sup>th</sup> Summit agreed to merge various SAARC centres into a single "SAARC Environment and Disaster Management Centre" to replace the existing SAARC Disaster Management Centre (SDMC), which is, in general, mandated to build capacity, generate knowledge and coordinate with focal persons within the member countries. Unfortunately, it has no disaster management rapid action force or mandate. The Nepal earthquake has exposed this weakness of the regional body. The ineffectiveness of SDMC should mean an opportunity for SAARC Members to strengthen regional institutional arrangements on disaster response.

The member countries provided significant support to Nepal as foreseen by the SAARC Agreement on Rapid Response to Disasters, albeit not through SAARC Secretariat or SDMC. Under its 'Operation Maitri', India sent 520 tonnes of relief materials by 32 air force flights, 18 medical and 18 army engineering teams. Eight Indian Mi-17 and five ALH helicopters were also used in evacuation and supply of relief materials under the command of the Nepalese Army. At the same time, Pakistan sent four Air Force aircraft with rescue and relief assistance, including a 30-bed mobile hospital. Similarly, Sri Lanka dispatched a contingent of 160 personnel including four civil medical consultants to assist in relief efforts. In addition to sending six medical teams and necessary relief materials to Nepal, Bangladesh also provided 100,000 tonnes of rice and other relief materials including drinking water. Bhutan's Prime Minister personally led a 63-member medical assistance team to Nepal on 27 April and donated US\$1 million. The Maldives government donated US\$50,000 to aid recovery efforts on April 28; its police force donated another NPR 1.3 million.<sup>7</sup>

Despite these unilateral efforts notwithstanding, some people continue to criticise the absence of regional response to disasters. Some optimists

SAARC countries can be better prepared to face disasters if the disaster response is channelled through a regional mechanism.

view the recent unilateral support extended to Nepal as a positive step toward the development of an effective regional response to disasters. Following the devastation caused by the earthquake in Nepal, the SAARC leadership must now be aware of the gravity of the situation that may confront South Asian countries in future disasters. Member countries can be better prepared to face disasters if the disaster response is channelled through a regional mechanism.

The Nepal earthquake should serve as a wake-up call for the SAARC leadership to develop a regional disaster response mechanism before leaders meet at the forthcoming 19<sup>th</sup> SAARC Summit in Islamabad in early 2016. They should follow up on the implementation of the decisions of the 18<sup>th</sup> Summit that calls for setting up a regional rapid response force, and the establishment of SAARC Environment and Disaster Management Centre with an extended mandate and resources for a regional response to emergencies. Moreover, the Sendai Framework on Disaster Risk Reduction (SFDRR) adopted by the world community at Sendai, Japan in March 2015 also calls upon the regions, including South Asia, to play their role in the development of implementation guidelines for SFDRR. The Framework is the successor to the Hyogo Framework for Action (HFA) 2005-2015 and will be in place for the next 15 years as a voluntary and non-binding agreement that requires states to reduce disaster risk and share the responsibility with other stakeholders including local government, the private sector and many more.

The SFDRR requires SAARC as a regional body to develop a regional

action plan for its implementation and to endorse it through the forthcoming Asia Ministerial Meeting on disaster risk reduction (DRR) taking place in India in the last quarter of 2016. SAARC has to move fast to review progress on the national, sub-regional and regional implementation of SFDRR, and revise regional strategies and plans, such as SAARC roadmaps on disaster management. ■

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# Responding to natural disasters in South Asia

Asish Subedi

South Asia is vulnerable to natural disasters. Several hydro-meteorological disasters such as cyclone, tsunami, flood and draught are common in the region. The region is also the regular victim of geological calamities like earthquakes and landslides. These natural hazards expose South Asia to socio-economic vulnerability and risks. Factors such as increasing

population, rapid urbanization, environmental degradation, and climate change have been compounding these exposures.

During the period 1967–2006, about 800,000 people died in the region due to natural disasters with an alarming annual average death of 20,000 people. During the same period, cumulative direct economic loss

in South Asia is calculated at US\$80 billion.<sup>1</sup> Apart from this, natural disasters impact the stock of natural resources and the use of it. This is a big challenge for a region that is poor and predominantly dependent on primary economic activities. In other words, disasters have a deep and lasting impact on development. Keeping this in mind, disaster risk reduction (DRR) endeavours need to be examined in the context of broader development strategies.

South Asian countries have developed national policies and mechanisms to respond to disasters. But national efforts alone would not be adequate to reduce the risks of disasters as some of the root causes of disasters are transnational in nature and can only be addressed through regional collaborations. Therefore, regional mechanisms have been put in place to collectively cope with natural disasters.

## Disasters in South Asia

The physiographic settings and climatic characteristics of the region put South Asia at a risk of high incidence of geological and hydro-metrological hazards. Table 1 presents the types and numbers of natural disaster events reported in South Asia in 2011.

During the period 1967–2006, about 937 natural disasters are reported in



**Table 1**

**Number of natural disaster events in South Asia in 2011**

	Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka	Total
Drought	1	0	0	0	0	0	0	0	1
Earthquake	34	0	1	27	1	45	13	0	121
Epidemic	0	0	0	0	1	0	0	1	2
Extreme Temperature	0	2	0	2	0	2	0	0	6
Flood	2	1	0	7	0	2	1	3	16
Avalanche	2	0	0	0	0	3	3	0	8
Landslide	3	25	1	32	0	63	7	0	131
Strom	1	1	0	3	0	0	0	1	6
Total	43	29	2	71	2	115	24	5	291

Source: SDMC (2013). Note 2.

South Asia that cumulatively affected two billion people.<sup>3</sup> Out of the total disasters, 50 percent are floods (394), 13 percent earthquakes (100) and 25 percent cyclones (197). Cyclones caused the largest number of deaths (520,000) with the 1970 Bangladesh cyclone alone causing 300,000 deaths. Out of the total economic loss, about US\$49 billion was lost to floods representing an average annual loss of more than US\$1 billion. India and Bangladesh account for 43 percent of all floods. The numbers of deaths and economic loss due to earthquakes are also very significant in the region with 196,400 deaths and a loss of US\$11.6 billion, although earthquakes constitute only 13 percent of the total number of disaster events.<sup>4</sup>

South Asia also faces challenges of melting Himalayan glaciers. The receding glaciers pose serious threats of glacial lake outbursts and associated flash floods. The Dudh Koshi sub-basin of Nepal and the Pho Chu sub-basin of Bhutan are the two hotspots of glacial activity in South Asia.

Meanwhile, many of the disasters, particularly in rural areas, go unreported in South Asia mainly because local governments lack the technical and human resources for disaster monitoring.

### Disaster impacts

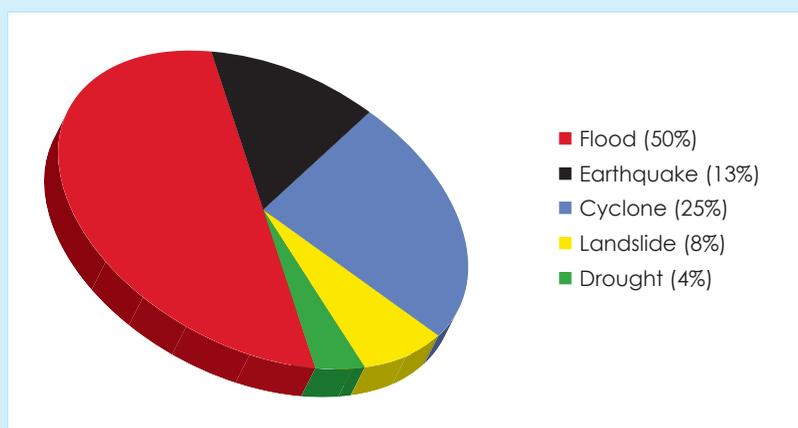
Disaster-induced damage and loss occur at various levels. Direct damage and loss relate to the loss of human life and injury together with physical damage to assets. Indirect loss arise out of direct loss and relate to disruptions in the flow of goods and services that cause additional loss in income earnings and jobs. Secondary effects come in the form of macroeconomic effects such as the impacts on economic factors such as gross domestic

product (GDP) growth rates and fiscal deficits. Macroeconomic effects also arise when disasters increase the scale and incidence of poverty, affect human capital and heighten gender inequalities.<sup>6</sup>

The direct impacts of disasters are quite high in South Asia. Between 1990 and 2008, more than one billion—78.5 percent of the population in the region—were affected by at least one natural disaster, leaving almost 230,000 dead and damaging assets

**Figure**

**Percentage distribution of reported disasters (1967-2006)**



Source: Gupta, Sushil and Muralikrishna, M. Dr. (2010). Note 5.

worth about US\$45 billion (Table 2). Countries like India and Bangladesh are among those with high numbers of disasters, number of people affected, number of deaths and scale of economic damages globally.<sup>7</sup>

Oxfam estimates that between two and six percent of South Asia's GDP is lost to disasters every year.<sup>9</sup> For example, the total value of direct and indirect impacts of 2015 earthquake in Nepal is estimated at US\$7 billion, which is about one third of the country's 2013/14 GDP.<sup>10</sup> In Pakistan, the estimated damage resulting from the 2010 floods was close to US\$10 billion representing 5.8 percent of the country's 2009/2010 GDP.<sup>11</sup>

Disasters also have potential budgetary consequences, relating both to possible disaster-related reductions in government revenue and additional, unplanned expenditure in support of the relief and recovery efforts. In the state of Maharashtra in India, INR 175 billion was spent during a single drought in 2003 and a flood in 2005, which is higher than the entire planned expenditure (INRs 152 billion) on irrigation, agriculture, and rural development for 2002–2007 period.<sup>12</sup>

About 399 million people—40 percent of the world's poor—live on less than US\$1.25 a day in South Asia.<sup>13</sup> They are most at risk of natural disasters, and are likely to fall into a vicious cycle of hardship. The 2000–2001 drought in Sindh province in Pakistan increased poverty by up to 15 percent.<sup>14</sup> The 2015 Nepal earthquake is expected to push an additional 2.5 to 3.5 percent Nepalese into poverty in 2015/16.<sup>15</sup> The 2005 India and Pakistan Kashmir Earthquake was estimated to have resulted in the loss of almost a third of local jobs in the Pakistani side of Kashmir.<sup>16</sup> Farmers were hard hit in Pakistan—one of the top five rice exporting countries in the world—when its rice exports were reduced by 30 percent due to the 2010 floods.<sup>17</sup>

