

Welcome Note by Finance Secretary, Bhanu Prasad Acharya

**Rt. Honorable Prime Minister, Mr. Surya Bahadur Thapa,
Honorable Finance Minister, Dr. Prakash Chandra Lohani,
Honorable Vice Chairman of the NPC Dr. Shankar Prasad Sharma
Vice President of the World Bank, Mr. Praful C. Patel,
Distinguished Delegates,
Excellencies, Colleagues, Friends, Ladies and Gentlemen,**

Nepal Development Forum, the name coined recently, has been providing opportunity for the development partners and the recipients to ventilate views on the policy course of action for the development of this country. Be it in macro-economic front or in sectoral reforms, we share our concerns and views and come up with suitable policies that fit the requirements of this country. We have been practicing this since 2002 and this NDF-2004 is another milestone in this connection.

In NDF-2002, the government made commitments to bring about reforms basically in the areas of public expenditure management for poverty reduction, implementation capacity and public accountability. Subsequent to NDF 2002, the government stuck to its promise and through three inter-related documents, the annual Immediate Action Plans, the three-year Medium-term Expenditure Framework and the five-year Poverty Reduction Strategy Paper, an attempt was made to correct the focus of the public expenditure. We worked to enhance the implementation capacity and as a result, in these two years, we have been able to secure budgetary support from our development partners. We have also made a good beginning of sector-wide approach in grant fund mobilization under a resource pooling arrangement. Our entry to IMF's Poverty Reduction and Growth Facility late last year was possible after demonstrating strong implementation record. And, I'm happy to report that, in the latest first review of PRGF, we completed most of the Structural Performance Criteria and Benchmarks. Similarly, we also placed strong emphasis for enhanced accountability in public life.

With this apparently pleasing background, it gives me immense pleasure to welcome you all in this NDF meeting. We're encouraged by the esteemed presence of Rt. Honorable Prime Minister and it's an honor for me to welcome him in the meeting.

Nepal's development partners have always been supportive and kind to us. I extend special welcome to all members of the development partners' delegation to this meeting and hope to have fruitful discussion in these two days.

While I welcome distinguished representatives of political parties, the academicians, members of government and civil society, members of business community and press and other participants in this gathering, I must not forget to mention their

extremely valuable contribution during our pre-NDF consultative sessions held during the last month.

I am particularly happy to note that the pre-NDF consultative meetings were characterized by the broader participation and extensive discussion on almost all contemporary development issues in a free and frank manner.

This NDF 2004 meeting is being held at a critical juncture in the history of Nepal. The moot issue now is how can we improve the quality of service delivery to the public and in these turbulent times. The issue also is how the macro-level reforms can be translated into real and visible benefits to the vast majority of people living the rural areas. We'll discuss this, and other challenges that we are facing currently, in these two days.

Currently, we are facing multiple challenges in managing our development. The spatial poverty demands resources in rural infrastructures whereas economic poverty needs more resources to be allocated in creating opportunities. Besides restoring peace in the country, we have to assist people affected by conflict and rehabilitate infrastructures destroyed during the conflict. Equal attention needs to be given to the issue of good governance, one of the four pillars of PRSP, so that our civil service becomes more responsive to the current needs and aspiration of our people. In the area of trade and industries, we need to better equip ourselves to deal with challenges and opportunities posed by globalization and make our economy more competitive. Undoubtedly, we have been grappling with these issues for the last couple of weeks in course of our consultation meeting. And I am happy that our deliberations have been extremely useful in looking into these challenges and exploring the means to address them. I am sure this NDF meeting, just as the immediately preceding one, will prove important milestone in this regard.

Despite the difficult situation, Nepal is firmly committed to implement economic and sectoral reforms. Our recent experience shows that the reform programs can be carried out successfully even in difficult situation characterized by political instability, armed conflict and economic weakness. We understand that without reforms we cannot address our problems, and we cannot become competitive to reap the benefits unleashed by open and liberal regime of market economy. Therefore, our reform program is the demand of our own people to meet their growing aspirations. Moreover, we need to make headway in our efforts to reduce our massive poverty. It is in this context, we have been able to develop and implement Poverty Reduction Strategy Paper (PRSP), Medium Term Expenditure Framework (MTEF), Immediate Action Plan (IAP) and Foreign Aid Policy, which constitute a unique and comprehensive home grown approach towards the poverty reduction efforts of Nepal.

Since our last NDF meeting of 2002, the Government has made significant efforts in the implementation of reforms in public expenditure, tax administration, public enterprise management and privatization. Similar progress has been made in the

areas of private sector development, financial sector reforms, civil service reform and decentralization. But the big challenge before us is how to extend the benefits of these reforms to the people at large and especially to the rural areas where poverty is rampant. Therefore, our reform agenda for future should be directed towards the improvement of the living standards of poor and the destitute. Given the present situation of Nepal, which is characterized, by conflict and political strife, we need to redouble our efforts to implement the agenda of PRSP and at the same time restore peace in the country. Incidentally, this meeting is beginning a day after we celebrated the birth anniversary of Lord Buddha--a symbol of peace and peaceful coexistence--and, on this occasion, I hope this meeting will give us wisdom and strength in restoring peace.

For all these, we will require resources in an enhanced level in the days to come. While we will make every effort to mobilize domestic resources to fund development activities, we require substantial donor assistance in order to implement the Poverty Reduction Strategy and to meet Millennium Development Goals. We are confident that the development partners will realize this need and lend their strong support in order for us to reach the goals of poverty reduction.

Let me take this opportunity to express my heartfelt gratitude to our development partners for their continued support in the socio-economic development of Nepal. I appreciate your active participation in this meeting and your willingness to support in the days to come, too.

Finally, I welcome you all again and also wish all delegates coming from outside the country a pleasant and memorable stay in Kathmandu.

Thank you.