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CONFERENCE REPORT

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Introduction

On April 25, 2015, an earthquake of 7.8 magnitude rocked the central region of Nepal claiming over 8000 lives and the loss of property (which according to preliminary estimates, is in billions of dollars). Nepal's unique geology, climate and topography present significant danger to the livelihood of its people due to natural hazards, including, among others, earthquakes, landslides, floods, and fire. However, this earthquake has posed the Government of Nepal with one of its biggest disaster related challenges in recent history. The bureaucracy and political class are putting the best of their efforts in evaluating damages, responding to immediate rescue and relief requirements, and in framing a comprehensive reconstruction plan that aims to help the affected people and rehabilitate the economy.

Successful reconstruction efforts of countries in post large-scale natural disaster scenario are often associated with the ability to tap into the potential of its civil society, communities, and the private sector. For example, Gujarat was able to use the "window of opportunity" provided by the earthquake in 2001 to push forward long overdue reforms, which not only built a stronger society but a more affluent one with larger private sector participation¹. There are many lessons to be learnt from efficiently handled disaster response of different countries. On the one hand, one size may not fit all, but on the other hand, fundamental basis of successful policies such as that of ensuring empowered community participation and involving private sector by opening up opportunities for investment can be corner stones for the reconstruction policy of Nepal.

The Government of Nepal is coordinating efforts at the moment, to prepare a plan with lessons from other countries integrating sound ideas from experts who have managed post disaster situations. In support of this effort, Nepal Leader's Circle (NLC)² hosted a two-day conference that brought together representatives from the civil society as well as political and community actors that are working on the ground to discuss ground realities of Nepal and put forward ideas that may work in their localized context. Samriddhi, The Prosperity Foundation and Niti Foundation supported the conference as Knowledge Partners to help process the information and put together this report.

This report combines the ideas expressed by various participants during the two-day conference and has been divided into two parts. The first day of the conference focused on generating ideas that would bring about an inclusive institutional structure to deal with disaster preparedness and management. These discussions and recommendations have been included in Part I of the report. The second day of the conference focused on reviving the hardest hit sectors of the economy along with ideas on financing the reconstruction efforts and policies that would increase private sector investment in the process and create opportunities for growth. The discussions and recommendations on these issues have been included in Part II of the report.

1 For details refer to 'Gujarat's astonishing rise from the rubble after 2001 earthquake', British Broadcasting Corporation. Accessed: <http://www.bbc.com/news/world-south-asia-12309791>

2 NLC is an informal group of politicians, parliamentarians and business leaders who meet frequently to discuss various reform proposals for Nepal's growth and prosperity. NLC secretariat is hosted by Samriddhi, The Prosperity Foundation

PART I: INSTITUTIONAL MECHANISM FOR DISASTER PREPAREDNESS AND MANAGEMENT

This section is a compilation of - ideas and recommendations discussed during the first day of the conference - “Ideas for Rebuilding Nepal” and focuses on “Institutional Mechanism for Disaster Preparedness and Management”.

Session 1a: Search and Rescue

The key issues considered in the session on relief operations were as follows:

- Review of existing institutional framework to deal with disasters
- What institutional bottlenecks need to be resolved to promote coordination in search and rescue, particularly with foreign agencies?
- What institutional framework needs to be in place to ensure effective and efficient rescue operations?
- What kind of human capacity enhancement is required for effective disaster rescue operations?
- What state-of-art technologies do we need for an effective disaster response?
- What kind of communication channels need to be in place in times of disaster to ensure effective rescue operation?
- How can we involve and mobilize local communities as first responders in preparing and planning for search and rescue operations?
- What Standard Operating Procedure should be developed for immediate search and rescue?

Most of the speakers and participants considered Nepal’s recent search and rescue response fairly effective, but the panelists felt that much of that could be attributed to the nature of the devastation rather than the preparedness of the response mechanism. As the government concludes its search and rescue efforts, experts are predicting large-scale landslides once the monsoon sets in. These new (albeit localized) disasters will require significant increase in the role of search and rescue, for which the government needs to be better prepared.

Disaster management begins with a strong search and rescue mechanism, where the role of first responders is one of the most critical elements. In Nepal, this role generally goes to the three agencies within the country's security force, namely, the Nepal Army, the Armed Police Force, and the Nepal Police. In the recent earthquake, it was evident that these agencies (even those with designated roles in disaster response) were not adequately staffed and logistically prepared to respond. But despite this limitation, the personnel from these agencies showed vigor and valor and earned praise from the general public for their quick response against odds. Suggestions were given during the discussion that providing them with coordinated training with common protocol among the three security agencies could help increase their efficiency. Additionally, even before the first responders can reach the scene of disaster, it is the community that plays a role in looking for and rescuing their fellow members. It is important to include these community members and volunteers in all forms of policy formulation and implementation.

Despite having spent millions of dollars in developing disaster preparedness and management policies, it was agreed that the Nepali government was not adequately prepared to respond to disasters of such magnitude. For example, Nepal drafted the Natural Disaster Relief Act in 1982, but because of a lack of a corresponding Regulation that defines the responsibilities of various line agencies and other stakeholders, there was a lack of clarity in the roles to be assumed by local agencies. This suggests that the first step towards ensuring preparedness and management of any disaster is to critically reflect on existing framework, identify gaps, and ensure clarity of roles and responsibilities. The panelists were in general accord that, because Nepal sits on an imminent threat of large-scale natural disaster, the country needs to have a clear disaster preparedness, response, and management framework at the top of its priority list.

While institutional coordination was prominently highlighted in the discussion, the need for institutional mechanism for disaster preparedness along with their terms of reference and accountability mechanism was also equally emphasized. Since every stakeholder agency differs in focus and knowledge, defining roles and responsibilities is crucial such that they can be assigned to their respective field for a synergized effort. On the role that civil administration should play in search and rescue, it has been noted that most line agencies, other than the Ministry of Home Affairs, were not seen as taking a clear sense of authority during the disaster. It is important to increase their engagement and ownership through better coordination between the ministries. Finally, it is important to distinguish between 'creating a space for international community' and 'depending on international community' in search and rescue efforts. For this, Nepal needs to enhance its mechanisms such that it is able to better channelize the support of the international community.

The discussion also highlighted the need for ensuring availability of the necessary search and rescue equipment, such as thermal sensors, canine team, video cameras, excavators, hydraulic pump etc. The budget should include allocations for such purposes.

The participants and panelists expressed the opinion that the tendency to completely rely on global best practices on disaster preparedness could be dangerous. It is very important that lessons from elsewhere be localized to make it more applicable and feasible within our social, cultural, and geological context. Additionally, post-disaster reforms, in search and rescue or in other areas, should not be knee-jerk reactions but rather based on evidence.

As there are three security forces that play a critical role in search and rescue, this could lead to some confusion on coordination. It is important to understand the strengths and weaknesses of these three agencies and develop a system whereby one of them takes the lead role, where necessary.

While the recent earthquakes spared much of the urban areas, having an Urban Search and Rescue Task Force—a team of individuals specialized in urban search and rescue, disaster recovery, and emergency triage and medicine—can bring down the number of casualties in future disasters where the scenario is different.

The recommendations emerging out of the discussion are as follows:

- Be prepared for other earthquake related disasters
- Build capacity of first rescue workers
- Review and Revise existing disaster management framework based on the lessons learnt during this disaster
- Emphasize coordination among stakeholders
- Make necessary budgetary provisions for equipment and accessories needed for Search and Rescue operation
- Designate one of the security forces as lead in Rescue for effective coordination
- Create a specialized Search and Rescue team with adequate training and equipment for operation in urban areas

Session 1b: Relief Operation

The key issues considered in the session on relief operations were as follows:

- Are there any obvious gaps or institutional shortcomings witnessed during recent relief efforts, both private and public?
- How can public institutions at all levels be enabled and held accountable?
- How can we ease the coordination of efforts of private, public and other actors in relief operations?
- How can we ensure an equitable relief distribution?

The panelists spoke about the role that volunteers played in providing relief materials in the immediate aftermath of the earthquake, which has been significantly highlighted in the media and elsewhere. In order to maximize their effectiveness in future disasters, it was suggested that the government work with these volunteer groups to profile them based on their skills, interest, experiences, and capacity. This would ensure that the right groups of volunteers are in the place with particular needs thereby making their engagement more effective and coordinated with the government mechanism in place.

A community tool library, currently being undertaken by the Association of Youth Organization of Nepal (AYON) under their Act4Quake initiative, is exactly what its name implies: a library where

members can access the necessary tools to rebuild what they have lost in the earthquake. This initiative relies on a simple understanding that communities have the skills to rebuild their own lives, but are often not able to do so because they do not have the necessary tools. Building such community tool library across the regions that are affected by the earthquake will increase direct involvement and ownership of the community in the rebuilding process and promote a more resilient community that is able to cope with future disasters.

There was agreement that a robust database system—along with a special project management mechanism to coordinate information and resources with different agencies, including the government, the private sector, and the non-governmental organizations—could help increase the effectiveness of relief efforts in any post-disaster scenario. This could also promote a stronger public-private partnership between the government and non-government agencies by matching their skills and resources to reach communities that are in dire need. A critical reflection on the failures of previous information systems/mechanisms would also shed light on how to ensure a robust system this time around. It was also suggested that the government think of ways to integrate data collected during disasters into the regular database maintained by the Central Bureau of Statistics.

Inequity in relief distribution can lead to increased conflict within the community. Therefore, working with local community based organizations is strongly advised. Likewise, it is important that if relief services are being delivered, they be delivered enough to cover the needs of all the nearby communities. This can help prevent protests, attacks, and potential conflicts among the local people.

The success of community forests in Nepal is largely because these forests are being managed 'by' the community 'for' the community. The same principle should be made use of during post-disaster reconstruction. The government should also focus on fringe areas such as the region where many forested areas and houses have been affected by the earthquake. If not addressed, this can exacerbate conditions that may increase vulnerability to further disasters such as floods, landslides etc.

The recommendations of this session have been summarized as follows:

- Introduce a supply chain response model for efficient and equitable distribution of relief materials.
- Prepare profiles of volunteer groups with their skills to ensure that right groups can be deployed at the right place to increase their effectiveness during the natural disaster response.
- Help establish a community tool library, which will have tools and equipments needed for reconstruction. Such tool library would empower the community to help itself.
- Develop a robust central database of information that can be used in disaster relief and rehabilitation.
- Work with local community (affected people) and share full information with them to avoid conflict situation.

Session 1c: Post-Disaster Reconstruction

The key issues considered in the session on post-disaster reconstruction were as follows:

Planning:

- How do we incorporate local community knowledge and their concerns in the reconstruction phase?
- How can we integrate expert knowledge (for e.g. geological aspect) in reconstruction
- What can be the role of public, private, non-profit and civil societies for reconstruction?
- Timeline of reconstruction
- Is it possible to resettle/relocate displaced communities to other parts of the country, if necessary? How do we make sure that their concerns of cultural, social and livelihood opportunities are considered in the process of relocation?
- What can be the modalities for reconstruction of private properties?

