

## **GST COUNCIL MAY HAVE TO TAKE A VIEW ON THE FUNDING OF NDRF - SHRI N. K. SINGH<sup>1</sup>**

***XVFC concludes International Workshop on Financing of Disaster Risk Management in India, urged to come up with a structure to make 'Disaster Mitigation' an integral part of development expenditure***

XVFC concluded the International Workshop in India on Financing of Disaster Risk Management in New Delhi. The two-day conference discussed various issues related to Disaster Risk Management (DRM) ranging from urbanization, climate change, coastal erosion, localized catastrophes and the price associated with it, among many other issues. The need for a Disaster Mitigation Fund was also discussed. Chairman of XV Finance Commission Shri N.K. Singh in his closing remarks said that there has to be clear understanding of what exactly 'Mitigation' means in an environment of multi-layered risks (High Frequency, Low Impact and various other combinations). He also said that there is a need to rework the ways in which funds can be collected for disaster risk management, both on tax and non-tax front. Impact on revenues of state government's due to GST is important as states are the first responders in case of any disasters. How should the National Disaster Response Fund (NDRF) be funded in GST era, Issue of cess on GST for the purpose of funding disaster response are some policy level issues on which GST Council may have to take a view.

This is not only the issue of earmarking of funds for DRM but also to ensure that funds earmarked are used for DRM like in case of funds devolved to states on account of Forest cover. Deciding on conditionality for use of such funds is a tricky thing. Shri Subhash Chandra Garg, Secretary DEA in his closing remarks urged the Commission to come up with a structure to make Disaster Mitigation an integral part of development expenditure. We need to rethink about ways to finance flexible safety net for the people during stress, he said. Dr. P. K. Mishra said that issue in funding arises due to the different nature of mitigation activities (non-contingent) and relief activities (contingent needs-depend on scale of disaster).

Conference also discussed various sources of funding Disaster Risk Management viz. Finance Commission devolution, NDRF, SDRF, crowd sourcing, CSS, CSR and funds from multilateral institutions and enhancing their utility. Role of insurance companies and the issues associated were also discussed in terms of risk transfer. It was also suggested in the conference that FC should look at institutions that enable federalism to strengthen Horizontal Exchange of resources and expertise between the states during the times of disasters.

It was also opined that a Country's credit risk is impacted by presence or absence of disaster resilience in policies and the resultant losses. Criteria for deciding the quantum of NDRF/SDRF is a key question. DRM needs are very diverse as they include relief, recovery, resilience, mitigation and therefore need careful consideration in decision making which in turn depends on availability of suitable data, analytical tools and replicable models. Experts agreed that any resilience model may be started in Pilot mode and then scaled up. Funds for DRM will require resources and investment not only from govt. but also from private sector, NGOs and civil society.

Participants including Ms. Fracine Pickup, Country Director, UNDP and Dr. Junaid Kamal, Country Director, World Bank India thanked the Chairman and members of the Commission for organizing the International Conference on DRM in India and bringing together ideas, models and expertise from across the globe. Ms. Fracine Pickup said that disasters and development are inextricably linked.

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<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1552736>

Investment that is resilient to disaster risk, sets a pathway for Sustainable Development. She mentioned that UNDP has introduced the concept of 'Risk Index of States' to guide resource allocation and enable policy commitments to specific DRM interventions. Dr. Junaid Kamal said that in a rapidly urbanizing nation, it would be to the country's advantage to invest in building disaster resilient infrastructure which will eventually help lower the cost of impact.

## INDIA INTERNATIONAL TRADE FAIR 2018 OPENS<sup>2</sup>

The 38<sup>th</sup> edition of India International Trade Fair (IITF) 2018 was inaugurated by the Minister of State for Commerce & Industry, C.R. Chaudhary at Pragati Maidan in New Delhi on November 14, 2018. The flagship event of India Trade Promotion Organisation (ITPO) will continue from November 14 to 27, 2018.

Speaking on this occasion C. R. Chaudhary said that the services sector has assumed significance as India is now moving from a primary product exporting country to the secondary and services sector. He stressed that along with increase in production there is also the need to maintain quality of products. Commenting on the theme of the trade fair which is rural enterprises, Chaudhary said that 40 % of manufactures are from the MSME sector in rural areas of the country and need to be taken care of.

Dr. Mahesh Sharma, Minister of State for Culture (Independent Charge), Minister of State for Environment, Forest and Climate Change, who was also present on the occasion, said that India is now the sixth largest economy in the world. He congratulated ITPO for organizing this year's fair in a limited space because of the ongoing construction work in the premises. He further said that the IITF offers an opportunity to showcase Indian tradition, culture and enterprising activities under a single umbrella.

This edition of IITF assumes special significance as it marks the beginning of the 150<sup>th</sup> birth anniversary celebrations of Mahatma Gandhi. All States, government organizations and other stake holders are making all efforts to realize the vision of the Prime Minister, Narendra Modi, of 'Sab ka Saath, Sab ka Vikas'. The theme pavilion of the Fair has been setup by the Ministry of Rural Development. The fair also showcases various initiatives of the Government of India like Make in India, Startup India, Digital India, Skill India and Swachh Bharat.

The partner country is the Islamic Republic of Afghanistan and the focus country is the Federal Democratic Republic of Nepal. The focus state is Jharkhand.

Around 800 participants from States, government departments, domestic and international companies are taking part with considerable participation of rural artisans, craftsmen and SME entrepreneurs. The Fair has registered foreign participation from Afghanistan, China, Hong Kong, Kyrgyzstan, Iran, Myanmar, Nepal, Netherlands, South Africa, South Korea, Thailand, Turkey, Tunisia, Vietnam and UAE.

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