Small economies—especially the Least Developed Countries (LDCs) and Small Island Developing States (SIDS)—are more vulnerable to

**Table 2**  
Reported natural disaster impacts in South Asia (1990–2008)

Country	Population ('000)	Deaths ('000)	People affected ('000)	Population affected (%) <sup>8</sup>	Damage (US\$ millions)
Afghanistan	22,615	6.1	5,410	23.9	69,060
Bangladesh	143,990	155.3	145,713	101.2	12,984,000
Bhutan	602	0.2	66	11.0	3,500
India	1,071,608	53.4	885,244	82.6	25,743,100
Maldives	279	0.0	2	0.7	500,100
Nepal	25,278	4.6	2,796	11.1	245,100
Pakistan	162,662	9.4	27,943	17.2	3,573,054
Sri Lanka	19,258	0.5	6,331	32.9	1,670,070
Total	1,446,292	229.5	1,073,504	78.5	44,787,984

Source: World Bank (2009). Note 7.

hazards. Natural disasters can have long-term consequences for their national development. In the case of the Maldives, the estimated damage from the 2004 Indian Ocean earthquake and tsunami was a staggering loss of over 62 percent of GDP, postponing its emergence from being categorized as an LDC for five years.<sup>18</sup>

Disasters also have a significant impact on social sectors, including on women, children, elderly and people with disabilities. For example, the 2008 Koshi flood that had hit Nepal and India disrupted the education of some 23,000 Nepalese school students, including both displaced students and students of the host schools where the displaced were sheltered. During the 1998 floods in Bangladesh, 25–30 percent of students dropped out in the eastern part of Dhaka when schools were closed for more than three months due to floods.<sup>19</sup> Disruption of classes occur after disasters even if there is no damage to school facilities, as schools are often used as emergency shelters for periods of several months. The 2005 Pakistan earthquake had killed more than 15,000 school children when large number of school buildings collapsed.<sup>20</sup> Similarly, more than 60 percent of the casualties of the 2004 Indian Ocean Tsunami were women and children.<sup>21</sup>

Natural disasters deplete water resources, ecosystems and biodiversity, and displace thousands of people each

year in South Asia, with 36 percent of the total reported displacements worldwide. More than three million South Asians have been displaced since 1980, including due to the natural disasters.<sup>22</sup>

Natural disasters may also have had adverse impacts on several Millennium Development Goals (MDGs). For example, Cyclone Sidr that struck Bangladesh in 2007, had caused damage and loss of US\$925 million in the social sector. This has had adverse impact on MDG 1 (eradicating extreme poverty and hunger), 2 (achieving universal primary education), 4 (reducing child mortality) and 6 (combating HIV/AIDS, malaria, etc.).<sup>23</sup>

### National DRR efforts

Given the recurrence of natural disasters and their devastating impacts, South Asian countries have formulated various disaster prevention and mitigation policies, and mechanisms at the country level. The DRR programmes are designed along the lines of the Hyogo Framework for Action (HFA), 2005–2015. The HFA, endorsed by 168 nations, aims to ensure “the more effective integration of disaster risk considerations into sustainable development policies, planning and programming at all levels, with a special emphasis on disaster prevention, mitigation, preparedness and vulnerability reduction”. The HFA emphasizes on different aspects of governance,

including the development of institutional and legislative frameworks, allocation of resources and mobilization of communities. Given the particular needs of a country or a community, these may include, among others, legislation, policies, frameworks, decentralized capabilities, increased accountability and more inclusive participation in governance.<sup>24</sup>

Within two years of endorsing the HFA, comprehensive disaster risk management programmes or action plans had been developed in a number of countries in South Asia. After the 2004 Indian Ocean tsunami, Disaster Management Acts were passed and National Disaster Management Authorities (NDMAs) were created in several South Asian countries. Afghanistan, India, Pakistan and Sri Lanka now have NDMAs with necessary National Disaster Acts. Bhutan passed an updated Disaster Act in 2013, while the Maldives has a National Disaster Management Centre but lacks disaster management legislation. Nepal and Bangladesh operate according to laws dating back to 1982 and 1997 respectively.<sup>25</sup>

Bangladesh is one of the few countries globally that have experienced a decline in disaster loss due to its continued effort in DRR policies and programmes over the past few decades. DRR has been mainstreamed into its Poverty Reduction Strategy Paper (PRSP) from 2005.

In South Asian countries, targeted social protection measures such as supplementary incomes, in-kind transfer programmes at times of crisis, subsidies for urgent needs or recovery efforts and labour-intensive public works programmes have shown merits. The National Rural Employment Guarantee Scheme of India is one such example which provides a buffer to people facing economic crises or disaster loss. Another cash-based programme that began in Bangladesh in 2010 is the Employment Generation Programme for the poorest, which supports vulnerable people by maintaining their basic food security and preventing destitute migration.<sup>26</sup>

While policies on disaster preparedness, prevention and mitigation are being put in place, their actual implementation is dismal in most cases. This happens due to the inability of the countries to put support mechanisms for their implementation. Consequently, governments' responses during the time of natural disasters are mostly ineffective. External support, including from development partners, is often required to ensure that the immediate relief needs of the affected population are met in a timely and effective manner. This requires a sense of urgency and prioritization among policy-makers.<sup>27</sup> The other important question is what to prioritize. Currently, the overwhelming majority of disaster spending is still being

used to respond to disasters, though the spending on disaster response is less cost-effective than investments to reduce disaster risks.

### Need for regional collaboration

There is a clear case for regional cooperation for responding to disasters in South Asia. The first and the foremost is the transboundary nature of disasters and their impacts. SAARC nations are also diverse in terms of size, economy, and capacity to cope with the disasters. This level of diversity could be an opportunity for promoting regional cooperation on disaster response. For example, it is always more important to coordinate humanitarian supports during a crisis through a trusted regional mechanism than a single-country effort.

Regional cooperation in responding to disasters is taking place through different government, non-government and intergovernmental organizations in South Asia. The works undertaken by SAARC is the most important and comprehensive among them. Based on the HFA, SAARC has developed its regional framework for disaster reduction. In the aftermath of Indian Ocean tsunami of December 2004, a 'Comprehensive framework on disaster risk management in South Asia' was approved by the 14<sup>th</sup> SAARC Summit held in New Delhi in April 2007. The framework sought to establish a regional system and its institutions to develop and implement regional programmes and projects for early warning, disaster preparedness, emergency relief and rehabilitation.

The 13<sup>th</sup> SAARC Summit held in Dhaka in 2006 had established the SAARC Disaster Management Centre (SDMC) in New Delhi. The SDMC was mandated to provide policy advice, facilitate capacity building services and exchange of information, among others, for effective DRR mechanisms in South Asia. So far, the SDMC has produced regional guidelines, conducted technical trainings, and developed a mechanism for collective emergency response for ratification by states. However, despite these and



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other SAARC efforts, there is little sense that this regional support has been absorbed by member states in a way that influences their DRR national capacities in any meaningful way.<sup>28</sup>

A potentially major contribution of the SDMC is the development of a Natural Disaster Rapid Response Mechanism (NDRRM). In 2011, the SAARC Agreement on Rapid Response to Natural Disasters was drafted and signed by all member states. The NDRRM is largely modelled on the similar mechanism existing in Southeast Asia. It calls on countries to allocate assets and capacities for regional standby arrangements on a voluntary basis.<sup>29</sup> While NDRRM was ratified by India in 2012, it still awaits the ratification of other member states.

Also under the SDMC, an agreement has been signed to establish a SAARC Food Bank to be utilized during emergencies and food shortages in the region. However, the Bank remains non-functional due to the lack of an effective operational modality.

### Lessons from Nepal earthquakes

On April 2015, Nepal was struck by a devastating earthquake—and its aftershocks—measuring 7.8 on the Richter scale that has left about 9000 people dead, about 20,000 injured and over two millions homeless.<sup>30</sup> The international community was quick enough to extend immediate rescue and relief

operations. But SAARC as a regional organization was conspicuously missing, and even the SAARC Secretariat based in Kathmandu did not come out for support. The Secretariat merely asked for help for the Nepal’s Prime Minister’s relief fund through its website.<sup>31</sup>

Five months before the earthquake, SAARC leaders were in Kathmandu to attend the 18<sup>th</sup> SAARC Summit which had reemphasized on “the relevant bodies/mechanisms for effective implementation of SAARC Agreement on Rapid Response to Natural Disasters”. SAARC leaders had also agreed “to establish the SAARC Environment and Disaster Management Centre,” which could have been an important mechanism for support during the Nepal tragedy.

Meanwhile, Nepal received phenomenal bilateral help from other SAARC countries. India sent rescue and relief teams within six hours of the earthquake. Under ‘Operation *Maitri* (Friendship)’ India sent relief materials, rescue workers, doctors and engineers. Indian helicopters were also used in evacuation and supply of relief materials. Pakistan sent rescue and relief assistance, including a 30-bed mobile hospital. Sri Lanka dispatched personnel to assist in relief efforts. In addition to sending medical teams and relief materials, Bangladesh provided 100,000 tonnes of rice. Bhutan’s Prime Minister personally led a medical as-

sistance team to Nepal on 27 April and donated US\$1 million. The Maldives donated US\$50,000 to aid recovery efforts, and its police force donated another NPR 1.3 million.

The dominant narrative that SAARC is a lost cause once again became apparent during the Nepal earthquakes. SAARC’s inability to respond to the Nepal tragedy clearly shows the urgent need for a regional DRR mechanism that can be immediately and effectively mobilized during the time of crises.

### Looking ahead

The relevance of a regional organization becomes evident when it can function well for the member states, including during the time of crises. Despite the seemingly slow progress of the overall SAARC process, including in the area of DRR, the institutions such as the SDMC can play a pivotal role in building a common vision for DRR in the region. As the SAARC is going to merge its different regional centres, the SDMC needs to be reconfigured as the nodal organization for DRR that is capable of collective response to disaster risks in South Asia.

Now that the HFA has been further developed into the “Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030”, it is an opportunity for the SAARC states to update their national DRR policies and align them with a regional DRR policy

SAARC countries now need to further their development- and disaster-related policies in coherence with the SFDRR and SDGs.



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as required by the SFDRR. This would not only help South Asian countries put in place prudent DRR policies at national and regional levels, but also help align DRR in their development priorities as the SFDRR covers wide range of topics within the post-2015 development agenda.