Coordination:

- Will a one-door policy be effective for timely reconstruction?
- What can be the role of public, private, non-profit and civil societies for reconstruction?
- How can international partners and development partners support government for reconstruction work?

The recent earthquake and its subsequent aftershocks caused significant human and physical loss to the nation³. While the destruction may not be as huge as was expected by the experts, the earthquake still caused significant damage crippling the life of many citizens. Looking at the available data, it is evident that the post disaster reconstruction would be a mammoth task of rebuilding lost structures, resurrecting life to normalcy and regaining self-composure among the citizens. In this regard, the discussion on post disaster reconstruction focused on challenges for reconstruction of physical infrastructure like government buildings, schools, hospitals, and heritage sites and generated ideas to rebuild the physical loss that this earthquake had. The experts also pointed out that the rebuilding process is not just about building materials, but encompasses a broader scope of rebuilding societies, communities, villages, cities and nation as a whole.

The experts shared a general consensus that the institutional structure for all the reconstruction activities should be led by the government-created reconstruction body, possibly an authority. The

³ Based on various reports and websites of the government: 8789 people lost their lives; 5,08,734 private houses were fully and 283145 were partially damaged; 2656 government houses were fully and 3622 were partially damaged; 20,010 classrooms were fully and 9,690 were partially damaged affecting education in about 7800 schools; 439 health buildings (hospitals, primary health care units and health posts) were fully damaged and 564 of them were partially damaged affecting the service delivery in the health sector

current institutional capacity for reconstruction within the government was very weak. So, even if the government reconstruction authority was formed, experts are of the opinion that this body should focus only on policies, and it should be supported by other groups/organizations, such as non-governmental organizations, private sectors, international organizations, and community groups, in implementing policies. A mechanism of transparency and accountability measures should be put in place to create an environment where everybody involved in rebuilding process are made responsible and trustworthy.

The discussion highlighted the gap in Nepal's capacity to produce skilled manpower necessary for the reconstruction activities. According to estimates presented at the panel, Nepal would need at least 700,000 skilled workers for the next three years to be able to reconstruct what has been lost in the earthquake. There is a need to multiply exponentially the available skilled workforce, but with the current capacity and circumstances this is going to take a long time. Therefore there is an urgent need for innovative ways to train locals and provide them with adequate resources to rebuild. There should not be any compromise in producing capable human resources for rebuilding Nepal, as the quality of structures that will be built should be strong enough to withstand disasters of greater magnitude.

During the discussion, participants and panelists emphasized on the need to avoid blanket approach to designing reconstruction policies to account for community level differences by involving local communities in decision making process. It was pointed out that community-led citizen participation in planning and rebuilding process have created sustainable and resilient societies and hence the new approach should focus on engaging citizens and communities to voice their opinions in the rebuilding process both in formulating policies and implementing them. Examples of successful community-based post-disaster reconstruction practices in Machhegaoun and Siddhipur; community resilience to cope with disaster in Kirtipur; and successful relocation of families affected by Bishnumati Link Road were presented during the session.

The need to integrate rebuilding plan with local heritage mapping, demographic changes, economy, employment and livelihood were highlighted during the session as the earthquake has not only damaged private buildings, but also taken away cultural heritage, forced migration and disrupted livelihoods of many people. The generally practiced "torch light approach" (where solutions are sought in one thematic area or geographic area) needs to be replaced with integrated approach to reconstruction that can address multiple issues through appropriate policies.

There was discussion on the lessons from other post disaster reconstruction efforts in countries like Pakistan, India, Thailand, etc. Some of the major lessons that Nepal should learn and translate into practice are:

- Nepal should maximize the use of local resources, materials, skills, and technology for reconstruction activities to ensure sustainability of such structures.
- There is also a need to develop a local grievance redressal mechanism where people can place concerns regarding their damaged buildings and get technical and financial support. Existing institutional structures, such as Citizen Ward Forum, Tole/Lane Organization, and Village Development Committees, can be used for this purpose.
- Since relocation of affected population has not worked well in many parts of the world, involuntary relocation should be completely avoided, and even if voluntary relocation has to be done, it should be in near vicinity. Giving cash transfer with choices for mobility was at times better than resettlement.
- Reconstruction of the private houses should be carried out by their respective owners to avoid

dependence on donors. However, the government could provide technical and financial support as deemed necessary.

Although the slackness in enforcement of building codes and zoning by laws were not directly associated with reconstruction, the discussion also touched upon these issues. The need to have a proper land use rule, issues pertaining to group housing, smart and eco-friendly cities came up for discussion. The private sector could be attracted if a fair market price mechanism could be ensured. Mechanisms to ensure accountable engineering practices that follow building codes and zoning by-laws and provisions for differently-abled populations in buildings were discussed as essentials to reconstruction policy.

The discussion focused on various technical aspects of rebuilding, like the need to have construction codes for infrastructures other than buildings; promotion of use of locally available building materials other than cement, concrete and steel; uniformity in mechanisms for rapid damage assessments; and need to identify ways of providing technical support for dismantling, rebuilding or retrofitting the private buildings.

The experts also expressed the fear that urban sector might be marginalized compared to the focus given to rural reconstruction. The need for different urban and rural policies was also emphasized. Urban areas, like Kathmandu are likely to get more a displaced population after the earthquake, and it would be a challenge for Kathmandu to manage this population.

The recommendations emerging out of the discussion are summarized as follows:

- Build an institutional structure for reconstruction with adequate capacity to deliver
- Train local personnel with appropriate skills for rebuilding
- Avoid a blanket approach to policy designs and streamline policies and rules to suit local requirement with involvement of communities
- Practice an integrated planning approach with due attention to the preservation of the cultural heritage of the people
- Use local skills, knowledge and resources to the extent possible.
- Give security the utmost importance by enforcing building codes and zoning by-laws in the reconstruction and new construction process. The building codes and zoning by laws also need to take into account local sensitivities and cultural, social and livelihood aspects.

Session 2a. Managing Public services

The key issues considered in the session on managing public services in post-disaster scenarios were as follows:

- How do we help our health sector prepared for natural disasters? What kind of Standard Operating Procedures needs to be in place?

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- How do we handle public health in times of disaster? Both physical and mental health?
- How do we resume health services post disaster?
- How do we help our education sector prepare for natural disasters? What kind of Standard Operating Procedures need to be in place?
- How do we resume educational services?
- How do we bring normalcy in the lives of our children?
- How do we prepare our government service offices (such as VDCs, ward offices, line agencies at the district level) for disasters? What kind of Standard Operating Procedures do we need?
- How do we resume our government services post disaster?
- What kind of coordination mechanism can we develop to manage these public services?

The participants agreed that be it medicines or books, ensuring smooth operation of public services requires a concerted effort towards ensuring adequate stock of such supplies. While VDCs could be one of the implementation bodies for such a plan at the local level, local CBOs, health posts, and schools can be more efficient in maintaining the stock where Village Development Committees serve as a link between them and the District Development Committee. However, this commitment to preparedness requires financial contribution from the central authority and should be reflected in government's budgetary allocations as well.

A major realization from the recent earthquakes was that many of the government offices, most of which were housed in building with weak structures, were in very vulnerable condition. This should serve as a wake-up call for the government to consider investing in resuming public services but also of securing other valuables such as public data. Furthermore, the delivery of public services, particularly health and education depends on the mobility of resources (physical and human), which again depends on infrastructure. While investment in public infrastructure is a long-term proposition, if we are to learn from the recent earthquake, immediate focus on infrastructures like road, critical government office buildings, energy infrastructures, and airport is highly warranted. In short, prioritizing key infrastructures that could serve as alternative lifelines for delivering public services is an idea worth mulling over.

Some of the panelists raised the issue that inadequate attention was paid to the concerns on mental health in the recent earthquake. This issue was more pronounced among children, many of who faced such a disaster for the first time. Therefore, during the training of doctors, auxiliary health workers, nurses and other staffs, mental health should be a component of the package training. The discussion also pointed that that mental health training should not be limited to a one-off activity. It was also noted that even volunteers should be trained in psychosocial counseling.

The participants felt the need to promote a space for government, private sector, civil societies, and international community whereby they are able to better coordinate their expertise and available resources to ensure delivery of public services.

It was suggested that the government should consider developing polices as well as appropriate infrastructure that not only contains the population density in urban areas, but also ensures that all public institutions are moved to safer geographic locations.

The recommendations of this session are summarized as follows:

- Ensure that a stock of basic supplies is available at the lowest administrative unit, i.e., at the VDC level. In addition to the VDCs, CBOs and district level bodies line agencies also could store relevant stock of required materials. As much as possible, such an emergency stock should be maintained at the agency that is closest and constantly in touch with the community.
- Invest in public infrastructure with a view of long-term safety in mind. Emphasis should be in preserving the lifelines to far off communities. In addition, public infrastructure should be able to provide temporary protection for the community during times of disaster. Therefore, public infrastructure especially at the community level needs to be well thought of and identification of the location should involve the community.
- Give due attention to mental health and take it along with physical health, especially in terms of training first responders on the ground in times of disaster. In addition, mental health provisioning should reach out to the community level.
- Ensure coordination among government, private sector and civil society players in provisioning for public services.
- Develop a backup database of information provided to public institutions at the community level such that even with a disaster, people have adequate back up of their legal documents.

Session 2b: Managing Public Infrastructure

The key issues considered in the session on managing public infrastructure in post-disaster scenarios were as follows:

- What kind of institutions and Standard Operating Procedures are required to ensure disaster preparedness in public infrastructure?
- How do we ensure continued post disaster operation of essential public infrastructure?
- How do we think about alternatives to existing public infrastructures?

The discussion highlighted the need for adopting an eclectic approach towards developing disaster management strategy by drawing from regional and international experience, incorporating new technology, and developing building construction code. Within this framework, ensuring resilient public infrastructure would require entrusting authority with quality control capabilities. Regulatory mandate is extremely vital. At the same time, such strategy and regulatory mandate need to address local context and climatic realities. For example, while constructing public infrastructures like schools, using local wisdom, tried and tested by local masons, and including quality assurance of locally available resource materials needs to be considered. Similarly, attention should be paid to religious and other social factors affecting the design and choice of construction materials.

The panelists pointed out that government should lead the skill and technology transfer process in the reconstruction where local communities need to participate. Developing and distributing a practical building construction handbook with designs and illustration can be an outreach strategy for promoting resilience. It is equally strategic to inform the supply side actors and authority to develop standard checklists of meeting the building construction code. Their role should not be limited to monitoring construction, but also in increasing awareness of the local communities and sharing the best practices from successful construction approaches.

Foreseeing the probability of future disasters in Nepal, it is strategic to think of alternative lifelines in terms of roads, electricity and communication facilities in post-disaster situation. Panelists agreed that special emphasis should be given to roads and airports. Likewise, the supply chains and other social safety nets need to be explored and extended as preparedness measures.

