

NEPAL

Address

By

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Minister of Finance

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Follow up International Conference on Financing for Development

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Mr. President,

Heads of State and Government,

Fellow Ministers,

Excellencies,

Ladies and Gentlemen,

1. First of all, I would like to express sincere gratitude to His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar for gracing, chairing and addressing inaugural session and for insightful remarks on the current issues of global financial crisis and its implications on the developing countries.

2. On behalf of my delegation, and on my own, I would like to express my sincere appreciation to the people and the Government of the State of Qatar for the warm hospitality extended to us during our stay here.
3. We join other fellow delegates in expressing our sympathy and condolences to the people and the Government of India for losses of human lives and property in Mumbai, India due to act of terror.
4. I am of the view that such international Conferences provide unique opportunity to review the progress of past commitments, share experiences and set the resolutions for the future. We the underdeveloped countries highly appreciate Monterrey Consensus of 2002 which set the goals of poverty eradication, achievement of sustained economic growth and promotion of sustainable development and make the global economic system fully inclusive and equitable.
5. However, we feel highly disappointed to see such commitments not being fully translated into reality by the developed countries. For decades now, year in and year out the same commitments and consensuses are repeated and catchy development phrases and slogans are coined just to be confined only in papers and documents. I hope the delegates of all underdeveloped countries attending this conference will agree with what I have said. An evidence of this is the expenditure of billions of dollars on wars by the

powerful countries causing unprecedented devastation of mankind and physical infrastructure, while millions of people die of hunger, malnutrition and natural disasters in different parts of Africa and Asia. This is very sad.

6. Similarly, the desire of underdeveloped countries for a self-reliant and self-sustaining development through the use of foreign aid has remained a far cry even after several decades of such aid. When I say self-reliant development, I do not mean a position whereby we can stand alone without any economic interactions with others or without any aid. What I mean is a situation where aid promotes production, income and employment eventually requiring less and less aid. But the experience shows that aid has reinforced the historically structured dominance-dependence between the so-called developed countries and the underdeveloped countries. Prolonged continuation of such situation will certainly not be conducive towards fostering a harmonious relation between the developed and the underdeveloped countries. Therefore, I urge the developed countries to make soul-searching and restructure the flow of aid into an equal and interdependent relationship. In this context I would also like to urge the donor community to immediately resolve the issues that were identified as impeding effective and fruitful utilization of aid in the 3rd High Level Forum held in Accra, Ghana last September.

7. Mr. President, I have the same feelings like some of the fellow delegates that there would be a disaster, if the US and Europe do not undertake effective measures to insulate the underdeveloped countries from the financial crisis that originated from within the monopolistic and profit seeking financial system created by them. The current financial crisis also raises a big question mark on the effectiveness of the regulatory and surveillance mechanism of the IMF and on its very structure which places emerging economies at a low profile in decision making.

8. Having said this, let me allow to briefly appraise the distinguished delegates about the recent political and economic developments in Nepal. Nepal has been very recently declared as Republic of Nepal by abolishing the feudal monarchical system that had kept the country into a vicious circle of underdevelopment and poverty for two and a half century. This historic change was made possible by the People's War, you can say, revolution led by the Communist Party of Nepal (Maoist) for ten years and the sacrifices of more than ten thousands youths. Nepal's peace process has been rather unique in the world and is being taken as a miracle by the developed and the underdeveloped countries. The Maoist Party is now heading the coalition

government of Nepal after emerging as the largest party in the Constituent Assembly elections held last April. I am representing the government in this conference in the capacity of Finance Minister from the Party heading the government.

9. The Government's immediate task is to make smooth transition of the country into a stable political system and faster economic development. For this, we have stressed on the accomplishment of following two main tasks within the next two years:

- a. First, writing a new constitution of the country and lead the peace process to a logical conclusion. This also involves restructuring of the state. This is the political agenda, and
- b. Second, achieving higher economic growth rate with social justice. This is the economic agenda.

10. In consonance with these two important tasks, the government has set the following strategic and broader orientation spanning over the short to long terms in this year's budget.

- Consolidating peace process,
- Relief, rehabilitation, reconstruction and reintegration,
- Broad-based economic growth,

- Social transformation,
- Investing in infrastructure,
- Restructuring the state, and
- Public-private partnership in mega projects.

For this we have advanced the slogan of “**PEACE FOR DEVELOPMENT AND DEVELOPMENT FOR PEACE**”.

11. Nepal is financially a poor country, but it is very rich in terms of human and natural resources, particularly in hydro-power, precious herbs and other forest based products, flora and fauna and magnificent landscape. We are also in between the two large and fast growing economies, China and India. All these provide immense opportunities for foreign investment in hydropower projects, tourism, infrastructure and agro-forestry based industries for the mutual benefit of both the foreign investors and the Nepalese people. For this purpose, we have recently set up a high powered Investment Board under the Chairmanship of the Prime Minister in order to quickly decide on the large investment projects and provide the facilities from one spot.

12. In the end, I expect that this International conference will come out with objective solutions and bold decisions to restructure the historically built up dominance-dependence relationship between the few rich and many poor countries of the world so that we can have both peace and prosperity for the entire mankind. Let us turn the current global financial crisis into an opportunity for restructuring a new world economic order based on equality and justice.

13. With this, Mr. President, I thank you, and thank you all!