The Sustainable Development Goals (SDGs) that will govern the post-2015 development landscape include disaster as a cross-cutting issue (Goals 1, 2, 11 and 13). Years of implementing MDGs and the HFA have resulted in considerable progress in reducing development disparities and the risk of disasters. South Asian countries now need to further their development- and disaster-related policies in coherence with the SFDRR and SDGs. There is also a need to align these two with the climate change policies to bring in synergies from wider sectors that are exposed to natural hazards.

### Areas of cooperation

SFDRR, SDGs and climate finance provide promising avenue to developing countries in financing their development needs, including financing their DRR policy-making and implementation. SAARC should work together with other developing countries and regions to ensure that such financial and other supports—including appropriate technologies—actually come to the region. With reasonable financing, SAARC can shift from a retrospective, post-disaster approach to an anticipatory way of thinking about and confronting with the disasters.

The SAARC Development Fund (SDF) can be another plausible means to support the SDMC and implementation of SFDRR in South Asia. The US\$300 million Fund founded in 2005 is yet to start work on its infrastructure and economic windows. Disaster as a crosscutting issue is important for all three windows of the SDF.

SAARC countries should also cooperate by sharing best practice in development planning and policy that reduce disaster risks. SAARC should also take DRR as an important cross-

cutting issue in its pursuit of overall development of its member states, and should incorporate it in all its policies and programmes. ■

*The author is a Senior Programme Officer at SAWTEE. This article has benefited from comments and suggestions from Dr. Posh Raj Pandey, Chairman of SAWTEE.*

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# Disasters in South Asia

## Invoking SAARC Food Security

Mahendra P. Lama

The very nature, frequency, depth and dimensions of disasters in South Asia are undergoing visibly drastic changes against the impending backdrop of climate change triggered vulnerabilities. The cross-border environmental injuries emanating from disasters and other calamities are likely to be more serious. For instance, Kosi Flood (Bihar, 2008), Indus Flood (Pakistan, 2010), Kedarnath Flood (Uttarakhand, 2013), Srinagar Flood (Kashmir, 2014) devastated and brought huge destructions across the region. The Indus Floods submerged one-fifth area of Pakistan with 17 million acres in water that included most fertile agricultural land. It killed 200,000 livestock and washed away valuable assets of millions. A total of 1.89 million homes were destroyed in 82 districts. All these disasters had intensely visible cross border character and indicated the urgent need for the regional management of these disasters. No country can work alone

to mitigate this. All these calamities clearly indicate that interdependence is critical in environmental risk assessment. This is more so in the trans-border context as 'eco-systems do not respect national boundaries'. In a situation like that of trans-boundary environmental injuries, the 'fortress option is not available'. All these may lead to failure of multiple industries, dislocate societies and cultures, change the entire eco-system based on specific biodiversity, bring unprecedented health problems and inject devastating trans-border natural disasters. The resultant human insecurities could far offset and surpass the orthodox national security concerns that are largely built on military security dynamics.

The shocking experience of the 1934 earthquake in Nepal as mentioned in the textbooks has been relived in 2015 in a much fiercer and dreaded manner. The ferocity of nature this time did not spare the 203 feet tall *Dhara-hara*, a prized heritage

built in 1832. Prime Minister Narendra Modi and other South Asian leaders' proactive response in supporting the affected regions and the victims in Nepal indicates South Asia's deeper conviction and traditional commitment on extending humanitarian assistance wherever needed. It also shows how South Asian countries cannot escape the increasing wrath of trans-border environmental injuries. This brings forth the criticality of a collective regional action and strong trans-border institutional collaborations in order to manage such humongous crises.

The devastating earthquake in Nepal has led to four immediate yet debilitating crises of food, sanitation, shelter and livelihood. This calamity has thrown a formidable challenge to the regional and global institutions that are engaged in managing this unprecedented tragedy. All these devastations with far reaching regional implications clearly manifested four



very serious weaknesses and institutional drawbacks in the region. Firstly, it showed that despite SAARC and its intense deliberations on the management of natural disasters, there is no regional approach to handling and mitigating disasters. Secondly, despite the setting up of apex national institutions like National Disaster Management Authority in countries like India and Pakistan, the coordination among these institutions within the country and at regional level continues to be dismal. Thirdly, there is hardly any substantive and sustained exchange of information and data on disaster related issues despite the fact that so much of research has been undertaken in the region. And finally, regional institutions like SAARC Meteorological Research Centre (SMRC) (Dhaka, 1995) and SAARC Disaster Management Centre (New Delhi, 2006) set up to deal with disasters in the region have literally failed to take off despite so many resolutions and proposition

at various SAARC Summits. For instance, the SMRC was supposed to concentrate primarily on the research aspects of weather forecasting and monitoring rather than the operational aspects of the medium and long-range forecasting. The responsibilities of the Centre include undertaking research relevant to weather prediction and compiling climatological information. It is also supposed to monitor special weather phenomena and develop a networking system among the member states.

The SAARC Disaster Management Centre which was set up in the aftermath of Indian Ocean Tsunami of December 2004, to formulate a “Comprehensive Framework on Early Warning, Disaster Management and Disaster Prevention”; “to collect, compile, document and disseminate data, information, case studies, indigenous knowledge and good practices relating to disaster management particularly from the

Member Countries” and “to develop training modules on various aspects on disaster management and conduct programmes of Training for Trainers including simulation exercises” has been nowhere in the disaster management map. Nothing seems to have moved even after full 11 years of its initiation.

Not a single concrete and sustainable regional project has been realized through any of these Centres. A mandate given to the SAARC Meteorological Centre is to bring out a SAARC Weather Bulletin. This issue has been discussed several times in the concerned Technical Committee of the SAARC Integrated Programme of Action (SIPA- earlier IPA). Such discussions could have given a South Asian identity to the entire climatological phenomenon and trends and facilitated collective involvement of regional institutions in understanding the weather system in the region. However, this has never been done.

SAARC as a regional body started well. An indication of this was the two very vital reports like *Regional Study on the Causes and Consequences of Natural Disasters and the Protection and Preservation of the Environment, 1992* and *Regional Study on Green House Effect and its Impact on the Region, 1992* prepared at the regional level when this institution was hardly 7 years old. However, its snail pace syndrome in the implementation front ate its own vitals and wherewithal.

One can find an array of literature that calls SAARC as “ritualistic”, and criticizes it as “magnificent paper tiger”, “a political white elephant”, “talk shop of no consequence”, “suffocatingly slow”, “military convoy in a mountainous region”, “a regional past time”, “a club of tongues”, “bureaucratic den”, etc. The present model of SAARC and other regional institutions in this region have literally failed. Many do believe that today the non-official SAARC process is far more active and robust than the official process. They also believe that ultimately it is the non-official SAARC that will lead to People’s SAARC and the official process will be forced to be active and operational.

In a situation like the Nepal earthquake (2015) and Indus Flood (2010) a critical regional intervention had been called for to address food crisis and hunger deaths. One would ask, why doesn’t SAARC invoke the operationalization of SAARC Food Bank? An *Agreement on Establishing the SAARC Food Security Reserve* was signed by

Table

Share of reserve food grains (wheat and rice) maintained by member states under article ii of the agreement

Name of the SAARC Country	Quantity of Reserve (tonnes)	Contribution to Reserve (%)
Bangladesh	40000	16.55
Bhutan	180	0.07
India	153200	63.41
Maldives	200	0.08
Nepal	4000	1.65
Pakistan	40000	16.55
Sri Lanka	4000	1.65
Total	241,580	100

Source: Mahendra P Lama. In press. SAARC Programmes and Activities: Assessment, Monitoring and Evaluation.

SAARC leaders at their Kathmandu Summit way back in 1987. This agreement provides for a reserve of food grains to meet emergencies in member countries. It has been ratified by all the members countries and came into force on 12 August 1988. As per this agreement “a member country can draw on the food reserve in the event of : i) unexpected natural and man-made calamity; ii) inability to cope with such a state or condition by using its nation’s reserve; and iii) inability to procure the food grains it requires through normal trading transactions on account of balance of payments constraints. As sequel to this, the SAARC Food Security Reserve Board (SFSRB) comprising representatives from member countries was set up and decided to meet once a year. This Board was supposed to “undertake a periodic review and assessment of

the food situation and prospects in the region taking into account factors like production, consumption, trade, prices, quality and stocks of food grains”.

The reserve stood at 241,580 tonnes in January 2002; contributions from the member countries are presented in the table.

A special meeting of the Board (Kathmandu, April 2001) dwelt upon the possibility of instituting more practical measures for facilitating the use of the Reserve during emergencies. In 2002, after 15 years of its establishment, this board identified institutions/organizations in member states to be contacted in case of emergency requirements for withdrawal from the Reserve.

However, nothing worked. Nowhere in the region were the reserves used despite very compelling and distressed situations in cyclones like Sidr in Bangladesh, flood in Indus, earthquake in Kashmir in Pakistan, and Tsunami in Sri Lanka, not to mention several such crises in India. Like other SAARC agreements, there is no time frame, accountability clauses and independent mechanism to evaluate the implementation. There were questions across the sub-continent as to why this food reserves remained dormant and unused even when a large number of people underwent severe food insecurity during shattering natural calamities and other ruin-

Nowhere in the region were the reserves used despite very compelling and distressed situations.



Figure 10.1



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ous contingencies. In order to give the entire initiative a more realistic shape, the SAARC Agriculture/Food Ministers Meeting in its Islamabad Meeting in 2006 agreed to the creation of the SAARC Regional Food Bank. The 14<sup>th</sup> Summit (New Delhi, 2007) declared that “in order to manage emergencies caused by natural and man-made calamities and food shortages, they [heads of the state and governments] welcomed the signing of the Intergovernmental Agreement establishing the SAARC Food Bank with the participation of all the SAARC countries. The Food Bank will supplement national efforts to provide food security to the people of the region”.

It was again after four years in the 17<sup>th</sup> Summit held in Maldives (2011), the regional leaders re-decided that the SAARC Food Bank will have 486,000 Metric Tones (MT) of rice with contributions from all member states. India has the largest share 306,400 MTs. This agreement also mentioned about the establishment of a Permanent Headquarters with dedicated staff.

