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Statement by the Hon. **SHANKER PRASAD KOIRALA**,
Governor of the Bank for **NEPAL**

Honorable Shanker Prasad Koirala
Finance Minister and Governor of the World Bank Group for Nepal,
to the 2013 Annual Meetings of the Boards of Governors of the World Bank Group
and the International Monetary Fund
11-13 October 2013, Washington DC, USA

Mr. Chairman
Fellow Governors, and
Distinguished Delegates!

1. It is an honor for me and my delegation to participate in 2013 Annual Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund in this beautiful city of Washington DC. At the outset, I would like to express my sincere appreciation to the Government and the people of the United States of America for their warm hospitality. I also appreciate the World Bank Group and the IMF for the excellent arrangements made for this meeting.

2. We take into note that the recent recovery in the developed world remain uneven and the global economic growth has been affected by weaker domestic demand and slower growth in several emerging economies coupled with the prolonged recession in the euro zone. The risks of slower potential growth, slower credit, and possibility of tighter financial conditions further aggravate the condition. The supportive macroeconomic policies in advanced economies and the structural reforms in emerging and developing economies will be vital to help reverse the slower growth trajectory.

3. The financial market volatility has hit the emerging markets hardest. The increased interest rate in the advanced economies and lowering domestic assets prices, have even led for capital flight and currency depreciation in emerging economies. A concerted effort for corrective measures in global financial market is necessary to bring the earlier growth path back. In this regard, the World Bank Group and the IMF can play a crucial role.

4. We underscore the World Bank Group's two ambitious goals: end extreme poverty within a generation and boost shared prosperity. The targets of reducing the percentage of people living on less than \$1.25 a day to 3 percent by 2030, and increasing income of the bottom 40 percent of the population in every country are, ambitious but achievable. An inclusive growth approach, and the equitable distribution of the growth, will be immensely supportive to achieve those goals. Public private partnership in development and a robust trade opportunities will also be equally contributory towards this end.

5. The World Bank Group's global footprint, and the global reach, readily provides a platform to tackle globally affecting issues such as climate change. Likewise, this network can be equally used for the benefit of our citizens to enhance cooperation in terms of knowledge and experience sharing to fight against the common issues of poverty, and enhancing shared prosperity. The partnership approach that the Bank Group has been opting - to help countries achieve these goals is also a welcome step. Furthermore, the approach of operating as One Group, we believe, will be producing a synergy in the results while implementing the programs of global development agendas.

Mr. Chairman

6. The World Bank has been an important partner to all its member countries to support the poor, boost growth and leverage the private sector. The Bank has been very instrumental in supporting middle and low income countries to respond to and recover from the pain of poverty. Obviously, meeting development challenge is not an easy task. The countries around the world are positioned diversely according to their circumstances, and uniqueness. In this regard, we urge the Bank Group to channel its support taking into account the country context. This can make a real difference and add value for money. A more evidence based country program will thus help to strengthen national priorities and coordination as well. With the similar spirit, in Nepal, we are bringing a new Development Cooperation Policy, which has brought forward a country led development cooperation approach based on alignment and harmonization with national priorities.

7. Remarkable achievements have been made after the Millennium Development Goals (MDGs) were adopted. However, there have been several unfinished businesses of MDGs. In this context, the post-2015 agenda should reflect the concerns of people living in extreme poverty, whose voices often go unheard. We would like to urge the World Bank Group to take leadership in fostering a new global partnership in this area.

8. We welcome the World Bank Group's growing interest to support for Nepal's hydropower development. We heartily thank President Jim Yong Kim for giving priority to this cause. The hydropower development in Nepal will not only help Nepal for her prosperity, but it will also help make the South Asia region prosper by meeting the acute power need. We would like to encourage the World Bank Group to lead investment on regional level projects as well, especially in the area of hydropower, irrigation, renewable energy and climate change.

Mr. Chairman

9. Let me also take this opportunity to highlight the latest political and economic scenario of Nepal in brief. The present Government has placed all its efforts to make the election for Constituent Assembly, that is going to be held on November 19th of this year, a success. This will pave the way to write a new constitution for a prosperous new Nepal.

On the development front, Nepal has set the goal of graduating from the LDC status by 2022, and our efforts have been directed towards this end. This might seem to be an ambitious goal in the context of 4 percent average annual economic growth rate that we achieved in the last decade. However, there are several reasons to be optimistic that we can achieve this goal. First, the peace process has come to a logical end. Second, there has been consensus among political parties for the economic development agenda. Third, the investment climate has been improving with the improved industrial relations. Fourth, consistent policy frameworks have been developed, and fifth, the government expenditure is directed to priority sectors generating employment and boosting economic growth. We urge our development partners to scale up their support to Nepal to achieve this goal.

Mr. Chairman

10. We greatly commend and support the World Bank Group's continued efforts to implement the Gender Equality Agenda. We would also like to reiterate our common responsibility to end extreme poverty in all its forms in the context of sustainable development and to have in place the building blocks of sustained prosperity for all.

11. We would like to welcome the World Bank's efforts for laying necessary groundwork for a successful IDA 17 Replenishment in 2013. Hope the resources of IDA 17th can be leveraged based on the lesson learned in the previous IDAs, and towards the most needy areas.

12. Finally, on behalf of the Government of Nepal, and on my own, I would like to express my sincere gratitude to the World Bank Group and the International Monetary Fund for their continued support for the socio-economic development of Nepal and hope that our cooperation will further enhance in the days to come.

13. I wish the Annual Meetings a grand success and thank you all for your kind attention.

Thank you!