The government needs to have both short- and long-term land pooling and resettlement plan based on sound research and evidence with serious consideration of economic, social and cultural realities. Such plans should always be developed with full community participation from the very beginning of the process. The preconditions for a successful land pooling should also be ensured and the effort must be supported by the national and regional governments and local governments must be given power to coordinate. It is also imperative to ensure sufficient number of skilled and highly dedicated negotiators at the local level as well as objective and well-trained land valuers.

The participants strongly felt that the donor agencies need to work with the government and entrust responsibility to a nationally authorized institution. The donor communities need to work on comparative strength and let the government lead, spear head, and regulate the relief and reconstruction phase.

Clustering of VDCs could help improve delivery of services by consolidating resources and revenues. The idea is to have these VDCs physically, financially, and technically prepared so that they can deliver basic services to the general public, particularly when disaster strikes.

Reliable data plays an instrumental role in providing any disaster-related compensation. The government must have mechanisms in place to verify cases that are reported as earthquake-related damages. The government also needs to integrate sectoral data (health, education, social protection, and economic status) at the household level and ensure cross-validation with other existing database.

Given the funds that the government will need for relief and reconstruction phase, the government should promote an enabling environment for private sector and foreign direct investments to invest in building the necessary large-scale infrastructures.

The recommendations emerging out of this session are summarized as follows:

- Adapt national disaster response strategy with emphasis on use of local knowledge and resources and with adequate provisions to address the local concerns.
- Help in the development of resilient technologies using local expertise and resources.
- Develop infrastructure so that alternate lifeline could be established for tackling future disaster scenarios – this should be in terms of all kinds of public infrastructure.
- Develop short- and long-term resettlement plans with local people participation.
- Cluster the VDCs to sizeable but manageable levels so that proper services could be delivered at the lowest administrative level.
- Establish/Develop a mechanism for data collection and dissemination during disaster.
- Make full use of Resources available with the private sector including the foreign private sector.

Media **Session 2c: Institutional Coordination, Data Management, and Media**

The key issues considered in the session on Institutional Coordination, Data Management, and Media were as follows:

- Review of current inter-agency coordination mechanism among government entities
- Review of current inter-agency coordination mechanism among donor agencies.
- What mechanisms and opportunities exist for collaboration between different sectors (government, non-government organizations, civil society organizations, donor agencies, etc.) in various phases of disaster management (pre-disaster, search and rescue, relief works, reconstruction activities, and other public service delivery)?
- What are the roles of elected members in bridging the gap between citizens and the government?
- What kind of institutions could be mobilized for inclusive disaster responses?
- How should disaster information (physical damages and human casualty) be collected and communicated to the larger society? Who should do it? How can we integrate ICT into the entire process? How can non-government actors be involved in data management?
- Ensuring effective post-disaster government communications with the public.
- Role of media post disaster.

Panelists and audience agreed that the biggest deficiency felt in the aftermath of the recent calamity was the absence of local representatives. They were of the opinion that the accountability of a centrally-deputed bureaucrat is less likely to be towards the local communities than of locally-elected representatives who have deeper social connection and expect a longer political future with the community they represent. Few cases were also cited by participants where bureaucrats had absconded from duty; something that they were convinced could never happen with local representatives. Clearly, the only way to ensure increased accountability at the local level, particularly during such post-disaster scenario, the government (as well as the larger political establishment) is to conduct local elections at the earliest.

The role that the Nepali media played in keeping the public informed in the immediate aftermath of the recent earthquakes was, for the most part, highly commendable. This was particularly true of the established media outlets in Nepal that attempted to present an informed view of the post-disaster response. However, there were instances where some journalists (and pseudo-journalists)—both national and international—failed to meet the standards in disaster reporting through false or misleading representation of reality. In addition to the possibility of demoralizing those that were involved in rescue and relief, this may also have had a lasting impact on the public's psychology. The government, the media fraternity, and the general public should demand for a more responsible journalism, particularly during such stressful times.

It was reported that the Sahana Disaster Management System, which the government had invested for the purpose of post-disaster resource mapping, had run into several problems at the outset, including the fact that it was non-functional (in the beginning at least, but was apparently fixed), outdated, and labor intensive. Furthermore, it was found that the bureaucracy was reluctant to migrate to a locally built alternative (even for free) that could have provided a similar data management system. Participants suggested the need for government (and development agencies) to increase their trust on the capacity of the local youth to build technical solutions, particularly in areas of information technology. Not only would this help in developing a local knowledge base but also reduce the time and cost of maintenance of these systems.

The government's ability to properly and adequately communicate with the public is very important, particularly in times of disaster. The public naturally expects to know when the state will be coming to their help. Therefore, using mass media to regularly update public of government's activities and relief schedules can not only relieve public of anxiety, but also help other interested parties locate their operations and coordinate their efforts in the relief operation. In order to better reach its diverse population, the government should take initiatives to make its national policies, regulations, and acts available in multiple languages. Government should increase its engagement with media by promoting transparency in its efforts of reconstruction and rebuilding.

The participants felt that the use of e-governance could play an important role in ensuring better inter-institutional coordination as well as data management in reconstruction.

The government should invest in building capacity to coordinate as well as provide necessary resources to National Emergency Operation Center.

There was overall agreement that the (proposed) Reconstruction Authority should focus on building mechanisms for coordination and implementation instead of focusing on implementing concrete projects itself. The reconstruction phase is a challenging phase and money alone is not going to be sufficient to drive this through. We need to ensure that the state has the necessary mechanisms as well as the incentives, including the enactment of adequate laws and the strengthening of our legal infrastructure, to ensure implementation and accountability.

The use of social media by some of the government agencies like Nepal Police was highly appreciated by the general public, but the government should invest in social media training to ensure the best usage of this media by all concerned agencies.

The government could increase its efficiency and transparency in data collection and management by making use of open source data management platforms.

The recommendations emerging out of the discussion in this session are summarized as follows:

- Conduct local elections as soon as possible as locally elected bodies ensure much better coordination, accountability and quicker delivery of services.

- The media needs to look at its own act. Responsible journalism is in the interest of all. Self-regulation by the media could be the key.
- Invest in building indigenous capacity for providing technical solutions. The government agencies should bestow confidence in Nepali youth's ability to provide technical solutions based on modern information and communication technologies
- Establish better system of communication so that the rumormongers can be addressed immediately.
- Equip the National Emergency Operation Centre with necessary resources.
- The Reconstruction authority should focus on developing a coordination, implementation and monitoring mechanism instead of engaging in the reconstruction activity.

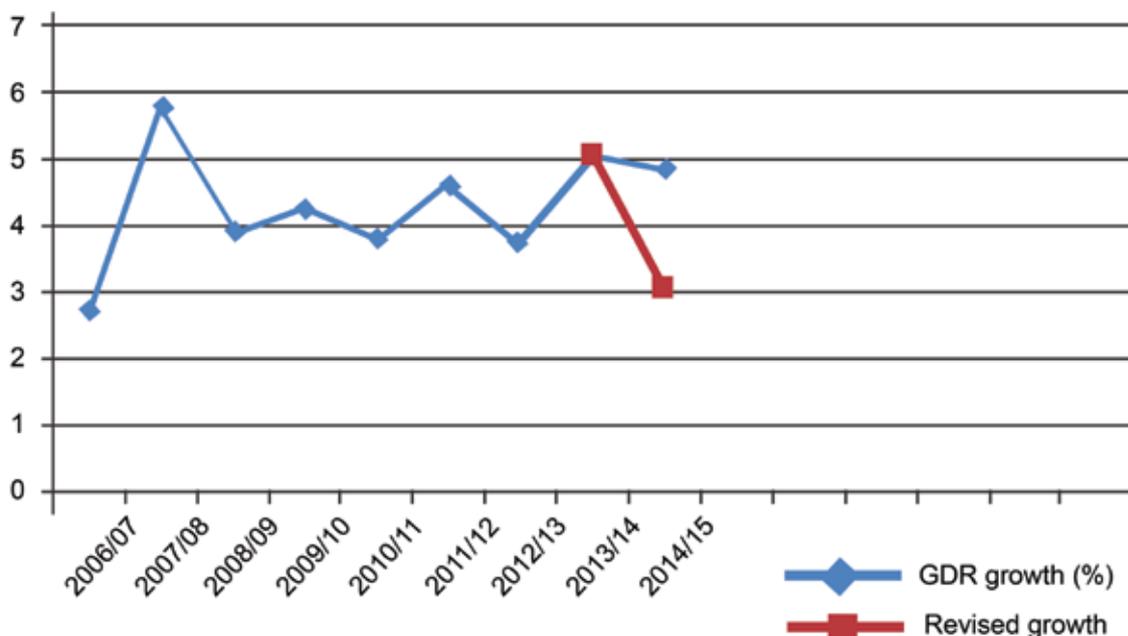
PART II: FINANCING RECONSTRUCTION, REVIVING THE ECONOMY AND PROMOTING GROWTH

The discussion on the second day focused on the economic aspects of the disaster. It had special focus on reviving the economy through adequate public and private investment. The discussion also dealt on the likely impact of various policy measures on the macro economy of the country and the measures for stronger economy in the aftermath of the disaster. The discussions were held in five sessions (three parallel sessions in the first half and two parallel sessions in the second half): 3a. Financing reconstruction and rehabilitation, 3b.: Agriculture, 3c. Trade and Micro, Small and Medium enterprises, 4a. Tourism 4b. Increasing Private Investment. The first section of this part provides a brief overview of the economy pre disaster and the second section includes the session wise discussions.

A. Growth and structure

The Nepalese economy before the April 25 earthquake was showing signs of sluggish growth.

FIGURE 1: GDP GROWTH RATE OF NEPAL



*Source: Central Bureau of Statistics, 2015⁴

The average GDP growth rate in the last eight years stood at 4.25%. A strong remittance base, merged with good agricultural harvest and recovery in the construction industry helped the economy make an upward move in the year 2014 compared to 2013. However, Asian Development Bank's (ADB) projection of 2014 already showed a downward trend in output due to "late and subnormal

⁴ For more, visit: <http://cbs.gov.np/wp-content/uploads/2015/06/Compilation-Tables-after-earthquake.pdf>

monsoon⁵.” The government had put the target of 5.5% growth in the budget of the current fiscal year. The Central Bureau of Statistics (CBS) had projected 4.58% as expected growth rate in its last pre quake estimate. Its estimate has further declined to 3.04% in the aftermath of the massive earthquake ⁶. This will be the lowest annual growth in the last seven years, with growths of both agricultural and non-agricultural sectors being significantly hit by untimely rain and massive earthquake.