Despite this agreement signed by all the heads of the States/Governments, this Food Bank remains totally

notional. No one knows where it is physically located, how to draw upon it and at what cost. The terms and conditions of operationalizing the reserves viz., prices, mode of payment, conditions of payment etc. are yet to be finalized. More critically, no one has the idea about the institutions involved in its distribution and the transportation mechanisms. Nepal being the Chair of SAARC today and India being the largest contributor (63 percent), why not make use of the provision of the Food Bank in dealing with unprecedented food insecurity and shattering crisis in the post earthquake situation in Nepal today? Just five months before the devastating earthquake in Nepal, at the 18<sup>th</sup> Summit in Kathmandu, SAARC leaders had directed “to eliminate the threshold criteria from the SAARC Food Bank Agreement so as to enable the Member States to avail food grains, during both emergency and normal time food difficulty”.

The only way to test the efficacy of this Food Bank is to expeditiously implement it in a real time situation like the crisis in Nepal. This will put to test the entire design and mechanism of its implementation and machineries

of its operationalization. Couldn't India have unilaterally invoked the provisions of this Agreement and start supporting Nepal earthquake victims under the provisions of this regional Food Bank? This question is also relevant, given the fact that SAARC member countries did bilaterally extend support including food assistance during this crisis. This would in fact pave the way for operationalization of other numerous SAARC agreements, which has been a crying regional need. This would also institutionalize the process of engaging the regional solidarity and nurture 'region-ness' in any national and regional contingencies and exigencies that call for urgent humanitarian assistance. A desperate situation deserves a desperate solution. Nepal being a landlocked country and recovering from a protracted spell of violence and instability is deeply distressed today. It needs an innovative, substantive and far reaching assistance today. ■

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# Poverty and livelihoods

## Macroeconomic impact of earthquakes in Nepal

Modest investment in preparedness and prevention of disaster, and a tighter fiscal policy during good times, would help reduce adverse impacts to the economy.

Shankar Sharma

The massive 7.6 magnitude earthquake on 25 April 2015, and a major aftershock measuring 6.8 on the Richter Scale that hit Nepal on May 12<sup>th</sup>, 2015 not only caused widespread destruction, but the series of earthquakes also had equally damaging impact on the national economy and the livelihood of millions. Close to 9,000 people lost their lives and over 20,000 were injured. Moreover, physical infrastructure such as roads, bridges, schools, hospitals, water supply networks and hydropower, along with several cultural and natural heritage sites suffered significant damage. The scale of human casualties and the magnitude of the socio-economic damage have both been overwhelming.

### Economic impact

The economic impact of the Nepal earthquake can be classified into three parts: (i) direct impact, which includes physical impact on housing and other infrastructure; (ii) indirect impact that basically captures impact on consumption and production; and (iii) the overall impact on macroeconomic variables like gross domestic product (GDP), inflation and other fiscal indicators.

### Direct impact

The housing sector was hardest hit by the earthquake. Close to one million houses were either destroyed or damaged. Meanwhile, 446 public health facilities including five hospitals were destroyed, and 765 additional structures suffered major damage, consequently affecting health services in the earthquake affected districts. Moreover, according to the Department of Education, some 2,31,601 classrooms were affected, of which 8.68 percent were fully damaged. In addition, about 72 village development committee (VDC) offices were destroyed and 97 were damaged. Many monuments and temples have also been destroyed or suffered significant damage, including those located in Kathmandu's World Heritage sites.<sup>1</sup>

The destruction and damage of infrastructure including buildings, roads, trekking trail, irrigation facilities, etc. have severely constrained economic activities in many districts throughout the country. About a quarter of total hydroelectricity generated in the country was severely affected by the earthquake, which limited economic activities. Moreover, damage of

tourism infrastructure has undoubtedly affected the tourism industry along with the services sector.

### Indirect impact

The indirect impact of the earthquake was substantial in the agriculture sector, commerce and industry, and the tourism sector. Production loss in agriculture resulted from the loss of crops, livestock, fruits and vegetables, while the loss of seeds and agriculture infrastructure increased the cost of agriculture production as well as the risk of potential loss in subsequent seasons.

As regards commerce and industry, indirect losses have arisen from the lack of labour, reduced demand of goods and services, and damages along the supply chains and trade infrastructure. A large number of labourers in earthquake affected cities and economic hubs travelled back to help their families and relatives, and/or relocated to safer destinations. Reduction in industrial and trading activities, lower consumption due to reduced purchasing power of consumers and deferral of purchase of non-essential goods and services will



continue to have adverse impact on the economy.

In addition to the direct impact of the earthquake, the indirect impact on the tourism sector was also significant. Reduced tourist arrivals in the aftermath of the earthquake and its continuing aftershocks, loss and damage of tourism infrastructure and tourism sites, and the consequent drop in tourist spending per day resulted in the loss of about US\$81 million. Moreover, considering the sector employs about half a million people directly and provides indirect employment to about 1.1 million people, the impact of earthquake on the tourism sector also had significant negative far-reaching consequences.

#### Macroeconomic impact

The post-disaster needs assessment (PDNA) report estimated that the total value of direct and indirect impact of the earthquake to the Nepalese economy was close to US\$7 billion, equivalent to about one-third of the country's gross domestic product (GDP). Of the total loss and damage, the share of destroyed physical assets was 76 percent, while the rest was ac-

counted for by the loss and increased production cost of goods and services.<sup>2</sup> More importantly, the brunt of the impact of the earthquakes was borne by the private sector; the private sector suffered 3.3 times the damages and losses faced by the public sector.<sup>3</sup>

In the aftermath of the earthquake, Nepal's estimated real GDP growth in FY 2014/15 was revised from the previous estimate of 4.6 percent to 3 percent, which is a significant decrease from 5.1 percent GDP growth observed in FY 2013/14.<sup>4</sup> Reduced contribution to the GDP was observed in almost all sectors of the economy including agriculture, manufacturing and services. In agriculture, stockpile of stored grains and livestock were destroyed and production of some crops dropped significantly. Meanwhile, the manufacturing sector suffered from absenteeism of workers and falling demand, particularly due to the restrictions imposed on construction works in private as well as public sectors. In services, tourism sector was hit hardest; the number of tourist arrivals dropped by almost 90 percent<sup>5</sup> in the months following the earthquake resulting in loss of jobs, decline in hotels

and restaurant earnings and other related services, and reduction in the revenue of the airlines.

On the positive side, the inflation rate, as measured by average consumer price, merely increased by 7.2 percent in 2014/15 compared to an increase of 9.1 percent in 2013/14. The decline was mainly due to the decline in price of petroleum products, prudent fiscal policy and lower inflation in neighbouring trade partner countries.<sup>6</sup> The trade deficit, on the other hand, increased by 10.8 percent and import-export ratio reached 9.1:1 as a result of declining exports in FY 2014/15. However, despite the slowdown in the economic activities and exports, the current account registered a surplus due to increased remittances, surge in foreign assistance for rescue and relief activities, and low import growth.<sup>7</sup>

With regards to the national budget, lower level of revenue collection and pressure to increase expenditure related to relief and rescue operations, and increased domestic loans, raised the budget deficit from 2 to 4.8 percent of the GDP in FY 2014/15. Such deficit was financed by increased foreign as

well as domestic loans.<sup>8</sup> Moreover, the revenue mobilization of the Government increased by 13.8 percent to NPR 405.85 billion, equivalent to 96.0 percent of the annual budget estimate of NPR 422.90 billion.<sup>9</sup>

The magnitude of the devastation and the unprecedented socio-economic impact faced by Nepal following the massive earthquake in the country was not without reason when we consider that the impacts of natural disaster including earthquake in low-income countries are likely to be significant owing to widespread poverty, subsistence economy, lack of infrastructure and low level of disaster preparedness. These aforementioned factors continue to plague many developing countries, including Nepal, making them highly vulnerable to disasters. Hence, the experience of other developing and low-income countries with regards to the macro-economic impact of massive disaster will aid in anticipating the impact the April earthquake will likely have on the country's economy.

Shared macroeconomic experiences of developing and low-income countries reveal that:<sup>10</sup> (i) GDP tend to fall in the year of the disaster and also in the following year, but rebounds in successive years due to relief, recovery and reconstruction programmes; (ii) Budget deficit increases as a result of increased government spending and possible decline in revenue collection; (iii) Trade deficit worsens as exports drop due to damage in supply capacity, capital stock and infrastructure, and imports increase due to higher demand for relief, recovery and reconstruction efforts and decline in domestic supply; (iv) Inflow of external aid and capital helps to speed up the reconstruction process, but could raise inflation; and (v) Longer-term impact depends on other economic conditions of the country, and the speed and efficiency of the recovery and reconstruction programmes.

### Impact on poverty

Preliminary estimate shows that the impact of earthquake on poverty is

high. The incidence disproportionately exposed the poor, weak and the vulnerable to the direct as well as indirect impact of the earthquake, and is expected to push an additional 2.5 to 3.5 percent of population (or at least 700,000) Nepalese to poverty in FY 2015/16.<sup>11</sup> Additionally, multifaceted impact in areas such as water and sanitation, education and health may lead to the deterioration of human development indicators in many of the affected areas. The poverty situation could also be aggravated in the medium term due to loss of employment opportunities and increased food insecurity.

### Strategy to maintain macroeconomic stability and employment

The macroeconomic situation of the country was satisfactory prior to the earthquake, and in the aftermath, has been supported by comfortable fiscal space and balance of payment situation. In the fourth quarter of FY 2014/15, Nepal experienced fiscal deficit of NPR 100,148.7 million and capital account surplus of NPR 6,037.1 million.<sup>12</sup> However, the economy has been experiencing slower pace of capital expenditure despite being supported by rising inflow of remittances. Against such a backdrop, proper implementation of post-earthquake rehabilitation and reconstruction work could face the potential challenges, which will need to be dealt efficiently. Some of the challenges could be as follows:

- The recurrent expenditure is rising at a higher rate than capital expenditure. In order not to strain the economy, recurrent expenditure

Impact of natural disasters are likely to be significant due to, among others, low level of disaster preparedness.

should be controlled while increasing capital expenditure, especially in the area of post-earthquake reconstruction. Additionally, introduction of new revenue instruments should be explored along with stronger tax reforms and tax collection efforts to widen fiscal space.

