

**Your Excellencies,  
Heads of Missions,  
Representatives from Development Partners,  
Friend and Colleagues!**

1. This is our first meeting together after I assumed the responsibility of Finance Minister in the new government that has recently been formed after the elections to the Constituent Assembly April this year. I welcome you all to this meeting and feel happy to speak to you on some pressing issues of mutual concern.
  
2. I would like to begin by drawing your kind attention to the recent floods on the Sapta Koshi River in Sunsari District and its vicinity in the Eastern region of Nepal that has caused significant damage to the people's means of livelihood and also the physical infrastructure. We have just heard the presentation from our colleague from the Ministry of Home, which details the impact of the incident, our efforts toward rescue, relief and rehabilitation of the displaced people and reconstruction of the damaged infrastructure, and the constraints being faced in that direction. We have seen that:
  - The flood caused inundation of about a dozen VDCs of Sunsari Districts and displaced the entire local population;
  - Over 7000 households consisting of over 40,000 people have been displaced. Nearly 1000 houses have been swept away and 3000 houses affected badly.
  - Infrastructure such as road, electricity, telephone and drinking water has been broken down or destroyed. Eastern Nepal has been virtually cut - off from the rest of the country because about 15 kilometers of the only East-West highway has been swept away or is underwaters. Due to damages to underground optical fibre cables, the telephone connection to the east was cut off, which has now been substantially restored bearing services from an new land line exchanges. Similarly, public facilities such as school

buildings, government offices and private properties have also been smashed.

- About 5500 hectares of cultivable land and crops worth millions of rupees have been destroyed.
- The displaced people are now being sheltered in temporary camps in the safe location, but they need proper rehabilitation. There is also a danger of spreading communicable diseases such as gastro-enteritis, typhoid, viral hepatitis and Malaria.
- The Government has formed a high-level committee to manage the emergency operation, and is providing relief package through Local Emergency Management Authorities and mobilization of security forces. The security helicopters, rubber boats, elephants are also mobilized.
- Nepal Red Cross and many other voluntary and non-governmental organizations and community-based organizations are also intensely engaged in the rescue and relief operations and providing great help and support.

3. As the rainy season is not over yet, and due to diversion of the substantial portion of water, immediate restoration of spurs and embankments may not be possible. Even as the work on protection from further damage is going on. There are reports of fresh damages to critical infrastructures. Yesterday, one pole carrying electricity transmission from India fell down disrupting about 60 MW of power supply to the country.
4. The severity of situation demands that the intervention should be categorized into urgent and medium terms which would require mobilization of substantial resources. We also think that coordinated efforts of the Government, political parties, development partners and voluntary organizations and NGOs are the only way to address this problem in an efficient, effective and sustainable way, and we are working in that direction. Even if we have not been able to calculate the total loss and damage in monetary terms, the tentative estimation shows that it will

cross a billion Nepali rupees. Therefore, we would like to urge you to come up and support us in our efforts to address this incident through whatever means available and feasible –cash, kind or otherwise–the modality of which can be worked out together through mutual consultations. The prevention of further breach of the embankment of the Koshi River and resumption of traffic movement through the East-West Highway by way of temporary bridges, such as, either truss bridges or pontoon bridges, needs the most urgent attention. Meanwhile, I take this opportunity in sincerely thanking some of the donors such as the United States and China who have recently announced their contribution to helping us address this calamity.

5. In this connection, I would also like to let you know that we are in constant touch with the Government of India on addressing the impact of this incident and also on how we can mitigate and minimize the possibility of recurrence of such incident in the future. The concerned government officials from both the countries are engaged in needed consultations and deliberations to ensure that the respective obligations are fulfilled as per our bilateral agreement concerning the Koshi barrage.
  
6. Now let me take up a few other issues in this gathering. As you are well aware, we have now new government in place whose primary mission is to work towards writing a **new constitution**. We are proud of what we have achieved so far in the peace process, even amidst intermittent difficulties. The tireless and sustained efforts of the change-loving and progressive political forces as well as the people at large won us these historic achievements: we successfully held CA elections; bid farewell to a century-old feudal institution called monarchy, declared Nepal a Federal Democratic Republic, and are now working resolutely towards restructuring the state and bringing out radical socio-economic transformation.

7. Peace, however, will not be sustained and owned by the people without development. In fact, peace, development and democracy are mutually interlinked. Peace alone without development and democracy leads to deprivation, development without peace cannot last long, and without democracy the rest will have no popular legitimacy. It is in this context that even the government's mandate is basically to accomplish the political process, we are to equally focus on economic front. Some visible deliveries on economic front that directly impact the ordinary people's daily lives will help restore people's confidence in the government and the state. Or else they will get disillusioned and revert to revolt.
  
8. Currently, **economic development** is crawling at a lizard's pace that does not match with the rising and exploding expectations of the people after such a colossal political change. This is why we have stressed on 'leap-frogging' to make up the loss that we incurred and catch up with the rest of the world at a faster speed. We need to work with extra zeal and commitment, realizing that normal routine business will no longer suffice.
  
9. We need macro-economic stability matched by higher economic growth. Stability should not cushion 'stagnation'. We need to break from continuity in a way that continuity and change go together.
  
10. We also need to refocus on optimizing the generation of domestic resources. Our policies will be directed towards that end. However, we have no choice but to seek international support in a way that suits our priorities and needs. We welcome and thank for the development partners' continuous support to Nepal's socio-economic development to date, and expect the **scaled up support with reasonable flexibility** to Nepal in the coming days. Certainly, we will do our best to use the money in priority areas and enhance our absorptive and implementation capacity. We will also continue with the reforms as long as they are proven in the

best interest of the country, no matter if they are new or were inherited from the past. We want to see the Paris Principles on Aid Effectiveness in action.

11. Global food and fuel crisis is a challenge for developing countries and particularly an oil-importing country, Nepal. Your support in providing food security and reforming oil management sector in Nepal would be most welcome.

12. In the medium to longer term, we need to harness Nepal's immense potentialities in the water resources and hydropower, agriculture and tourism. We need our consolidated efforts for creating a higher level of growth and more job opportunities in a sustainable way. We encourage private sector investment both from within and outside the country, and will work towards ensuring effective presence of social and physical infrastructure to attract FDI. We equally stress on public-private partnership.

13. As this is a national coalition government, we have agreed to a **Common Minimum Program (CMP)** before we formed the government. We will be submitting a full-fledged annual budget to the Legislature-Parliament very soon, and the basis of this budget would be the CMP, the Three-Year Interim Plan, consultations among political parties, suggestions from the business community, commitment from development partners, expectations of the people, and, most importantly, our capacity to deliver and sustain the programs as per the commitment. We are now in full swing to finalize it and intend to present it to the Legislature - Parliament within the month of September. We are confident of your full support to its implementation in the days to come.

Once again, I would like to thank for your presence today and listening to my views patiently.

Thank You!