Table 1: Structure of economic growth of Nepal

Industrial Classification	Growth Rate at constant prices (in percentage)			2014/15 After Earthquake
	2012/13	2013/14	2014/15 Before earthquake	
Agriculture and forestry	1.07	2.84	2.17	1.79
Fishing	2.71	4.90	6.32	6.31
Mining and quarrying	1.98	5.38	4.28	0.86
Manufacturing	3.72	6.28	4.55	2.35
Electricity gas and water	0.28	3.51	1.17	1.16
Construction	2.45	7.13	5.89	3.56
Wholesale and retail trade	7.25	9.01	5.59	3.43
Hotels and restaurants	5.50	6.77	6.60	3.98
Transport, storage and communications	7.65	8.29	7.88	5.23
Financial intermediation	0.91	3.70	2.01	1.37
Real estate, renting and business activities	5.19	3.64	4.86	0.77
Public administration and defense	5.53	5.04	5.76	5.76
Education	5.92	4.81	6.47	4.97
Health and social work	4.48	4.50	9.82	10.04
Other community, social and personal service activities	4.79	4.77	6.07	5.33

*Source: Central Bureau of Statistics, 2015⁷

In the year 2014, the service sector, agriculture sector and industry sector contributed to 60%, 30% and 10% of GDP growth respectively (figures are approximate)⁸. However, as the projection of CBS in the above table demonstrates, the hardest hit sectors will be that of agriculture and forestry, wholesale and retail trade, hotels and restaurants and transport, storage and communications along with financial intermediation, real estate, renting and business activities as well as education. This marks a considerable loss for the service and agriculture sectors. Tourism is likely to take a big hit due to the quake.

Inflation averaged an annual rate of 9.1% in the five years between 2010 and 2014⁹. Some of the reasons that could be linked with this phenomenon are lack of production of goods and services within Nepal (including agricultural products, relative to the demand) and increasing price levels in India. Food and oil are the major imports of Nepal. The cost of production of food crops is going up by the year as the country faces lack of sufficient amount of electricity, perennial fertilizer shortages, transportation problems and inability to switch to modern technologies and modern methods of farming. Consequently, the relative production is going down and the increasing demands have had to be met via imports of food crops.

5 Asian Development Bank, Economic Outlook – Nepal, 2014.

6 Source: Central Bureau of Statistics, 2015. For more, visit: <http://cbs.gov.np/wp-content/uploads/2015/06/Compilation-Tables-after-earthquake.pdf>

7 For more, visit: <http://cbs.gov.np/wp-content/uploads/2015/06/Compilation-Tables-after-earthquake.pdf>

8 Macroeconomic Update Nepal, February 2015, ADB.

9 World Bank Data: <http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG>

B. Challenges to economic growth

Major challenges to the growth of Nepalese economy, before the earthquake, were rooted in the policy and regulatory environment of Nepal. Despite a rise in the investment commitments from both domestic and foreign investors, the actual investments are yet to come to fruition due to the difficulty in doing business in Nepal and uncertain policy regime with majority of reform bills stuck either within the bureaucracy or parliament. 'Ease of Doing Business Report, 2015' by the World Bank Group ranks Nepal at 108th position out of 189 economies¹⁰. Similarly, the Economic Freedom of the World Report, 2014, ranks Nepal at 126th position out of 152 economies¹¹. Major areas of concern, as highlighted by these studies are regulatory hassles to starting enterprises, accessing finance, paying taxes, cross border trading and dealing with insolvencies. A study conducted by Samriddhi, The Prosperity Foundation on the mom-and-pop stores (kirana pasals) revealed that these stores needed to get registered at four different institutions, were monitored by six government agencies and had to comply with at least 16 laws of the land¹². Furthermore, political instability, excessive bureaucracy, and policies and Acts that fail to live up to the spirit of liberalization have resulted in people not having faith in the government declarations and assurances.

Capital spending has been another challenge for the government with the first half of the fiscal year 2015 seeing only 26.2% of the total budgeted allocation on capital expenditure spent¹³. The actual capital expenditure reached only 75% of the total allocation in the fiscal year 2013/14. Following this trend, it can be expected to miss the target this year as well, performing even worse, due to the earthquake. For a growing economy, this manifests in the lack of sufficient infrastructure to boost economic activities. Insufficient transportation networks to link farmers and other service providers with the market/consumers, lack of sufficient energy to fuel the industries are some of the visible areas that reflect a deficiency in capital spending by the Government of Nepal.

Contract enforcement and protection of property rights are a couple of issues that Nepal needs to improve in order to attain a faster pace of economic growth. People's freedom to exercise the right over their property in any way they please, the confidence in the state mechanism regarding the protection of their property rights, and a guarantee of the enforcement of contracts encourages people to engage in more and more economic activities. This further lends people a sense of predictability, which gives a huge boost to an entrepreneur's business confidence. However, in Nepal, the state itself has been known for breaching the right to property of its people (as evinced by the Road Expansion Project within and outside the Kathmandu valley), it is infamous as a defector of contracts¹⁴, and the legal processes for settling disputes are extremely cumbersome and expensive. All of these factors combined put a substantial limit on the prospect of economic activities that could otherwise be practiced in Nepal.

Accessing finance is another often-talked-about problem confronted by willing entrepreneurs in Nepal. While commercial banks and other large financial institutions are comfortable catering to large businesses/ institutions, it becomes relatively expensive for them to cater to the micro, small and medium scale entrepreneurs due to high administrative costs compared to the amount of investment to be made. Similarly, due to lack of financial innovation and poor enforcement of the accounting

10 The World Bank, Ease of Doing Business Report, 2015. Accessed at: <http://www.doingbusiness.org/data/exploreeconomies/nepal/>

11 The Fraser Institute, Economic Freedom of the World Report, 2014. Accessed at: <http://www.freetheworld.com/2014/EFW2014-POST.pdf>

12 Samriddhi, The Prosperity Foundation, Economic Freedom Matters: Does Economic Freedom Affect Kirana Pasals in Nepal? 2013. Accessed at: <http://samriddhi.org/publications/economic-freedom-matters-does-economic-freedom-affect-kirana-pasals-in-nepal/>

13 Macroeconomic Update Nepal, February 2015, ADB

14 Krishnan, A., Connelly, K., & Giri, S. (2013). Contract Enforcement: The Practicalities of Dealing with Commercial Disputes in Nepal. Kathmandu, Nepal: Samriddhi, The Prosperity Foundation.

standards, project financing is almost not available in Nepal. Banks inherently cannot take the risks associated with such projects since they deal with public money. This compels these small entrepreneurs to seek financing support from friends and relatives, moneylenders, cooperatives and micro-finance institutions which comes at a huge cost and is availed to them often for an insufficient period, rendering the finance insufficient for scaling up the enterprise and contributing significantly to economic growth. However, with the existing laws in Nepal, entrepreneurs have no formal alternative to this mainstream financing mechanism. Therefore, the need of alternative financing mechanisms like venture capitals, private equity financing have to explored as practical alternate measures in public forums and discourses.

C. Employment challenges

Lack of ample employment opportunities within the country has been one of the major challenges for Nepal in almost all of its modern history. Creating new jobs within the country has therefore been the most popular selling point for political parties in all elections. Over 1500 young men and women leave the country every day, seeking job opportunities, most popularly in Malaysia and the Middle East. As per the Department of Foreign Employment's report, in the year 2013/14 alone, over a million people have acquired permits to go for foreign employment¹⁵.

Lack of enough job opportunities within the country stems mostly from the difficulties associated with starting and operating a business in Nepal. Registering and doing businesses (which would create job opportunities for many) are difficult in Nepal for Nepalese and foreigners alike, as evinced by the Ease of Doing Business Report and Economic Freedom of the World Report. On one hand, there is an intellectual crowd that views the trend of Nepalese migrating abroad to seek job opportunities (because they cannot find one in Nepal) as an unfortunate thing linking it to anything from brain-drain to severe lack of feeling of nationalism, while on the other hand, we put checks to foreigners willing to come and invest in Nepal at multiple levels. Difficulties in obtaining business and residence visas, requirement of permits for hiring foreign managers and technical experts, barriers in the exit from business, lack of physical and institutional infrastructure, poor quality of services rendered by state institutions (including judiciary) perceived opaqueness of the functioning of the bureaucracy, difficulty in obtaining required land for investment are some of the reasons why foreigners are reluctant to come to Nepal.

Poor state of industrial relations in the formal sector is another major reason behind only limited job opportunities opening up. The recent decision by Devyani International to indefinitely shut KFC and PIZZA HUT outlets in Kathmandu and applying for the permission to exit the market altogether could be a good case in point that explains how labor tension has been wreaking havoc for investors, both domestic and foreign. The one labor court in Kathmandu and ten other labor offices throughout the country – the state-sanctioned institutions to deal with labor disputes – being overwhelmed with pending cases and bureaucratic hassles and lack of sectoral expertise has led to high time and cost of settling disputes between employees and employers. This is often a huge demotivating factor for employers when it comes to hiring employees in Nepal¹⁶.

However, while there is an unfavorable enterprising environment in Nepal and employment scenario has its own complications, the scores of youth that are consequently forced to seek economic

15 Details at: <http://www.dofe.gov.np/new/uploads/article/year2070-71.pdf>

16 Krishnan, A., & Joshi, A. (2014). Policy Options for Improving Industrial Relations in Nepal. Kathmandu, Nepal: Samridhhi, The Prosperity Foundation.

opportunities in foreign lands seem to have given some respite to poor Nepalese populace. In the last twenty years (mid-90s being the period when Nepal began to see an increase in international migration of Nepalese people), remittance has grown 111 folds, from \$50 million in 1994 to \$5,551 million in 2013¹⁷. This has contributed largely to reducing the poverty rates in Nepal, raising the quality of life of rural Nepalese and enhancing their access to education, health, and other services.

Section 2: Conference Proceedings

Session 3a. Financing reconstruction and rehabilitation

The session on Reconstruction and Rehabilitation focused on the following questions:

- What kind of fiscal space is available for Nepal to fund reconstruction and rehabilitation?
- How do we ensure that the fiscal space does not crowd out private investment?
- How do we ensure that the fiscal space does not shift the burden of financing to a future generation?
- What kind of fiscal packages would be effective in post disaster situations? What kind of fiscal packages have not proven to be effective in Nepal? What can we learn from our own past and other countries experiences?
- What kind of monetary policy would be effective in post disaster situations? What are the intermediate targets that the monetary policy should use? How to control inflation?
- How can rational fiscal and monetary policies be communicated such that it gains public support?

The panelists highlighted the fact that Nepal's GDP growth rate has been revised from 5.05 to 3.04 percent after the earthquake for FY 2014/15¹⁸. Similarly, the preliminary reports of Post Disaster Needs Assessment released by National Planning Commission (NPC) estimates the total losses of the earthquake at USD 6.6 billion¹⁹.

Nepal's projected debt to GDP ratio for FY 2013/14 stands at 28.8 percent. Out of this, 10.5 percent is the domestic debt and 18.4 percent is the external debt²⁰. Similarly, analysis of the income and expenditure of the government on cash basis during the first nine months of FY 2014/15 shows that the government had a cash surplus of Rs. 61.53 billion. During the same time period, BOP surplus has been recorded at USD 494.4 million²¹. Similarly, Nepal's debt servicing record over a period of time has been good which had furthered its credibility with multilateral lending agencies.