- Increased public and private reconstruction activities could surge the import of construction materials and other capital and consumer items resulting in higher trade deficit amid sluggish performance of the export sector. However, imports may be affected by lower remittances inflow due to the slow-down and/or unforeseen economic shocks in the labour importing countries. Thus, the Government should expedite the recovery process of the tourism sector and address supply capacity of the export sectors to safeguard deteriorating trade deficit. Economic reforms especially that help to develop better investment climate and attract more investments should be strengthened.
- Inflation may rise due to higher public as well as private expenditures due to relief, recovery and reconstruction activities. Provisions for emergency funding may help to restore the infrastructure in the immediate future and could control inflation by supporting smooth supply of essential commodities. Prudent macroeconomic policy, quick international support and increased revenue efficiency could help maintain the level of debt and inflation to a desired level.
- Nepal should also strengthen the strategy for mitigating disasters. Insurance and capital markets can help reduce loss of capital, incomes, financial damage to buildings and poverty incidence that could result from disaster. These mechanisms are weak in the country.<sup>13</sup>
- Economy could recover quickly and the country can achieve higher growth rate if the damaged infrastructure like irrigation channels,

roads, drinking water networks and electricity supply are renovated swiftly and the reconstruction of housing sector—which accounts for more than 50 percent of the total loss—are completed rapidly.

- International cooperation can support not only to expedite rebuilding process but also to contain national debt, inflation and current account deficit.<sup>14</sup> Nepal has been able to garner international support of more than US\$4 billion for rebuilding and reconstruction of earthquake damage and losses, which will undoubtedly aid to accelerate the reconstruction process.
- In addition to the market mechanism, government could also save some resources each year and deposit in a disaster relief and reconstruction fund. Ideally, the amount could be equal to the expected cost of disasters. This will help to restore economic activities quickly in case of disasters.
- These discussions underscore the need for advance planning in order to address macroeconomic management and minimize the risks Nepal may face in the future.
- As more than two-thirds of the population depend on agriculture for living, it has to be given the highest priority for restoring livelihoods. In order not to reduce agriculture production and productivity, government should distribute tested seed varieties and breeds to farmers and rehabilitate irrigation system to continue the production cycle and avoid food crisis in the following years.
- Reviving damaged tourism infrastructure, trekking routes, hotels, resorts and restaurants could help restore tourism business as soon as possible. International marketing and communication are essential to bring back tourists to the country in the short to medium term.
- Small and medium sized businesses should also be supported for their early revival. The package may include loans at low interest rates, subsidy to support start-up

## Reconstruction has to be started as quickly as possible supplemented by appropriate programmes.

- enterprises and revival of business and facilitating insurance process.
- Skills and capacity of affected people could be enhanced by initiating special training programmes to make them part of reconstruction programmes. Similarly, cash-for-work and food-for-work programme could be initiated and/or continued to avoid food crisis.

## Conclusion

The April earthquake in Nepal has adversely affected GDP growth, balance of trade, public deficit and indebtedness. Given the absence of risk financing options undertaken before the earthquake and limited financial capability, Nepal should try to expand domestic fiscal space and access external capital to fund post-earthquake reconstruction and rehabilitation. However, to reinvigorate growth and reduce undesirable macroeconomic impacts, it is crucial that government plan ahead and adopt prudent macroeconomic management policy.

Modest investment in preparedness and prevention of disaster, gradual introduction and enhancement of insurance system, at least in property sector, and a tighter fiscal policy during good times, would help reduce adverse impacts to the economy. Moreover, reconstruction has to be started as quickly as possible and should be supplemented by programmes like cash-for-work, food-for-work, and skills trainings to enhance income generating and employment opportunities, especially to the poor people in affected areas. ■

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## Notes

- <sup>1</sup> [http://www.unesco.org/new/en/media-services/single-view/news/unesco\\_to\\_assess\\_the\\_impact\\_on\\_nepals\\_cultural\\_heritage\\_of\\_the\\_devastating\\_earthquake/#.Vg4TabSqqko](http://www.unesco.org/new/en/media-services/single-view/news/unesco_to_assess_the_impact_on_nepals_cultural_heritage_of_the_devastating_earthquake/#.Vg4TabSqqko).
- <sup>2</sup> GoN. 2015. *Nepal earthquake 2015: Post-Disaster Needs Assessment*. Vol. A. Kathmandu: Government of Nepal, National Planning Commission.
- <sup>3</sup> GoN. 2015. Note 2.
- <sup>4</sup> MoF. 2015. *Economic Survey, 2014/15*. Kathmandu: Ministry of Finance.
- <sup>5</sup> GoN. 2015. Note 2.
- <sup>6</sup> NRB. 2015. *Current Economic Situation (12 months)*. Kathmandu: Nepal Rastra Bank.
- <sup>7</sup> NRB. 2015. Note 6.
- <sup>8</sup> MoF. 2015. Note 4.
- <sup>9</sup> *ibid*.
- <sup>10</sup> Mechler, R. 2004. "Macroeconomic impacts of natural disasters." In *The Role of Local Governments in Reducing the Risk of Disasters*, edited by K. Demeter, N.E. Erkan and A. Guner. Washington DC: The World Bank Institute; Smith, K. 1996. *Environmental Hazards. Assessing Risk and Reducing Disaster*. London: Routledge; ECLAC/IDB. 2000. "A matter of development: how to reduce vulnerability in the face of natural disasters." Paper presented at a Seminar "Confronting Natural Disasters: A Matter of Development", New Orleans; UNISDR. 2002. *NPR Geneva, United Nations International Strategy for Disaster Reduction*; Anderson, M. 1995. "Vulnerability to Disaster and Sustainable Development: A General Framework for Assessing Vulnerability." In *Disaster Prevention for Sustainable Development: Economic and Policy Issues*, edited by M. Munasinghe and C. Clarke. Washington DC: World Bank; and Vatsa, K. S. and F. Krimgold. 2000. "Financing Disaster Mitigation for the Poor." In *Managing Disaster Risk in Emerging Economies*, edited by A. Kreimer and M. Arnold, 129-153. Washington D.C: World Bank.
- <sup>11</sup> GoN. 2015. Note 2.
- <sup>12</sup> Nepal Rastra Bank. 2015. *Quarterly Economic Bulletin*. [http://red.nrb.org.np/publications/economic\\_bulletin/Quarterly\\_Economic\\_Bulletin--2015-07\\_\(Mid\\_July\)-New.pdf](http://red.nrb.org.np/publications/economic_bulletin/Quarterly_Economic_Bulletin--2015-07_(Mid_July)-New.pdf).
- <sup>13</sup> Popp, Aaron. 2006 "The Effects of Natural Disasters on Long Run Growth: Major Themes in Economics." [www.cba.uni.edu/economics/themes/popp.pdf](http://www.cba.uni.edu/economics/themes/popp.pdf). Accessed September 25, 2015.
- <sup>14</sup> *ibid*.

### Introduction

The three-fold objective of the Convention on Biological Diversity (CBD) includes the conservation and sustainable use of biodiversity, and equitable sharing of benefits derived from the utilization of genetic resources. The

CBD's agreed principles of Access and Benefit Sharing (ABS) have since been strengthened through the 2010 Nagoya Protocol of the CBD. The early phases of the CBD negotiations had a focus on wildlife conservation, but the scope was soon expanded to

include the value of genetic resources, including domesticated material. The expansion was in line with demands from developing countries, where the bulk of terrestrial biodiversity is situated. The inclusion of domesticated genetic material strengthened devel-

# Complexity of international institutions

## Implications for access and benefit sharing

Kristin Rosendal and Steinar Andresen



oping countries' negotiation clout in the CBD, which led to successful achievement of ABS as the regime for international transactions with genetic resources.<sup>1</sup> By including "genetic material of actual or potential value",<sup>2</sup> the CBD interacts with access to seeds under the United Nations (UN) Food and Agricultural Organization (FAO). The World Trade Organization (WTO) with its Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) further adds to the "regime complex" for all these international regimes have a bearing on the access and property rights to genetic resources.

### Genetic resources and a complexity of regimes

Interaction, overlap and complexity between CBD and related regimes have been widely studied. While regime interaction is generally defined as an externality, it can also be a result of covert activity, as a strategic move by negotiating parties. This could be the case if, as a way of circumventing the effect of one regime, other regimes are sought, created or adapted to combat and undermine the first.

The CBD and its ABS regime have been ratified by 195 countries and the Nagoya Protocol so far by 57, allowing it to enter into force on 12 October 2014.<sup>3</sup> The bulk of terrestrial species diversity is found in the tropical South<sup>4</sup>, while developed countries are mostly in the position to reap the biotechnological revenues from utilization of genetic resources.<sup>5</sup> Most developed countries wanted current arrangements to remain unchanged, allowing them to enjoy free access to genetic resources in countries in the South, rather than link the use of genetic resources to benefit sharing.<sup>6</sup> However, it was the South's position that won through the CBD negotiations; acknowledging countries' national sovereignty over genetic resources, the ABS regime states that access to genetic resources shall be on prior informed consent (PIC) and mutually agreed terms (MAT). The regime has achieved rather a high level

of legitimacy and several public and private bioprospectors have incorporated PIC and MAT in their statutes for how to access genetic resources, realizing the need for trust in such transactions.<sup>7</sup> Still, legal compliance with the ABS regime in user countries remains faulty as conflicts remain over user measures, its functional and temporal scope, and its relationship to other international forums.

Closely linked to scope and among the most controversial issues in the relationship with other international institutions is the establishment of *sector-specific ABS regimes*.<sup>8</sup> This was a core demand by users and it was partly countered by the provision that eventual sector approaches be mutually supportive and not run counter to the objectives of the Nagoya Protocol and the CBD (Art 4.3). These issues trigger provider/user conflicts also in other forums relating to ABS. The overlap between the CBD/ABS and the FAO remains particularly outspoken, with efforts to establish *sector approaches* to various types of genetic resources for food and agriculture within the FAO.

The CBD/ Nagoya Protocol asks *user countries to take appropriate measures* securing that genetic resources are accessed in accordance with PIC and MAT in provider countries' legislation. A long-standing demand of providers to establish a mandatory *disclosure* requirement regarding genetic resources in patent application failed yet again in the Nagoya negotiations.<sup>9</sup> This contested area of ABS governance includes balancing access to genetic resources with intellectual property rights (IPR).<sup>10</sup> The CBD/ ABS regime seeks to balance IPR in the sense that both systems aim to tie economic

Interaction, overlap and complexity between CBD and related regimes have been widely studied.

conditions on legal use of the material. The interaction between ABS and IPR regimes is essential for understanding interaction within the FAO and hence a brief examination of this relationship is in order.

