

Statement by Mr. Suman Prasad Sharma, Finance Secretary and Temporary Governor of the World Bank  
Group for Nepal  
at the 2015 Annual Meetings of the Boards of the Governors of the  
World Bank Group and the International Monetary Fund

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Lima, Peru

Mr. Chairman  
Fellow Governors, and  
Distinguished Delegates,

1. It is an honor for me and my delegation to participate in the 2015 Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund in this beautiful city of Lima. At the outset, I would like to express my sincere appreciation to the Government and the people of the Republic of Peru for their warm hospitality and for the proficient arrangements made for these meetings.
2. Seven years after the Great Global Recession, the economic outlook worldwide yet to be restored to pre-crisis levels. Financial stability has improved in advanced economies, but several emerging markets remain prone to vulnerabilities, with growing internal imbalances and subdued growth projections. Robust policy actions are needed to nudge these countries onto a higher growth trajectory.
3. The world has just adopted set of Sustainable Development Goals for the next 15 years. This shift from Millennium Development Goals, including the halving of global poverty, to Sustainable Development Goals which include the ending of extreme poverty will require high and sustained economic growth that is broadly shared. We endorse the focus of the global action plan on the people, planet, prosperity, peace and partnerships aimed at lagging countries. In this context, we commend and support the World Bank Group's goals of ending extreme poverty within a generation, boosting shared prosperity, protecting the planet, and advancing multiple agendas on equity, including the achievement of gender equality. A growth strategy that is inclusive needs to encourage participatory avenues towards economic progress through accelerated South-South trade and production networks.
4. The World Bank Group's global footprint provides a platform to deal with trans-boundary issues such as climate change. Expressing gratitude for all that international financial institutions have

already achieved, we call on your networks of knowledge, funds and expertise to be further enhanced and elevated in view of the growing complexity of the shared challenges we face. We therefore welcome the ongoing reforms and organizational changes aimed at serving the client countries better.

Mr. Chairman

5. I bring with me a deep-felt appreciation of the Nepalese people to the World Bank Group and the International Monetary Fund for their generous support and solidarity expressed immediately after the devastating earthquakes in Nepal early this year. We thank President Jim Kim for sending a high level representative to participate in the International Conference on Nepal's Reconstruction in June 2015 along with his thoughtful words of empathy and for a generous pledge of support by the Bank for Nepal's reconstruction and recovery. We also thank the IMF for providing access to the Rapid Credit Facility (RCF) of the Poverty Reduction and Growth Trust (PRGT).
6. The International Conference on Nepal's Reconstruction held exactly two months after the temblor hit Nepal, ended with generous support of over 4 billion dollars pledged by The international community. We reaffirm our commitment to ensure the effective use of these financial resources over the next five years to reach out to the most needy and to build a resilient Nepal, which is better positioned to handle all such potential future disasters. This was the biggest natural disaster that Nepal has faced in over 80 years, and we count on the World Bank Group and all our development partners to appreciate and support the massive task of reconstructing hundreds of thousands of units of physical infrastructure and rebuilding livelihoods of millions in a difficult terrain.
7. We as a country have crossed an historic milestone recently. After 8 years of intense negotiations to aggregate the disparate political preferences of a diverse range of political parties, Nepal promulgated on September 20 a new Constitution that is the most progressive to date and has been written for the first time by the representatives of the Nepali people themselves. This Constitution fully transforms Nepal into a federal republic resting on the foundations of secularism, inclusive parliamentary democracy, and independent judiciary. A three-tier governing structure guarantees one-third of legislative seats at all levels for women. Forty percent of parliamentary seats are set aside for proportional representation of under-served ethnicities and regions. The constitution reflects the collective aspirations of the Nepali people for a just, equitable and prosperous society that aims to lift everyone and leave no one behind.

8. The challenge now is to consolidate the social and political gains to date and make a leap to realize the economic potentials of nearly 30 million Nepalis. We need to now gear up for a much higher trajectory of growth. Last year, we did take transformative steps in the energy sector by signing power development agreements with prominent multinational companies from the region. We have begun pursuing the next generation of economic reforms to accelerate the pace of economic dynamism. Nepal has met most of the Millennium Development Goals, and were on track to graduate from our status of a Least Developed Country, possibly by 2022. While the recent earthquakes have disrupted the momentum, we are a resilient people determined to rebound.
  
9. We welcome the World Bank Group's continued interest in supporting Nepal's hydropower development. This is needed to meet the acute power shortages within Nepal and across South Asia; and to revive manufacturing and create jobs for our young people in large numbers. We thank President Kim for giving priority to this cause. We encourage the World Bank Group to also step up investment efforts in the areas of infrastructure building, renewable energy, and climate change. We applaud the World Bank for a successful replenishment of IDA 17 last year. We hope those resources can be leveraged creatively and innovatively based on the lessons learned from previous IDAs.

Mr. Chairman

10. In closing, on behalf of the Government of Nepal, I express my sincere gratitude to the World Bank Group and the International Monetary Fund for their engaged and persistent support to Nepal's efforts in rising from the physical ruins and economic devastation brought by natural disasters. This is a time when we are eager to get back on the path of economic modernization, and we have never been more certain that the relationships we have forged with the IFIs are warm, vital and indispensable. We look forward to deepening these bonds, and I wish the Annual Meetings a great success.

Thank you and Namaste.