Based on these statistics, the discussion on financing reconstruction and rehabilitation focused on whether Nepal had adequate fiscal space to use deficit financing through internal debt and external concessional loans. Experts agreed that Nepal was comfortably placed to use its fiscal space both in terms of increasing revenue through measures that would help increase the tax base rather than the tax rate and through both internal and external debt measures.

17 World Bank Data

18 CBS, National Accounts Statistics, 2014/15. Accessed at: <http://cbs.gov.np/?p=2778>

19 Kantipur Publications. 13 June 2015. Accessed at: <http://www.ekantipur.com/2015/06/13/top-story/rs-666.3b-needed-for-post-quake-rebuilding/406504.html>

20 Nepal Rastra Bank, Macroeconomic Indicators of Nepal, Nov, 2014. Accessed at: [http://www.nrb.org.np/red/publications/economic_bulletin/Macroeconomic_Indicators_of_Nepal--2014-11_\(November_2014\)-New.pdf](http://www.nrb.org.np/red/publications/economic_bulletin/Macroeconomic_Indicators_of_Nepal--2014-11_(November_2014)-New.pdf)

21 Nepal Rastra Bank. Current Macroeconomic Situation of Nepal (Based on nine months data of 2014/15). Accessed at: [http://www.nrb.org.np/ofg/current_macro_economic/Current_Macroeconomic_Situation_\(English\)--2072-2_Text_\(Based_on_Nine_Months_Data_of_2071-72\).pdf](http://www.nrb.org.np/ofg/current_macro_economic/Current_Macroeconomic_Situation_(English)--2072-2_Text_(Based_on_Nine_Months_Data_of_2071-72).pdf)

The discussion also pointed out major challenges based on the Government of Nepal's past performance in capital expenditure. According to the 2014 Nepal portfolio performance review, the allocation on capital expenditure for the past three years has averaged at 17.2 percentage of the total budget. Similarly, the average spending of capital expenditure does not even reach 80 percent of the allocated budget. The majority of the capital expenditure ranging from 73 to 75 percent is made during the last quarter of the fiscal year (based on the last three year's data) ²².

The discussion also highlighted the need to have monetary policy and fiscal policy move together with goals aligned for financing reconstruction and maintaining macroeconomic stability. While inflation may not be a prominent problem as of now, deficit financing and rise of demand due to reconstruction will inevitably lead to a rise in inflation ²³.

In terms of monetary policy, credit policy could be an effective mechanism for supporting reconstruction and growth. The discussion pointed out the need to restructure credit policy so that access to finance could be increased for micro, small and medium enterprises especially in the affected districts.

During the discussion, experts also warned that debt relief may have negative impacts. Nepal may lose credibility amongst multilateral lenders if we ask for debt relief now. Similarly, empirical analysis also shows that debt relief is not necessarily associated with economic growth and in fact, several other factors such as economic institutions play a crucial role in determining growth^{24,25}.

Data collection and recording has always been a challenge in Nepal. The discussion also questioned the nature of data collection after the disaster and the hastiness with which fiscal and monetary policy tools are being pushed forward. Fiscal and monetary policies have to take into account the operational and administrative lags. Therefore, focus should be on comprehensive data collection (despite the time it takes) such that appropriate fiscal and monetary tools can be put forward.

The discussion emphasized the efficiency of cash transfers while financing the reconstruction efforts of the community. Although some experts presented the view that cash transfers may not work in Nepal, many others pointed out that there was enough empirical evidence from around the world that demonstrated effectiveness of cash transfers vis-a-vis other forms of subsidies²⁶.

Overall, the participants and panelists emphasized the need for improvement of governance and institutional capacity of the Government agencies. We need to be able to increase credibility, accountability and efficiency. Only with these improvements can we expect the reconstruction process to move forward and produce positive results. Therefore, we have to focus on improving and revamping public administration and delivery of public service agencies.

22 Ministry of Finance, Government of Nepal. Nepal Portfolio Performance Review, April, 2014. Accessed at: http://mof.gov.np/uploads/document/file/NPPR%202014%20Full%20version_20140425072758.pdf

23 The inflation rate till mid April, 2015 was 6.9 percent. However, it was slightly higher (9.4) percent in the same period a year ago (Current Macroeconomic Situation, p. 5)

([http://www.nrb.org.np/ofg/current_macroeconomic/Current_Macroeconomic_Situation_\(English\)--2072-2_Text_\(Based_on_Nine_Months_Data_of_2071-72\).pdf](http://www.nrb.org.np/ofg/current_macroeconomic/Current_Macroeconomic_Situation_(English)--2072-2_Text_(Based_on_Nine_Months_Data_of_2071-72).pdf)) The projected inflation rate in the year 2015 is between 7.0 percent to 8.0 percent due to fall in non-food prices and moderate price of food prices (Macroeconomic Update, Vol 3. No. 1, February, 2015)

Link: http://www.adb.org/sites/default/files/institutional-document/154770/macroeconomic-update-nepal-feb-2015_0.pdf

24 Easterly, William. 'How did heavily indebted economies become heavily indebted? Reviewing two decades of debt relief', World Development, Vol. 30, 2002, Elsevier Pvt. Ltd. Accessed from: <http://www.international.ucla.edu/media/files/Easterly.pdf>

25 Matt Nesvisky. National Bureau of Economic Research. 'The net benefit of debt relief', NBER Digest. Accessed at: <http://www.nber.org/digest/jul04/w10217.html>

26 Evidence of the program of Give Direct documented at several sources: <http://www.forbes.com/sites/kerryadolan/2013/10/29/giving-cash-directly-to-the-poor-gets-thumbs-up-from-new-study/> and http://www.princeton.edu/~joha/publications/Haushofer_Shapiro_UCT_2013.pdf and <https://www.givedirectly.org/research-on-cash-transfers.html> lists many of the empirical studies that demonstrate the efficiency of cash transfers.

The recommendations from this discussion are summarized as follows:

- Improve the capacity of the Government to make capital expenditure and utilize aid. This requires reforming laws such as Public Procurement Act, improving the technical capacity of Government agencies (through training and introducing performance based incentives and disincentives in the bureaucracy) and taking accountability measures that are meaningful and demonstrate the credibility of the Government (includes publishing data and figures, policy and programmatic decision, media engagement on efforts and taking strong action against corruption).
- Use Private capital rather than using deficit financing for financing big infrastructure projects whenever possible. Engaging the Investment Board of Nepal in this task will help gather international private finance.
- Ensure collaboration among various stakeholders. The most important role for the Government of Nepal is to develop a policy framework that allows this collaboration to take place spontaneously. In doing so, Government of Nepal needs to stick to policy making as its primary area of expertise (plans cannot be top-down but need to be bottom up) while the implementation can be done by various stakeholders including the private sector, civil society and community based organizations.
- Base the fiscal and monetary policy on factual information, collection of which may require a longer time. Fiscal and monetary policy decisions generally have a gestation time to actually have an impact. So, time frame and information should be considered while framing fiscal and monetary policies for reconstruction. Look at ways to widen the tax base rather than increasing the tax rate or introducing a new tax.
- Credit policy as a part of larger monetary policy tool needs to address access to finance specifically to MSMEs in the affected areas. The role of Micro Finance Institutions (MFIs) would be crucial here. For this, Nepal Rastra Bank needs to work closely with the regulatory agency in charge of cooperatives and MFIs.
- Some financial transfer to the affected population will be required for the moment. Therefore, this needs to be carefully designed such that the transfer reaches the targeted population. Empirical evidence in economic policymaking clearly shows that cash transfers are the best way to deliver targeted subsidy.
- Fiscal policy should also facilitate private investment especially in the MSME's financing and infrastructure projects. This requires improved institutional capacity of regulatory agencies and faster decision making process instead of bureaucratic red-tape.

Session 3b: Reviving Economy - Agriculture

The session on agriculture focused on the following issues and tried to generate answers on the following questions:

- How do we revive agriculture in the affected areas?
- What can be done to improve agriculture commercialization and agro-processing industries in these areas?

The discussion highlighted the fact that Nepali agriculture remains to be subsistence based in nature. Contribution of the agriculture sector to GDP at current prices stood at 37.4 percent in FY 2001/02, while it has come down to 33.1 percent in current fiscal year 2013/14 although it still employs

2/3rd of the active labor force of Nepal²⁷. This clearly indicates a problem in agricultural productivity. The sector was plagued by policy and infrastructural bottlenecks prior to the earthquake. The April 25 earthquake has exacerbated these problems plaguing this sector in the affected districts and elsewhere even further.

Participants expressed the view that 80 percent of the households in the affected areas lost entire food stocks while 55 percent lost more than half of their cereal stocks and 85 percent of households have reduced meal size, while 65 percent have reduced meal frequency. Similarly, 74 percent of the households in 6 of the affected districts have reported severe infrastructural damages in their irrigation network. There has been a significant loss of maize, rice and potato crops. 16 percent of the livestock and 36 percent of poultry have been lost. In addition, 50 percent of the households in 6 affected districts have reported loss of their rice, maize, potato and millet seeds²⁸.

It was acknowledged by the participants that one of the hurdles Nepal faced to move forward to economic prosperity was that, doing business entailed a cumbersome process. And even if one embarked on investing there were many challenges that came as a hindrance. The group shared that one window policies have to be put in practice to deal with regulatory issues in the current bureaucracy. It was also stressed that policies should be relevant and stakeholder consultations are necessary in policy making. The discussion also put emphasis on the need for policies that secure private investment. Additionally, the policy framework was also expected to address basic social security such as right to education, health services, etc.

The affected districts are not food surplus areas, except for dairy and vegetables. In the national scheme of things, the 14 most affected districts account for

- 13.8% of the total area of agricultural holdings.
- 9.1% of national paddy production
- 8.6%.of paddy cultivation area:
- 23.4% and 28.7% of maize and millet: production, respectively

The participants also spoke about CBS having indicated Agricultural GDP growth rate to decrease from 2.25% to 1.87 % and overall cereal output to drop by 3% to 9.26 million tons²⁹.

As highlighted in the discussion, dairy is one sector where the implication of the earthquake was immediately felt owing to its daily production and use (milk cannot be stored by farmers). Similarly, the earthquake has destroyed many micro and small agro production and processing units such as animal sheds, poultry farms, fishponds, mills, threshers, oil extraction units, agricultural inputs and tools manufacture and repair, cold storage etc.

The discussion on agriculture pointed out the new challenges that the agriculture sector is likely to face due to change in the geology of the earthquake-affected areas. In addition to the aftershocks of the last earthquake, flooding is likely following the monsoon. Since traditional seed storage was done at the household level, availability of seed for the next planting season is likely to be a major issue. Similarly, in case of livestock the unavailability of veterinary services to treat injured animals is likely to affect the livestock production. In addition, the infrastructural damages pose another challenge to the agriculture sector in Nepal.

²⁷ Ministry of Finance, Economic Survey 2013/14. Accessed at: <http://www.mof.gov.np/en/archive-documents/economic-survey-21.html>

²⁸ Data based on presentation made by Dr. Hari Krishna Upadhyaya, CEAPRED at the 'Ideas for Rebuilding Nepal' conference.