### ABS and patent regimes: the North-South conflict

The development of modern biotechnology coincided with an increased privatization of agricultural and pharmaceutical research in the 1970s. This brought about an economic incentive to introduce patent protection coinciding with a technological capability to apply patents in the field. Biotechnology made it possible to fulfil the legal patent criteria for inventions involving biological material.<sup>11</sup> At the same time, it has proved difficult to provide similar legal protection for the traditional knowledge about these resources. Patenting is a very costly affair, largely dominated by multinational corporations.<sup>12</sup> These factors combined to increase the awareness of an imbalance between users and providers of genetic resources and constitute part of the background for developing countries' claim for national sovereignty over genetic resources in the CBD. They argued that there is an inequity inherent in the fact that their genetic capital was still considered a Common Heritage of Mankind, freely accessed by all while they must pay an increased price for access to improved breeding materials and medicines as these become subject to patent protection.<sup>13</sup> This made a breach with the traditional approach of seeds as common heritage in the FAO Undertaking. Multinational corporations have strong economic means to and interest in pursuing broader patent protection; at the same time, they can evade governmental control and regulations that would be necessary to enforce ABS behaviour.<sup>14</sup> The imbalance between ABS and IPR is strengthened by the restrictions on access that emanate from IPRs.<sup>15</sup>

The concept of 'mutual supportiveness' is perhaps mostly meant as an indication that international

treaties should refrain from directly disrupting each other in their implementation; a more proactive understanding could mean that they seek to strengthen each other. In this light, the relationship between the CBD and TRIPS could rather be seen as a case of lacking mutual supportiveness than one of forum shopping. We must, however, also keep in mind how users strive to avoid this link between ABS and IPR in other, sector-related forums such as the FAO.

### ABS between the CBD and FAO

There was political and organizational strife concerning the demarcation between the CBD and FAO from the outset of the negotiations, as domesticated genetic resources (seeds) became subject to CBD.<sup>16</sup> The turf strife coincided with the FAO seed wars in the late 1980s, which also hinged on property rights on seeds as the FAO Undertaking on PGRFA was reinterpreted in 1989 to accommodate IPR and thus waiver the Common Heritage of Mankind (CHM) principle for systematically bred seeds.<sup>17</sup> Common heritage and patents were hence at the centre of the FAO seed dispute and CBD's response was to balance increased seed patents with (re) acknowledging how natural

resources were subject to national sovereignty. For ex-situ collections of seeds in international gene banks, collected prior to the CBD entering into force, the strife resulted in Resolution 3 in the Nairobi Final Act (1992) by the CBD Parties, which referred to the role of FAO in addressing this particular ex-situ material.<sup>18</sup>

In 2001, FAO Parties concluded the ITPGRFA on this basis and after long political struggles ended up with coverage of 35 food plants and 29 forage plants. Most of the European countries originally wanted 287 plants included, while African countries wanted no more than 9 food crops.<sup>19</sup> Argentina, China, United States of America (USA) and several other central countries are not party to the Plant Treaty, but are still strong negotiators in the FAO arenas.

Within months of concluding the Nagoya Protocol, the parties to the FAO Commission on genetic resources for food and agriculture (CGRFA) started preparing for negotiations on sector-specific ABS regimes for access to farm animal, forest tree, aquatic, microorganisms, and invertebrate genetic resources for food and agriculture. There are also efforts to include more plants within the scope of the Multi-

lateral System (MLS) of the ITPGRFA. This harks back to the early turf struggles during the establishment of the CBD between the agricultural sector and the environmental branch. Within the CBD, ABS is principally regarded as a prerequisite for conservation and sustainable use of biodiversity through increased equity, while access to seeds (plant genetic resources) is the first priority with the FAO. As pointed out by Tvedt (2014<sup>20</sup>)<sup>21</sup>, when access trumps benefit sharing, it could create a disincentive for a country to preserve genetic resources, which could hardly be seen as supportive of the CBD objectives. This illustrates how this sector approach needs to be understood in light of the persistent *turf battles* between providers and users. This debate continues within the CGRFA and the parties do not seem ready to reach an agreed solution.<sup>22</sup>

On the one hand, sector-based approaches could be a necessary fine-tuning of governance within specific areas in order to enhance access. The arguments in favour of a sector approach to plant genetic resources in food and agriculture stems from the incremental improvement and multiple sources characterizing seeds, suggesting a high interdependence

Relationship between the CBD and TRIPS could rather be seen as a case of lacking mutual supportiveness than one of forum shopping.



among providers and users in plant breeding.<sup>23</sup> Incremental improvement, multiple sources and interdependence suggest that there is more than a single end product, it is hard to identify a source country and that a provider can become a user and vice-versa.<sup>24</sup> It is these characteristics that provide the rationale for decoupling benefit sharing from both the genetic resource and the provider in the legal instruments deliberated within the FAO. On the other hand, while these characteristics can to some extent be documented for plant breeding, the other sectors currently contemplated by the FAO, namely farm animals, forest trees, aquatic, microorganisms, and invertebrates, have been shown to follow different patterns.<sup>25</sup> These are different from plant seeds in that there is less or no incremental improvement involved (particularly not for microorganisms and invertebrates), and generally much less dependency on multiple sources or interdependence among users.

Additionally, a more principled argument is that opening for sector-wise ABS rules for pathogens, academic use and other more or less specified groupings of domesticated genetic resources might run the danger of fragmentation of what is covered by the general ABS rules of the CBD/Nagoya Protocol. When certain uses or resources are taken out of the scope of ABS under the Protocol, there is no guarantee that the balance required in the CBD is maintained.<sup>26</sup>

Within the CBD multilateral system of ABS, benefit sharing is to be negotiated between a user and a provider.<sup>27</sup> In the FAO Multilateral System (MLS), transactions are also based on private law agreements through Standard Material Transfer Agreements. Here, benefit sharing is decoupled from the provider and defined in non-monetary terms as access to improved breeding material from the MLS. This is not in line with the aspirations of the ABS system under the CBD/Nagoya Protocol.

Users generally favour the FAO definition of benefit sharing and this

## South is losing ground due to the asymmetry in power vis-a-vis the large developed countries and their industries.

can be seen as an effort to circumvent the ABS principles of the CBD/Nagoya Protocol. However, it can be seen as problematic that the multinational seeds corporations enjoy full access without providing benefit sharing. While the multinational seeds sector has economic interests in the flexible, open access regime under the FAO and argues that ABS may restrict this.<sup>28</sup>

Providers are likely to remain interested in benefit sharing irrespective of which forum deals with the genetic resources. The ABS related discussions in the FAO could result in providers having to spend resources and efforts to ensure that new ABS mechanisms are supportive of and not run counter to the CBD and the Nagoya Protocol, as required by article 4.

Against this backdrop, these particular sectoral approaches could be interpreted as forum shopping by more powerful actors, aimed at side-stepping benefit sharing in the original sense of the ABS regime of the CBD/Nagoya Protocol. Rather than moving toward an agreed division of labour, the current trends of sectoral specialization seem to be reflecting irreconcilable interests and power asymmetry among providers and users of genetic resources.

## Conclusion

The turf battles and conflicting actor interests surrounding the ABS regime go back to the early CBD negotiations and are linked to utilization of valuable genetic material, predominantly within the pharmaceutical and agricultural sectors – health and food. Both sectors are central to human well-being and both are characterised by actors portraying either ABS or

IPR as the major stumbling block to govern access, innovation and sustainable use of genetic resources. In light of the failed efforts of the South to get acceptance for ‘disclosure’ in IPR regimes, the ABS-IPR relationship appears as a missed opportunity to strengthen mutual supportiveness and hence problem solving effectiveness. The important message is that the sector specific efforts to establish ABS regimes are also dyed in the original provider-user/ South-North conflict line.

This conflict also affects the FAO/CGRFA. The original delimitation on which the ITPGRFA is based was meant to govern only genetic material (seeds) in ex-situ (gene banks), which had been collected prior to the entry into force of the CBD. This scope is now extended by the more powerful actors, both in terms of plant genetic resources related to in-situ material as well as wild relatives of Annex 1 food plants within the ITPGRFA and for other genetic resources with relevance for food and agriculture within the CGRFA. The arguments in favour of such sector-specific approaches are valid for plant genetic resources and plant breeding; they are however less applicable for microorganisms, aquatic, invertebrate genetic material. In this forum we found clear signs of turf battles and forum shopping aimed to undermine the ABS regime. This interpretation also fits with how the FAO CGRFA debate on alternative ABS systems remains in a flux, rather than on a path towards adjustment and an agreed division of labour.

The regime complexes surrounding biodiversity exhibit significant similarities in the sense that, as defined here, they have not contributed to enhance problem-solving effectiveness. The biodiversity complex evolves around contested linkages between existing institutions. We have seen that parties disagree on whether a further specialization or division of labour will increase or decrease effectiveness and legitimacy compared to the original ABS regime. The overall tendency could imply that the South is

losing ground due to the asymmetry in power vis-a-vis the large developed countries and their biotech and seeds industries. ■

*Authors are associated with Fridtjof Nansen Institute, Norway. Funding for this research was provided by the Norwegian Research Council through the project 220630 "Biotechnology in agriculture and aquaculture - effects of intellectual property rights in the food production chain".*

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# Natural disasters and governmentality

## Impressions from the Nepal Earthquake

How would Nepal tackle the challenges of earthquake recovery, and bring ailing economy and development back on track must be recognized as a challenging endeavor.

Ajaya Dixit

Nepal is like an antiquated boat without a rudder negotiating three simultaneous directional complexities: implementing the new constitution, reorganizing of the structure of the state and recovering from devastating earthquakes. Each could be termed a “wicked problem” that is hard to define, and when attempts are made to do so, underlying layers of hidden dilemmas come to the surface. A small innocuous decision can cascade into catastrophic consequences as non-linear and unforeseen dynamics emerge, adding to further directional complexities.

Nepal’s current mess emanates from public policy decisions that are poorly thought through and executed. Even though, the evidence points that we must hear and listen to each other, the collective response in the boat veers towards shouting competition among those without propensities for hearing and listening.

