

Nepal Donor Consultation Meeting, 2008
Kathmandu, NEPAL
The Opening Address by
Rt. Honorable Prime Minister Girija Prasad Koirala
21 February

Excellencies,
Mr. Liqun Jin, Vice President of Asian Development Bank
Distinguished Representatives of the Donor Community
Ladies and Gentlemen

I am pleased to be with you this morning. I have always accorded high importance to international cooperation in bringing about peace, stability and prosperity in Nepal. Being part of South Asia and, in view of our intricate linkages, we believe that peace and stability in Nepal is vital for the stability in the region as a whole.

As you are aware, our peace process is home-grown and we have collectively led this process. Occasionally, in the past two years, it might have appeared to outsiders that Nepal's peace process is moving rather slowly, entangled with risks and uncertainties. We wanted to minimize the risks as much as we could. We wanted consensus and shared understanding on every issue emerging during this transition.

We are now heading for the election to the constituent assembly. The election is a critical step towards peace and stability. But, bigger challenges lie ahead. We shall hold the election overcoming all challenges in a free and fair manner. The drafting of new constitution, which every Nepali can own and one that can ensure due recognition and role to every community is a real challenge.

More important than giving political space to every community and groups of people is the ability of the state to give economic space to all. The size of Nepali economy at present is so small that we cannot be ensuring proper opportunities for all. The biggest challenge before us, therefore, is the task of augmenting the economy and enhancing the opportunities to all segments of the Nepali society. This must go in tandem with the drafting of new constitution and steering of the peace process. I must mention here that just as we were able to garner political consensus in our peace process, we will also be able to achieve consensus on how we should tackle the economic challenges as well.

We have all along been talking of the potentials that we have. We have a massive young and energetic population. With right skills and training for them, we can do wonders. We have vast water potentials that not only can provide us energy but also water for other uses for close to a billion people in South Asian region. Nepal's Himalayan region, which our ancestors revered as abode of gods and offers rare panoramic view not available elsewhere in the world, is a tourists' attraction. But more than that, it is perhaps the biggest reservoir of fresh water anywhere in the world. There are enormous economic

potentials in these snow-clad mountains. But there is also a challenge of maintaining them as the threat of climate change is looming on our planet.

The diverse climate and terrain makes our agriculture difficult, but with right technology and right product, Nepal's agriculture can transform rural economy to a new height and help eliminate poverty quickly.

Without financial, physical and human infrastructures, we cannot harness the full economic potentials that we have. We are, therefore, scaling up investments in creating, maintaining and improving such infrastructures. However, our resources are limited. In some cases, we also lack technical capacity. This is where we expect the support of international community.

To promote economic growth and prosperity we recognize the significance of private sector and the market. We shall introduce further reforms so that the private sector, including foreign investors, feels comfortable investing in Nepal. At the same time, we are determined to ensure equity and economic justice to our poor masses to create a harmonious and equitable society free from hunger, disease and poverty.

Many of our friends were telling us that it may not be right time to talk about long-term development needs of the country with our donors. In spite of that, we decided to hold this meeting because we wanted to communicate to you face to face. We wanted you to see for yourself how things are moving in Nepal. More importantly, we wanted to develop common understanding on challenges facing Nepal.

In the rest of the day today, you will have the opportunity to discuss with leaders from different political parties and people from different walks of life. I hope this meeting will be useful for all of us.

Finally, I wish you all who have come to attend this meeting from your headquarters a pleasant stay in Kathmandu.

Thank You.