²⁹ Data based on presentation made by Dr. Dev Bhakta Shakya, Agriculture expert at the 'Ideas for Rebuilding Nepal' conference.

The discussion emphasized the need for community based support mechanisms to overcome the losses brought about by this earthquake. Such community based support mechanisms could be further supported by the Government or donor agencies.

Land holding size, estimated at 0.68 hectares in Nepal³⁰ was listed as the major roadblock to commercialization of agriculture. Participants discussed the role of contract farming, land pooling and use of cooperatives to overcome this problem. Each idea was discussed along with its pros and cons.

Similarly, participants also discussed the viability of organic farming as high value process with export potential. The affected areas have potential to turn into an organic farm zone.

The challenges with regards to immediate assistance in agriculture as highlighted in the discussion were:

- Since some indigenous seeds have been destroyed, new types of seeds need to be introduced in the affected areas. This presents both opportunities and chances of failure. Therefore, risk taking experiments and innovation needs to be specifically promoted in these areas.
- Major infrastructures including agricultural roads, seed banks and irrigation systems need immediate repair. These will serve as a lifeline to support agricultural activities in this area.
- With the onset of monsoon, landslides will be imminent in the hilly areas. Therefore, re-location of people from highly vulnerable areas and planting of trees for other areas needs to be addressed immediately.
- Agriculture commercialization is only possible once we overcome the traditional outlook. The policies and acts that are stuck in parliament that promote land-pooling should be pushed forward and piloted in these areas.
- The major challenge for small and medium scale farms still remains in terms of financing and risk management. Access to finance and insurance therefore require due attention.

The suggestions and recommendations emerging out of the discussion in this session are summarized below:

1: Seed issue:

- Support seed supply in the affected areas by procuring seeds from districts with similar agro climatic conditions. As the plantation of seeds from other districts involves some amount of risks, the extension services need to be beefed up and insurance scheme introduced.
- Support the seed storage infrastructure in the affected areas for a longer term solution of problems related with seed.

2: Livestock:

- Ensure immediate management of dead livestock so that epidemics are avoided. Increase availability of access to veterinary services in the affected areas to handle injured animals.
- Take measures in helping livestock management as some form of commercial livestock farming and processing like Yak farming, dairy, trout fishery has gained some amount of commercialization. livestock

30 Central Bureau of Statistics, Agriculture Census 2011. Accessed at: <http://cbs.gov.np/wp-content/uploads/2013/12/Summary-of-Agriculture-Census-2011.pdf>

revival requires substantial capital investment in the fixed assets like sheds and ponds as well as in the stock themselves. This will require floating low cost loans for livestock and better extension services.

3: Agriculture Commercialization:

- Support pooling of land and encourage agriculture commercialization. For this, the Government of Nepal needs to facilitate land pooling and/or provide public land on lease for commercial agriculture. This would not only help commercial agriculture but would also generate employment and livelihood for the people of the affected districts.
- Facilitate Contract farming to improve agriculture commercialization. For this, the Government can pilot contract farming in these affected areas and use lessons learned to frame a larger national contract farming policy and act.

4: As agriculture production and productivity in the affected region is likely to go down, initiatives to augment agriculture production in other districts should not be forgotten.

5: Restore agriculture infrastructure so that supply chain bottlenecks can be smoothed out and markets can resume. Therefore, the agriculture revival initiative needs to include budget allocation for immediate repair and expansion of agriculture infrastructure including agriculture roads, irrigation systems and market access infrastructure including storage units and managed market places in areas with higher population density.

6: Promote organic farming with export potential. The existing government agricultural facilities (Including NARC to store seeds) can be used to facilitate this method.

7: Put farmers and community-based management at the core of the agricultural revival initiative. This includes leading efforts of reconstruction in terms of building individual sheds, houses as well as managing health care facilities. All forms of farm subsidies directed to the affected area can be given in the form of agriculture vouchers (which has also been proposed in the Agriculture Development Strategy).

8: Expedite the agricultural reforms that are stuck at various levels of government. Policies supporting agriculture commercialization like contract farming and agriculture mechanization, introduction of new technologies to improve farm productivity have been stuck in the government. Such policies should be immediately reviewed and passed so that the private sector is encouraged to make investments in agriculture. In addition, to support commercialization, the Government of Nepal can come up with a special scheme of leasing out public land to private parties for commercial agriculture purposes.

Session 3C: Economic Revival - Trade and MSMEs

The session on Trade and SMEs focused its deliberation on the following issues:

- How can we smoothen out the supply chain in retail and wholesale trade in affected areas?
- What kind of trade can be promoted that would benefit the affected areas?
- How do we revive MSMEs? How do we improve access to finance as well as capacity of MSMEs to cater to the market around them and beyond?

The discussion highlighted the fact that micro, small and medium enterprises form the backbone of the Nepalese economy. In the affected districts, MSMEs are composed of agro-processing and agricultural support units and retail trade. Owing to difficulties of observing all the rules and need of maintaining accounts and paying taxes in the organized sector, most of the micro enterprises have remained part of the informal economy³¹. Therefore, providing any kind of relief to this group will be one of the major challenges in the reconstruction process. International Labor Organization (ILO) estimates approximately 70 percent of the economically active population in Nepal are employed in the informal economy. Approximately 13000 small enterprises and 97 cooperatives have been damaged in 7 districts during this earthquake³².

Most of the panelists and participants emphasized that access to finance for MSMEs should be the primary focus of reconstruction. Several models ranging from subsidized lending through micro finance institutions to venture capital and equity financing were suggested as options to tackle the problem of access to finance.

In addition, the discussion also revolved around livelihood support programs that typically provide technical training to affected population such that they are able to initiate further MSMEs.

The discussion also highlighted the need to curtail bureaucratic hassles that push the MSMEs into the informal economy. This included simplifying the entry, exit, taxation and access to finance regulations such that more risk taking and entrepreneurial spirit can be promoted in the rural areas. There are about 42 places for registration of MSMEs³³.

MSMEs generally are the most vulnerable groups that are affected by natural calamities. Since, there is no system of risk diversification for the MSMEs entrepreneurs, special provisions need to be brought about for future risk management. One idea presented at the conference was to set aside a certain portion of taxes paid by the MSMEs as insurance and develop a system whereby the risk faced by MSMEs can be hedged with subsidy to a certain extent by the Government.

The discussion also emphasized the available resources from community forests including timber and non-timber forest products. These locally available materials could be useful to revive the MSME economy in the affected districts if legal restriction on sale of such products can be lifted. Studies done post earthquake on community forestry also point to similar conclusions³⁴.

The discussion also emphasized the need to use incentive based mechanisms in making reconstruction policies such that MSMEs revival can be guided through policy decisions.

MSMEs revival also depends on the Government's ability to facilitate agro-based industries in the affected areas with export potential. These include facilitating quarantine facilities, trade negotiations and certifications. Similarly, policies also need to address value chain and smoothening supply chain bottlenecks in agro processing industries. These include storage facilities, market place infrastructure and promoting the use of technology to explore newer market places.

31 Based on ILO's description of Informal economy activities available at: <http://www.ilo.org/kathmandu/areasofwork/informal-economy/lang--en/index.htm>

32 Data based on Dr. Laxman Pun, MEDEP's presentation made during the 'Ideas for rebuilding Nepal' conference.

33 Data from FWEAN President Ms. Reeta Bhandary's presentation at the 'Ideas for rebuilding Nepal' conference.

34 Refer to 'Environmental resource income is important to earthquake hit rural households', Policy Brief No. 1, June, 2015, Copenhagen Center for Development Research, University of Copenhagen, Department of Food and Resource Economics.

The conclusions and recommendations emerging out of the deliberations in this session are as follows:

- Simplify the compliance process for MSMEs so that they can be brought to the formal sector. The cost of compliance for MSMEs should be low so that they can enter the formal economy. This process of simplification can begin for MSMEs that are operating or planning to operate in the affected districts.
- Set aside a portion of the tax raised from MSMEs as risk insurance. A system to provide a safety net for MSMEs should be designed targeting micro enterprises, as they are especially vulnerable to natural calamities.
- Ease the rules of use of Non Timber Forest Products (NTFP) and community forest products. This will not only help use local materials for reconstruction but also help revive the local economy to a certain extent.
- Conduct training programs targeting the micro and small entrepreneurs in the affected districts. The programs could include technical trainings on construction using locally available materials as well as trainings on financial management, marketing and business proposal development.
- Open up the route of equity financing for the MSMEs. The Government should focus on creating a regulatory framework that encourages private equity financing in the affected districts.
- Provide rescheduling of loans, and some tax relief to the MSMEs that have been affected by the earthquake.
- Introducing a system of insurance that covers losses caused by natural calamities would be a step in the right direction. Such an insurance scheme can first be tested in the affected districts and based on the lessons learned; it can be revised and expanded to cover the rest of Nepal.
- Focus on developing infrastructure that will help the flow of goods and services to the affected areas. This includes facilities such as roads, communication, warehousing, electricity supply, water supply etc.

Session 4a: Economic Revival - Tourism

The discussion in the session on Tourism focused on the following issues:

- How do we go about rebuilding heritage sites and what kind of preparedness needs to be adopted to avoid further damage?
- How do we market Nepal as a tourism destination again?
- What are the opportunities for tourism friendly infrastructure?
- How do we prepare mountain tourism for disaster preparedness?

Tourism has played an important role in Nepal's economy as a sector of competitive advantage. The sector's significant backward and forward linkages with a high multiplier effect have been at the source of livelihood opportunities for a huge section of rural and urban population. Hence, the discussion on tourism took it as a sector effective in distributing wealth through the market process. According to the World Travel and Tourism Council's Report published in 2014 on Economic Impact of Travel and Tourism in Nepal³⁵, the direct contribution³⁶ of travel & tourism to GDP in 2013 was NPR68.8bn (3.9% of GDP), total contribution to the GDP (including wider effects from investment,

³⁵ <http://www.wttc.org/-/media/files/reports/economic%20impact%20research/country%20reports/nepal2014.pdf>

³⁶ This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

the supply chain and induced income impacts) was 8.2%, and a total of 504,00 jobs (3.2% of total employment) were directly generated by the sector in 2013. The government earns approximately USD 3.5 million from climbing fees from Everest alone, whereas a single guide on Everest earns USD 6,000-7,000 during a single season³⁷.

Given that the sector has also proved to be resilient even at times of Nepal's civil war and international crisis³⁸, there is hope that the sector will emerge successfully from the shock of the recent earthquake. In 2014, despite an avalanche in the Everest claiming the lives of 16 climbers and a blizzard in Annapurna killing 80, a record number of tourists had visited Nepal³⁹. Therefore, tourism entrepreneurs are expressing hope and a need to work for inviting tourists as early as the autumn of 2015 as they believe the niche of adventure tourism that Nepal offers cannot deter visitors for long⁴⁰.

A snapshot of the damage caused by the recent earthquake to the tourism sector is presented below.