### Caution unheeded

The story that unfolded in Nepal following the April 2015 earthquake was because our officialdom, the educated and political leadership “heard” but did not “listen” to such warnings. When earthquakes hit, we were totally unprepared. Voices of caution and

need for disaster preparedness including for a potential big earthquake remained unheard.

In Nepal we do not listen to voices of caution from within, we expect outsiders for solutions to all our problems. In relation to earthquake disaster preparedness, even voices of caution from outside remained unheeded. Robert Piper who headed UN system in Nepal wrote in *the Guardian* in 2013, “A perfect storm of earthquake and poor governance could cripple Nepal.” Brian Tucker who works on reducing casualties from natural disasters recalls his conversation with a Nepalese minister in the 1990s about earthquakes. The minister had told him, “We don’t have to worry about earthquakes anymore, because we already had an earthquake.” Clearly the minister referred to the 1934 earthquake. Tucker took the minister to the window and had him look out and seems to have said, “As long as you see those Himalayan Mountains there, you will know that you will continue to have earthquakes.”

Indeed big earthquakes have been regular in the region; Kangra (1905), Nepal-Bihar (1934), Nepal (1988), Latur (1993), Bhuj (2001), Muzafarabad (2005) and Nepal (2015). Though experts had predicted likelihood of a

big earthquake and need for preparedness, Nepal’s failure to do so is evident by the widespread death and destruction across 14 districts of the country when the 7.8 Magnitude Earthquake struck Barpak in Nepal’s Gorkha District on 25 April.

On 25 June two months after the Gorkha Earthquake, Government of Nepal organized the international conference on reconstruction, in which the donors pledged US\$4.1 billion to support post-earthquake reconstruction and rehabilitation efforts. To expedite recovery, the government created National Reconstruction Authority (NRA) through an ordinance and designated Vice Chair of the country’s National Planning Commission as its Executive Director.

But what transpired subsequently indicates Nepal’s institutional dysfunction of a fundamental nature. According to statutory provisions, any decision executed through ordinance has to be ratified by the sitting parliament within a specified time. Unfortunately, the related ministry did not put in necessary papers for ratification within the specified time and the legal status of the newly created NRA became null and void. This systemic oversight indicates not only palpable lack of capacity to hear

and listen, but also to make adaptive responses proceed even when massive earthquakes ruptured physical, social and institution systems. The result of this oversight will seriously aggravate condition of those affected by the Gorkha earthquake and other disasters. A cursory review of the country's disaster risk management landscape suggests that responses have not moved beyond immediate rescue and relief. Recovery and preparedness are peripheral tasks, and at the moment, those affected by the earthquakes are left to fend for themselves.

### Shelter recovery

In most of the districts affected by the earthquake, shelter is the most urgent and pressing need. Clearly, invigorating of local economy remains the key. Nepal's economy depends on agriculture, remittances, tourism and international aid, and at present, remittance is the largest source of income at the national level.

While some portion of the remittances is used for consumption and largely non-productive uses, some does flow to education, the development of businesses and other "productive" investments. Aside from immediate consumption, much of the money goes to investment in housing. Given the dysfunctions at the national level, limited national and international support coming for the reconstruction of shelters, remittances perhaps will remain the primary resource available to most families for recovery.

But how would Nepal tackle the challenges of earthquake recovery, implementation of the new constitution and bring ailing economy and development back on track must be recognized as an important, necessary but challenging endeavor. As such, leveraging remittance income and enabling families to use it effectively for building resilient shelter and livelihood systems will probably be one route towards recovery. Even then such a pathway faces hurdles of emanating from flaws in policies, their implementation and the ways of governments and "governmentality" in



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discharging duties to improve welfare of citizens.

### 21<sup>st</sup> century governmentality

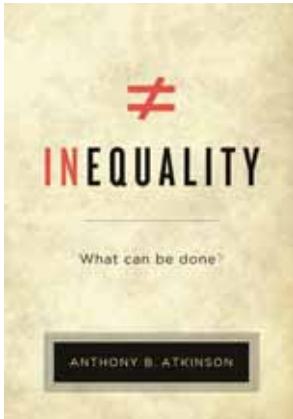
Welfare of the earthquake-affected, however, does not seem to be on the anvil. Government of Nepal has so far failed to spend any of donor money earmarked for recovery. Indeed, given the scale of the earthquake disaster, immediate humanitarian support should have followed with clear outline for recovery. With initial support coming to a close with the Post Disaster Needs Assessment, priority should have been accorded to reconstruction and rehabilitation efforts. Unfortunately, the efforts have almost stalled and whatever is being done is without a framework, sloppy and directionless. Such state of affairs in a country that faces multi hazard risks, including that from climate change, is inexplicable.

Referring to the threat of climate change US President Obama had warned some time ago, "climate change is no longer some far-off problem. It is happening here; it is happening now. Climate change is already disrupting our agriculture and ecosystems, our water and food supplies, our energy, our infrastructure, human health, human safety. Now. Today." Earlier the President had reminded about the urgent need to make communities more resilient to face climate change threats. He has called upon governments to take care of their own

citizens arguing, "Governments that protect these rights are ultimately more stable, successful and secure". Yet, few months earlier even while the price of fossil fuel kept coming down, the President had put signature to a permission allowing Royal Dutch Shell to begin drilling for oil along the coast of Alaska.

This comparability between the act of the government of world's most powerful country and that of a least developed country brings forth the modern day imperatives of governmentality as a complex and inexplicable enterprise that fall short of looking after welfare of citizens. The primary duty of any elected government is to take care of its citizens who give it the power of authority to govern for them through electoral voting. Given the threat climate change poses to human race and civilization, fossil fuel extraction from newer field should have been a no for the US government in the same way support for recovery of the earthquake affected families should have been the top most priority for the Nepalese government. In both cases the larger goal has been overlooked. While implications of these actions continue to unfold, the plight of those affected by earthquakes and climate change induced disasters in Nepal shows little sign of being abated. ■

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## “INEQUALITY : What can be done?”

**Title:** INEQUALITY: What Can Be Done?

**Author:** Anthony B. Atkinson

**Publisher:** Harvard University Press, Cambridge, Massachusetts, United States

**ISBN:** 9780674504769

Wimal Nanayakkara

For some time now, inequality is dominating academic debates on (economic) development. The background is the ever-widening gap between the rich and the poor. According to Oxfam just 85 people owned as much wealth as the poorest half of humanity in 2014. Joseph Stiglitz’s assertion that the richest 1 percent of the population (in the US) control the political process to favor themselves over the 99 percent has sparked strong reactions both for and against it. Thomas Piketty’s recent work (*Capitalism in the Twenty-first Century*), which suggests that extreme inequality is inherent in capitalism, has also provoked discussion on how to address economic inequality. Distinguished economist Anthony B. Atkinson, known as the father of modern inequality research, is one of the pioneer researchers on inequality since 1960s. In his latest book titled “INEQUALITY: What can be done?”, Atkinson focuses on inequality in the United Kingdom, the United States and the countries of the European Union. Nonetheless, some of the proposals aimed at reducing inequality could be adopted in developing countries with some modifications to suit the local conditions.

The first part of the book provides a detailed introduction to the concept of inequality, including the meaning and history of inequality, along with the explanation of various types of inequalities, among others. There is a very interesting discussion on whether we should focus on inequality of opportunity versus inequality of

outcomes. While the author recognizes the importance of the “level playing field”, he argues very strongly also in favour of the equality of outcomes: “we cannot ignore those for whom the outcome is hardship – even if ex ante equality of opportunity were to exist” (p.10). Moreover, inequality of outcome would directly affect equality of opportunity for the next generation. Equality of opportunity can therefore be seen as a means to an end. In the subsequent parts, the author presents series of policy proposals to reduce inequality with a critical review of some of the proposals. The review is mainly intended to address the criticism that the proposals are too costly or difficult to put into effect by a single country in today’s globalized economy.

Though many countries in the world, with the exception of some African and Asian nations, have managed to reduce poverty, inequality has either remained unchanged or in some cases increased. While the rich are getting richer, the rapid transformation of the economy is leaving the majority behind. In order to overcome persistent inequality, Atkinson presents a comprehensive set of proposals to facilitate a genuine shift in the distribution of income, especially in developed countries. Additionally, he recommends an ambitious set of new policies related to technology, employment, social security, sharing capital and taxation.

The book asserts that rising inequality is the result of neo-liberal policies introduced from the 1970s

with the “inequality turn”, as he calls it, maturing in the 1980s. He shows how inequality had fallen in Europe after the World War II primarily because of progressive income taxation which helped finance the welfare state and social provision. Policy answers have been identified within this ideological framework. Important among his recommendations are: guaranteed government employment with a living wage, representation of workers in management decisions, investment in technology, higher marginal income tax rates, and higher investments in pension schemes. In the current context of many rich countries moving away from agreed Official Development Assistance target (0.7 percent GNI), Atkinson recommends increasing the target to 1 percent. Many of Atkinson’s policy proposals have ideological roots in the social democratic era, but he shows that these policies are still relevant for reducing inequality and improving social justice.

Atkinson also stresses that what he is proposing need not be considered as a single package of reforms. It is therefore not necessary to dismiss all the proposals, if some of them are not acceptable or infeasible. Adopting all the proposals as a package may not be feasible, especially in developing countries, as the cost could be too high. Some countries may not be able to afford them, in which case a gradual approach may be the answer. ■

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# SAARC Comprehensive Framework on Disaster Management

Developed by the Expert Group on February 2006, the SAARC Comprehensive Framework on Disaster Management was approved by the 14<sup>th</sup> SAARC Summit in New Delhi in 2007.

Sudeep Bajracharya

## Genesis

Home to majority of the world's poor, South Asia is also one of the most vulnerable regions to natural disasters. Till date, countries in South have experienced a number of major disasters, which has caused massive human casualty, huge economic losses and widespread destruction. Recurring disasters pose a great development challenge for all South Asian countries. Thus, in the aftermath of Indian Ocean Tsunami of December 2004, a Special Session of the SAARC Environment Ministers was held at Male, Maldives on 25 June 2005. The meeting adopted the Male Declaration, which decided *inter alia* that an Expert Group of the member countries shall meet at Dhaka, Bangladesh to formulate a Comprehensive Framework on Early Warning, Disaster Management and Disaster Prevention, prior to the Seventh Ministerial Meeting on Environment in Bangladesh.