- Damage in world heritage sites: Some structures within Basantapur Durbar Square, Patan Durbar Square, Bhaktapur Durbar Square, Swayambhu Nath and Boudha Nath have taken serious damages
- Trekking routes/destinations in Langtang, Manaslu, Ganesh Himal, Ruby Valley and Rowling have been severely affected as these places took the the largest part of the shock
- Post-earthquake, reportedly 80% of hotel reservations have been cancelled and an estimated 45,000 tourists have left the country⁴¹

The discussion focused on two distinct kinds of challenges in reviving the tourism sector. While one set of challenges is directly related to the earthquake, the other set is more about the already existing challenges in the sector that need to be addressed now more than ever before, for revival of the sector. Problem such as severe erosion of Nepal's image in the international market as a safe destination and more importantly the lack of preparedness to tackle such calamities as earthquakes and landslides has direct connection to tourism sector. The solution of this problem requires political, business and community actors to come forward and work together in building capacities to better address such disasters in future.

A lot of the current narrative is surrounded around marketing Nepal as a 'safe' destination as only the central region of Nepal was affected and other tourist destinations are fine. However, with this disaster, the international community has become well aware of the low levels of preparedness in Nepal and visitors do not feel safe to visit other parts of this seismically active region. Unfortunately, the appeal of 'truly helping Nepal by travelling here and partaking in tourism' might have its limitations. In order to get the tourism sector getting back to the same pace, it is important to take measures for better preparedness and response and communicate the same widely and effectively. Therefore, making sincere efforts for better preparedness and response and marketing those efforts will be of immense importance in reviving this sector. In this process of marketing, mobilizing Nepalese Missions, non-residents Nepalese abroad and mainly the groups who helped Nepal during the relief phase will be a key step. Also, exploring opportunities with joint venture companies and strategic alliance with multinationals, creating demand through strategic partnerships in the global chain, integrating in regional tourism, etc. were seen as applicable strategies in the process.

37 <http://www.nepaleconomicforum.org/news/news.php?n=105#sthash.VPHLfozm.dpuf>

38 As expressed by Tourism Expert, Mr. Prachanda Man Shrestha during the 'Ideas for Rebuilding Nepal' Conference

39 <http://nepalitimes.com/article/nation/tourism-is-down-but-not-out-in-nepal,2262>

40 <http://nepalitimes.com/article/nation/tourism-is-down-but-not-out-in-nepal,2262>

41 <http://www.nepaleconomicforum.org/news/news.php?n=105#sthash.VPHLfozm.dpuf>

On the other hand, pre-existing challenges in the sector such as poor air and surface connectivity and infrastructure, problems with basic utilities such as electricity and water supply, tourism site management capacity, regulatory constraints in attracting investment in the sector, etc. need to be addressed. Enhancing coordination among tourism related institutions and enhancing capacities of service units at the local level was pointed out to be important in the revival process during the discussion.

The discussion also saw the need of 'image reorientation' of Nepalese tourism as it was said that enough dividend had been accrued from the image of Nepal formed in the fifties and sixties. It was now important to develop an image of 'people based tourism'. Also, the need to expedite infrastructure development efforts through public private partnerships, improve the management of existing infrastructure (such as the airport) and heritage sites by utilizing private companies, addressing regulatory hurdles in attracting foreign and local investment in tourism as well as infrastructure development, and creating tourism economic zones were discussed as being important.

The conclusion and recommendations emerging out of the discussion in the Session on Tourism are as follows:

- Enhance preparedness and improve safety standards and communicate the same to potential visitors. The Government and the concerned associations should focus on developing and implementing standard operating procedures and safety standards for communities, government agencies and private sector. Local communities especially along trekking routes need to be involved while developing these standards and procedures. These efforts made towards enhancing safety needs to be well communicated with the potential tourists. Therefore, massive promotion needs to be undertaken at the international level. For this, we can mobilize the Nepali Government's missions abroad along with non-residential Nepali communities. Well-designed media campaigns in the international media will also help achieve some of these goals.
- Designate a reliable institution for verification of facts with credible and consistent dissemination of status and information during the crisis. This kind of mechanism also needs to be widely publicized to assure tourists that emergency preparedness is our top priority.
- Use international media wisely and intelligently to aware the international public on our efforts to rebuild Nepal. One way of publicizing our safety related efforts is to invite foreign journalists and news media and offering them travel to cover stories regarding Nepal's rebuilding efforts and it's commitment to safety and security of its citizens as well as tourists. This kind of initiative can be started by Nepal Tourism Board and concentrated especially in the Indian and Chinese markets as the volume of tourists from these markets has been growing over the years.
- Offer Multiple-entry Visa for whole year
- Offer New Areas for trekking and open new mountain peaks for mountaineering
- Encourage multi-national companies in tourism business to establish their branches in Nepal such that they bring in a portion of their business to Nepal. In order to materialize this, Nepal needs to ease regulatory processes that hinder flow of investment in tourism services and infrastructure. This includes opening up trekking and tour operation to international investment in addition to hotels. Similarly, we can offer management of certain tourist destination/attraction to foreign companies.
- Address key issues such as maintaining architectural and cultural integrity in the rebuilding process, sound financing options, and preparedness for future disasters. This is especially for heritage sites reconstruction. Local communities and their skills in local crafts also need to be engaged in rebuilding heritage sites especially of the three durbar squares in Kathmandu Valley.

Session 4b: Immediate economic reforms for increasing Private Investment

The session on private investment focused its discussion on finding out the answers to the following questions:

- What kind of policies can help increase private investment in Nepal in this situation?
- What kind of institutional mechanisms need to be in place to ensure that investment reaches MSMEs?
- How do we create spaces for private sector investment to participate in the reconstruction and rebuilding phase of Nepal?

Private sector percentage of Gross Fixed Capital formation in 2013 stood at around 18 percent according to the World Bank⁴². Nepal has a growing private sector investment comprised of both domestic and foreign investment although the total foreign investment commitment by 2014 had only reached Rs.113 billion⁴³. However, with investment potentials in sectors like hydropower, tourism and agriculture, the private sector investment in the country so far is simply the tip of the iceberg. So far, private sector participation in sectors like agriculture, tourism, hydropower, education, and banking and financial institution has been high in Nepal. Foreign investors from many countries have shown an interest in investing in Nepal and with regulatory reforms, domestic private sector also shows a potential for increased investment.

While the Government of Nepal is targeting the donor community to commit funds for reconstruction and rebuilding process of Nepal, there is an untapped potential of private investment that has not been given adequate attention. The panelists in this session highlighted the need for Government to strategize ways to increase private sector investment in Nepal.

In order to increase private sector investments in the country, panelists argued that it was important to open up capital markets for financial innovation. With managed private equity funds such as that of venture capital, MSMEs could benefit. Similarly, if the process of share issue at premium could be simplified, many promoters may be interested to divulge their interest in the existing companies and start new ventures. This could be another measure of capital accumulation in Nepal. Private investment in the economy can also be increased through derivatives trading, commodity markets as well as financial instruments such as mutual funds. All of these instruments are at early stages of development in Nepal and require some serious attention from regulatory agencies to increase penetration and effectiveness of these instruments in Nepal. Private sector investments can also be increased if domestic companies get tied up with international companies. This would help improve the corporate governance of the domestic companies as well as bring in further investment into Nepal.

The discussion also highlighted the need to ease entry and exit norms for foreign direct investment in Nepal by reducing regulatory burden and improving economic governance of the country through better accountability measures.

⁴² World Bank data. Accessed from: <http://data.worldbank.org/indicator/NE.GDI.FPRV.ZS>

⁴³ Data accessed from: <http://www.ekantipur.com/2014/02/17/business/total-foreign-investment-in-nepal-reaches-rs-113b/385461.html>

The panelists and participants also discussed the possibility of providing special incentives such as tax rebates or tax holidays to companies that invest in the affected areas as a measure to promote private investment in reconstruction and revival. Similarly, the participants also pointed to infrastructure investment as a means to improve market connectivity thereby prompting further private investment in the economy. Even within the infrastructure development, participants expressed options of bringing private investment through various private public partnership models.

Participants were of the view that entrepreneurship is at the heart of increasing private investment in Nepal especially in the rural areas focusing on MSMEs. Therefore, the group took the firm view that policies encouraging entrepreneurship and facilitating access to finance in the rural areas as crucial to Nepal's economic revival strategy. Entrepreneurship was not only valued for increasing investment but also for promoting the spirit of innovation and risk taking.

The recommendations and conclusions emerging out of the discussion in this session are summarized below:

- Strengthen the capacity of Securities Exchange Board of Nepal and clarify its jurisdiction (especially confusions related to SEBON and NRB jurisdictions). Nepal also needs an appropriate regulatory framework that allows easy private equity investment (by the domestic as well as foreign investors), commodity markets, derivatives market and reform some of the share market rules. These are all steps towards opening up the capital market in Nepal.
- Encourage mutual funds to tap into the savings of economically active citizens. This would also help diversify risks and open up access to finance to several entrepreneurs.
- Strengthen regulatory mechanism by clarifying the oversight measures as well as an efficient governance system. Measures to improve economic governance of Nepal will include reducing bureaucratic hassles, streamlining databases and information systems', strengthening and focusing on monitoring aspects of governance such that laws and regulations can be relaxed but fraud can be detected and treated immediately. These measures would communicate Government of Nepal's commitment to overcoming corruption in economic governance.
- Enhance contract enforcement through judicial reforms including creation of separate commercial benches with capable legal personnel at courts.
- Create regulatory mechanism that will support the creation of private equity funding targeted to MSMEs in the affected area.
- Encourage civil society to undertake initiatives and programs that promote developing entrepreneurship skills in the severely earthquake hit areas.
- Use private investment to finance infrastructure requirements to the extent possible. This would require having a clear policy framework for public –private partnership and better procurement laws as well as a clear understanding on benefit sharing between the two parties. Government of Nepal can develop projects and invite international bids to attract more investment to Nepal.

Overall Vision for Economic Revival and Growth

The two days deliberations highlighted certain characteristics of the reconstruction plan that will help economic revival and growth. Therefore, the overall reconstruction and recovery vision needs to incorporate:

- A focus on micro, small and medium enterprises that form the backbone of the Nepali economy
- A strategy for involving the private sector into the overall reconstruction process and increasing private sector investment
- A policy initiative that understands and responds to the realities and demands of communities and a holistic approach that incorporates geological, socio-cultural and economic realities of the affected areas
- Creation of space for innovation and experimentation
- Fast track decision making and better governance

CONCLUSION

The two-day idea market conference was a major success as a wide range of the segments of the Nepali society participated even though the event itself was organized at a very short notice and without elaborate preparation. The event was well covered in the media. The conference had an opening ceremony with the Deputy Prime Minister (DPM) and the Minister for Home Affairs as the chief guest. The DPM briefed the gathering about the efforts by the government and its various arms in rescue and relief. He also spoke about the ongoing efforts and future plans regarding security measures being adopted by the Government. He also called on the participants to provide concrete and actionable suggestions.