The Expert Group met on 7-9 February 2006 in Dhaka and developed SAARC comprehensive framework on disaster management in South Asia, which was approved by the 14<sup>th</sup> SAARC Summit in New Delhi in 3-4 April 2007. Importantly, the framework is also aligned with the implementation of the Hyogo Framework of Action (HFA) 2005-2015: Building the Resilience of Nations and Communities to Disasters.

The Framework articulated that

three thematic centres would be responsible for implementing its strategic priorities, namely the SAARC Centre for Disaster Management and Preparedness (SDMC) in New Delhi, the SAARC Coastal Zone Management Centre (SCZMC) in Male and the SAARC Meteorological Centre (SMRC) in Dhaka.

## Regional objectives

- Establish and strengthen the regional disaster management system to reduce risks and to improve response and recovery management at all levels;
- Identify and elaborate country and regional priorities for action;
- Share best practices and lessons learnt from disaster risk reduction efforts at national levels;
- Establish a regional system to develop and implement regional programmes and projects for early warning;
- Establish a regional system of exchanging information on prevention, preparedness and management of natural disasters;
- Create a regional response mechanism dedicated to disaster preparedness, emergency relief and rehabilitation to ensure immediate response; and
- Create a regional mechanism to facilitate monitoring and evaluation of achievements towards goals and strategies.

- An efficient Disaster Management System;
- Mainstreaming disaster risk reduction into the development policies and practices of the government at all levels;
- Disaster resilient communities that have enhanced coping capacities in relation to all hazards;
- Development of policies and programmes that recognizes all risks to the communities, and mitigation strategies that are based on a risk management assessment;
- Greater levels of coordination and cooperation at national, regional and international levels; and
- Enhanced information, warning and reporting systems within governments at all levels.

## Strategic goals

- Professionalising the disaster management system;
- Mainstreaming disaster risk reduction;
- Strengthening of community institutional mechanisms;
- Empowering community at risk particularly women, the poor and the disadvantaged;
- Expanding risk reduction programming across a broader range of hazards (all hazards approach);
- Strengthening emergency response systems; and
- Developing and strengthening networks of relevant national,

## Expected outcome



regional and international organizations.

#### Priorities for Action 2006-2015

Taking into account the recommendations of the HFA, and directives of SAARC meetings including the Dhaka Declaration 2005 of the 13<sup>th</sup> SAARC Summit, the framework envisages the following priority areas of action:

1. Develop and implement risk reduction strategies, which include:
  - Development of methodologies and standards for hazard and vulnerability assessments;
  - Development of strategies to make a right balance across prevention, preparedness, response and recovery (PPRR) programming; and
  - Development and implementation of risk reductions programmes.
2. Establish Regional and National Response Mechanisms, which include:
  - Establish, strengthen and improve Regional Early Warning Systems
  - Develop systems and procedures to establish an effective Community Alerting System.

- Establish and improve Search and Rescue Mechanism.
  - Develop and standardize Damage, Loss and Impact Assessment Methodologies and Relief Management Procedure.
  - Establish a post-disaster recovery and reconstruction mechanism
3. Establish a Regional Information Sharing Platform;
  4. Develop and implement Disaster Management training, education, research and awareness programmes;
  5. Apply the information and communications technology (ICT) for disaster management; and
  6. Establish an effective monitoring and evaluation mechanism.

#### Conclusion

Though SAARC developed a Comprehensive Framework on Disaster Management and established a number of SAARC centers, SDMC in particular, to implement the framework, progress to build the disaster risk reduction and

management capacities of South Asian countries through regional cooperation has been sluggish at best. Despite numerous regional policy efforts to establish an efficient and effective regional response to disasters, regional disaster management and preparedness efforts have thus far failed to translate into increased disaster risk reduction and management capacities of SAARC member countries.

Even in the aftermath of a devastating earthquake that rocked Nepal in April, the regional mechanism for disaster response and management was non-existent. Nonetheless, the most recent Nepal earthquake should serve as a warning bell for South Asian Association for Regional Cooperation (SAARC) to come together to set up an effective disaster-response mechanism, which can minimize and mitigate impact in an already disaster-prone region. In this regard, reinvigorating the SAARC Comprehensive Framework on Disaster Management can help mitigate disaster risks at the regional, national as well as the local levels. ■

*The author is Research Officer at SAW-TEE.*

# Promoting regional cooperation for a food-secure, climate-resilient South Asia

SAWTEE and Fridtjof Nansen Institute (FNI), Norway organized a two-day regional meeting on “Conservation, Use and Exchange of Crop Genetic Resources: Promoting Regional Cooperation for a Food-Secure, Climate- Resilient South Asia” on 26-27 August 2015. The objective of the meeting was to bring together experts, policy makers, private sector representatives, academic researchers and relevant stakeholders to discuss issues related to governance of crop genetic resources in South Asia.

Dr. Posh Raj Pandey, Chairman, SAWTEE emphasized on the need to consider different paths to enhance regional cooperation on issues related to the conservation, use and exchange of crop genetic resources for a food secure and climate resilient region. He suggested four pathways for the countries to move forward: (i) political consensus between regional countries; (ii) formation of new organizations and instruments based on past experiences; (iii) implementation of regional projects; and (iv) an ancillary path to capture the practical and technical



aspects like information sharing.

During the two-day meeting, the experts discussed various issues of regional cooperation in relation to the conservation, use and exchange of crop genetic resources. Issues such as the impact of climate and natural disaster; the role of national, regional and global gene banks, and national and international research centres; and challenges and opportunities in implementing various international agree-

ments such as Convention on Biological Diversity (CBD), International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA), and Trade-Related Aspects of Intellectual Property Rights (TRIPS) were thoroughly discussed. Altogether, 50 experts from South Asia working on plant genetic resource-related issues, along with government officials, journalists and academicians participated in the meeting. ■

## National workshop on food security policies

INSTITUTE of Policy Studies (IPS) of Sri Lanka, Colombo together with the International Food Policy Research Institute (IFPRI) conducted a two-day national consultation workshop “Key Challenges and Opportunities for Food Security Policies in Sri Lanka” on 16-17 July 2015. The main aim of the workshop was to facilitate a dialogue between key stakeholders in order to identify key challenges and opportunities for food security in Sri

Lanka. The workshop further aimed at providing suggestions for the formation of a successful food security policy framework for the country. This national workshop brought together different teams composed of professionals from agriculture, trade, health, finance, and nutrition sections from various Ministries, universities, private sector, NGOs and civil society.

IPS Executive Director, Dr. Saman Kelegama stressed the impor-

tance of a “holistic approach that promotes sustainable agriculture in order to improve existing food insecurity and to mitigate the future vulnerabilities of the people”. Subsequently, panel discussions were organized on topics important for food security in Sri Lanka, namely current food security situation, ensuring sustainable food production, climate change, promoting healthy food systems, and agribusiness and market access, among others. ■

## Strengthening capacity of women entrepreneurs in SMEs

IPS, Colombo conducted a Brainstorming Session on “Strengthening Capacity of Women Entrepreneurs in Small and Medium Enterprises (SMEs) in Asia for Capturing Benefits of Globalization with a Special Emphasis on Sri Lanka” on 4 August 2015. The aim of the discussion was to gather expert insights for a proposal of the same topic; the IPS is developing together with the Bridging the Gap Foundation Asia (BGFA). The key objective of the proposal is to strengthen national capacity to develop women entrepreneurship and strengthen women entrepreneurs in SMEs in targeted sectors, in select small developing

countries to participate effectively in international trade, investment and global and regional value chains using Sri Lanka as a case study.

Speaking at the event IPS Executive Director, Dr. Saman Kelegama stressed the importance of promoting women’s participation in SMEs as an important policy measure in addressing the issue of low and stagnated female labour force participation rate of the country. Government officials, officers from chambers, top officers from financial institutions, researchers, etc. were among the participants who shared their insights at the brainstorming session. ■

## “We want budget for extreme poor”

UNNAYAN Shamannay organized a pre-budget seminar titled “Eradicating Extreme Poverty by 2021: The Budget We Really Want” in Dhaka on 2 June 2015. The keynote paper emphasized on the importance of replicating successful targeted livelihood programmes for eradicating extreme poverty from Bangladesh by 2021. It pointed out that the National Budget should allocate further resources to finance targeted livelihood programmes that have successful track record in extreme poverty eradication.

Member of Parliament Honourable Begum Akhter Jahan, also the member of the Parliamentary Standing Committee on National Budget, in her remarks as the Special Guest praised the government’s commitment to eradicate extreme poverty and pointed out key initiatives taken by the government regarding women empowerment, developing infrastructure to reach the extreme poor living in the remote areas of the country. In the remarks of the Chief Guest, Dr. Abdur Razzak, Honorable Chairperson of the Parliamentary Standing Committee on the Ministry of Finance inferred that while the government has achieved significant success in poverty eradication through numerous social safety nets, these safety nets alone will not be enough to eradicate extreme poverty from the country. He added that access to market for the rural producers need to be improved to ensure that the benefits of economic growth reach the extreme poor living in the rural areas. ■

## Training on CGE Modelling



THE eighth edition of the South Asian Training Programme on CGE Modelling was held in Cox’s Bazar, Bangladesh from 4-8 August 2015. The training was organized by SAWTE and South Asian Network on Economic Modeling (SANEM), Dhaka in collaboration with the Centre for WTO Studies (CWS), New Delhi.

The training familiarized participants with the use of Computational General Equilibrium (CGE) modeling as a tool for policy analysis and research. The five day event included sessions on the construction of Social

Accounting Matrices (SAM), calculation of SAM multipliers, and the use of GAMS software to run CGE models.

The training was conducted by Dr. Selim Raihan who is a Professor of Economics at the University of Dhaka. Dr. Raihan is also the Executive Director of SANEM.

The training was participated by 32 policymakers and young researchers from six South Asian countries, namely Bhutan, Bangladesh, India, Nepal, Pakistan and Sri Lanka. From outside of South Asia, there was a participation of a researcher from Fiji. ■



**Discussion Paper:** Overcoming Non-tariff Barriers on Ginger Export  
**Author:** Purushottam Ojha  
**Publisher:** SAWTEE



South Asia Watch on Trade, Economics and Environment (SAWTEE) is a regional network that operates through its secretariat in Kathmandu and member institutions from five South Asian countries, namely Bangladesh, India, Nepal, Pakistan and Sri Lanka. The overall objective of SAWTEE is to build the capacity of concerned stakeholders in South Asia in the context of liberalization and globalization.

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