There was a total agreement in the deliberations that although Nepal was prone to natural calamities, nobody could recall a disaster of such level in his or her living memory. The response to the earthquake so far has been quite effective. Various groups like the security forces, the hospitals and the medical personnel, youth volunteers had done a commendable job and earned praise from those affected people. The international community and especially our neighboring countries were quick and generous in extending support. There was total agreement that the reconstruction and rehabilitation process would take some time and will require elaborate preparation.

The quake could be a turning point in the economic history of Nepal if we are able to institutionalize reforms especially those targeting economic growth and disaster preparedness. There was agreement on the need for involving all the stakeholders in the process of rebuilding the damaged infrastructure and creating new and more safe structures and systems. The communities especially those who will use the system and structures need to be involved from conceptualization of ideas to implementation of projects and programs.

The need for using the private sector's innovation and entrepreneurship ability was highlighted during the entire procedure of the Idea market conference. The quake could be used to push reforms that will allow business innovation, among other things, to take place. Participants emphasized use of locally available wisdom, knowledge and resources while incorporating globally available lessons both of things that work and things that don't work.

In such a time of crisis, expectation from the Government was high. The government and its agencies too had been quite forthcoming in announcing support to the affected people. There was danger that lethargy psychology of dependency among the affected population may creep in. The media and opinion makers are well advised not to take expectations sky high. At the end of the day, only hard work by the Nepali people will matter. Foreign friends can come and help in developing certain structures but cannot turn Nepal into a developed society.

The Idea market conference ended with a concluding session where the National Planning Commission Vice Chair was the chief guest. The Vice Chair was provided with the preliminary report of the conference and he assured that the ideas expressed in the conference would be used by the government including in preparing for the donor's conference, which took place on June 25, 2015.

The Idea market conference ended on a high note with all the hosts, partners and knowledge partners agreeing to pave way for further collaboration in the reconstruction and rebuilding process of Nepal.

ANNEX

11 JUNE, THURSDAY | 2015

INSTITUTIONAL MECHANISM FOR DISASTER PREPAREDNESS AND MANAGEMENT

8.00 - 9.00 Registration
 9.00 - 10.00 Welcome and Introduction

Welcome - Yogesh Bhattarai, Central Committee Member, CPN (UML); Member, Nepal Leader's Circle (NLC)

Objectives by Session Chair - Hon'ble Gagan Thapa, Member, Constituent Assembly Nepal; Member, Nepal Leader's Circle (NLC)

Keynote address by Prof. Dr. Pitambar Sharma, Former Vice Chairperson, National Planning Commission.

Address by Chief Guest - Hon'ble Bam Dev Gautam, Deputy Prime Minister, Minister of Home Affairs, Government of Nepal

10.15 – 01.15 PARALLEL SESSIONS**Session 1A: Hall 2**

Search & Rescue Operation

SPEAKERS:

- Keshar Bahadur Bhandari
Brigadier General, Nepal Army (Ret.)
- Sanat K. Basnet
Former IGP, Armed Police Force
- Dr. Dwarika Nath Dhungel
Former Secretary, GoN
- Dr. Govinda Thapa
Former AIG, Nepal Police
- Mukti Prasad Kafle
Former Secretary, GoN
- Nirjan Rai, Executive Director,
Niti Foundation (Session Chair)

Session 1B: Hall 3

Relief Operations

SPEAKERS:

- Brabim K. K.C
President, Association of Youth Organizations Nepal
- Nayantara Gurung Kakshapati
Managing Director, Yellow House Team
- Bharati Pathak
General Secretary, FECOFUN
- Roshendra Dhoj Khadka
Member, Executive team, Help Nepal Network
- Ganga Dutta Awasthi
Former Acting Secretary, MoLD
- Hon'ble Uday Samsher Rana,
CA Member; member, NLC (Session Chair)

Session 1C: Hall 1 (Auditorium)

Post Disaster Reconstruction

SPEAKERS:

- Surya Narayan Shrestha
Deputy Executive Director, NSET
- Kishore Thapa
Former Secretary, Urban Development
- Hon. Ichhya Raj Tamang
CA Member, Real Estate Entrepreneur
- Padma Sunder Joshi
Programme Manager, UN Habitat
- Lajana Manandhar
Executive Director, Lumanti
- Hon'ble Gagan Thapa,
CA Member; Member, NLC (Session Chair)

02.45: 05.45 PARALLEL SESSIONS**Session 2A: Hall 1 (Auditorium)**

Managing Public Service

SPEAKERS:

- Dr. PP Sharma
Psychiatrist, Om Hospital
- Dr. Saroj Dhital
Founding Member, Public Health Concern Trust
- Dr. Sameer Mani Dixit
Research Scientist, CD, CMDN
- Shisir Khanal
Founder/CEO, Teach for Nepal
- Janardan Nepal
Former Secretary, GoN (Education)
- Khem Raj Nepal
Former Secretary, MoLD
- Thakur Gaire,
CPN (UML); Member, NLC (Session Chair)

Session 2B: Hall 2

Managing Public Infrastructure

SPEAKERS:

- Purna Kadariya
Former Secretary, Department of Physical Planning
- Khadga Bishta
President, IPPAN
- Kamal Raj Pande
Former Secretary, GoN
- Hon'ble Rabindra Adhikari,
CA Member; Member, NLC (Session Chair)

Session 2c: Hall 3

Inter-institutional coordination,
data management & media

SPEAKERS:

- Bidhan Rana
Co-Founder, Biruwa Ventures
- Bhoj Raj Pokharel
Former Chief Election Commissioner
- Kiran Nepal
Editor, Himal
- Charu Chadda,
Editor, Business 360 (Session Chair)

12 JUNE, FRIDAY | 2015

ECONOMIC REVIVAL & ECONOMIC GROWTH

8.00 - 9.00 Registration

12.00 - 1.30 Lunch

9.00 – 12.00 PARALLEL SESSIONS

Session 3A: Hall 1 (Auditorium)

Financing reconstruction and rehabilitation

SPEAKERS:

- Prof. Dr. Bishwambher Pyakuryal
Senior Economist
- Dr. Yuba Raj Khatiwada
Former Governor, Nepal Rastra Bank
- Shovan Dev Pant
CEO, Lumbini Bank Ltd.
- Dr. Hemant Dabadi
Senior Fellow, Samridhi, The Prosperity Foundation
- Deependra Bahadur Kshetry
Former Governor, Nepal Rastra Bank
- Hon'ble Rabindra Ahikari,
CA Member; Member, NLC (Session Chair)

Session 3B: Hall 2

Economic Revival: Agriculture

SPEAKERS:

- Dr. Hari K. Upadhyaya
Founder & Exec. Chairperson, CEAPRED
- Anand Bagaria
MD, Nimbus Holdings P. Ltd.
- Dr. Dev Bhakta Shakya
Agriculture Expert
- Prem Lama
Proprietor, Ashapuri Organic Pvt. Ltd
- Ram Chandra Khanal
Director, Nepal Krishi Company
- Hon'ble Uday Rana,
CA Member; Member, NLC (Session Chair)

Session 3c: Hall 3

Economic Revival: Trade, MSMEs

SPEAKERS:

- Dr. Lakshman Pun
Chief Technical Advisor, MEDP
- Kuber Chalise
Business Bureau Chief, Annapurna Post
- Rita Bhandary
President, FWEAN
- Pavitra Bajracharya
President, Nepal Retailers' Association
- Bhoj Raj Bashyal
Deputy GM, Nirdhan Utthan Bank Ltd
Dr. Ganesh Gurung,
Former Member, National Planning Commission
- Dileep Agrawal,
CEO, World Links Communications; Member, NLC
(Session Chair)

01.30 : 04.30 PARALLEL SESSIONS

Session 4A: Hall 3

Economic Revival: Tourism

SPEAKERS:

- Yogendra Shakya
Tourism Entrepreneur
- Prachanda Man Shrestha
Tourism Expert
- Anil Chitrakar, President
Siddharth Inc.
- Rabindra Puri
Founder, Rabindra Puri Foundation for Conservation
- Hon'ble Rabindra Adhikari,
CA Member, Member, NLC (Session Chair)

Session 4B: Hall 2

Immediate economic reforms to increase private investment

SPEAKERS:

- Pradeep K. Shrestha
Former President, FNCCI
- Anil K. Shah
CEO, Mega Bank
- Tim Gocher
Founder, Dolma Impact Fund
- Sohan B. Khatri
Founder, Three H Management
- Hari B. Sharma
Vice President, CNI
- Kush K. Joshi
Former President, FNCCI
- Deependra Tandon,
CEO, Business Advantage Group,
Member NLC (Session Chair)

04.30 – 05.00

Break

05.00 – 06.30

Snapshot of conference discourse & Closing

Presentation of Findings - Hon'ble Rabindra Adhikari,
CA Member; Member, NLC (Session Chair)

Comments - Hon'ble Udaya S. Rana
CA Member; Member, NLC

Comments - Hon'ble Gagan Thapa,
CA Member; Member, NLC

Address by Chief Guest - Hon'ble Dr. Govinda Raj Pokharel,
Vice Chairperson, National Planning Commission,
Government of Nepal

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02. Towards Enterprise Building in Nepal (Vol. II)
03. Towards Enterprise Building in Nepal (Vol. III)
04. उद्यमशीलता विकास: हाते पुस्तिका
05. Economic Growth: a pocketbook series
 - i. आर्थिक स्वतन्त्रता
 - ii. उद्यमशीलता विकासमा बजारको भूमिका
 - iii. बजारका गुणहरू
 - iv. Role of Rule of Law in Enterprise Building
 - v. Role of Government in Enterprise Building (Vol. I)
 - vi. Role of Government in Enterprise Building (Vol. II)
06. Economic Growth and The Private Sector of Nepal
07. दासत्वको बाटो (Nepali Translation of “The Road to Serfdom”)
08. Nepal Economic Growth Agenda (NEGA), Report 2012
09. Critical Constrains to Economic Growth of Nepal
10. Investment Prospects and Challenges for Hydropower Development in Nepal
11. Review & Overview of Economic Contribution of Education in Nepal
12. Private Sector Participation in Transport Infrastructure Development in Nepal
13. Review & Overview of Economic Contribution of Tourism Sector in Nepal
14. Review of Agriculture Sector & Policy Measures for Economic Development in Nepal
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19. Analysis of the Performance of the Public Enterprises
20. Policy Options for Improving Industrial Relations in Nepal
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22. Policy Options for Public Enterprises reform in Nepal: A look at two public enterprises
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27. Macroeconomic Policy Direction for a Prosperous Nepal
28. Discussion Paper on Promoting Investment in Sustainable Energy Solutions for Nepal
29. Discussion Paper on Promoting Investment in Agriculture Sector in Nepal
30. Discussion Paper on Promoting Investment in Tourism Industry in Nepal
31. Background Paper on Economic Aspirations and Policy Priorities
32. Nepal's Foreign Investment Policy and its Implication to Investors
33. Trade Study Series: A Look at Petroleum and Fertilizer Supply in Nepal

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www.nitifoundation.org