

**Text for briefing to the Diplomatic Community by  
Prime Minister Right Honourable Mr. Pushpa Kamal Dahal ‘Prachanda’  
Singh Durbar, Kathmandu,  
15 May 2023**

---

**Honourable Deputy Prime Ministers,  
Honourable Ministers,  
Excellencies the Ambassadors and Heads of Missions,  
Senior Government Officials,  
Ladies and Gentlemen !**

**At the outset, I would like to welcome you all to this briefing. While I have had the pleasure of meeting most of you in person before, this is the first time we have gathered in this setting since I became the Prime Minister. Please accept my appreciation for your presence.**

**Today, as just indicated by the Foreign Minister, I would like to briefly highlight three broad areas that are important for us and that might be of interest to you as well. First, I will provide an update on the recent political developments in Nepal. Then I will outline the current economic situation of the country and the major priorities of my government. And finally, I will touch upon our foreign policy priorities.**

**Last year was politically a momentous year for Nepal. The federal and provincial, and local elections were held in a span of six months. These elections were milestones in further strengthening an inclusive democratic society and ultimately in enhancing people’s faith in the democratic process.**

**Following the elections, governments at all three tiers have been formed. Through the elections, rightful share of women, youths, and different disadvantaged communities has been guaranteed at local government, as well as provincial and federal parliaments as stipulated in the Constitution.**

**With the formation of the present Government, the country has once again renewed its resolve of consolidating the democratic gains and striving for socio-economic transformation.**

**Strengthening and empowering democratic institutions; building a peaceful, prosperous, and inclusive society; and achieving economic transformation form the core mandate of the current government. The Common Minimum Program (CMP) of the present coalition government is about executing the same mandate.**

**To this end, our efforts will be directed towards institutionalizing the federal democratic republic system. We will strive to end discrimination of all kinds and endeavor to build a just and equitable society.**

**It has been our priority to make public administration competent and efficient as well as ensure quality service delivery to the people. The policies and actions of this government are guided by our strong commitment to good governance, the rule of law and participatory democracy. We uphold zero-tolerance policy against corruption and aim to ensure transparency and accountability at all levels.**

**Excellencies,**

**We are committed to bringing our successful, unique and home-grown peace process to a logical conclusion. We attach high importance to consolidation of peace, reconciliation and harmony in society and reaffirm our commitment to conclude the remaining task of the transitional justice process and provide justice and reparation to the victims of the conflict.**

**The Comprehensive Peace Accord, the directives of the Supreme Court, and relevant international commitments, as well as the concerns of the victims, will guide our endeavors towards this end.**

**Having come through the course of successful peace process, I can assure our partners that Nepal can conclude the process of transitional justice in equally unique way based on the above parameters.**

**It is with this objective in mind, the amendment Bill to The Enforced Disappearances Enquiry, Truth and Reconciliation Commission Act, has been tabled in the Parliament and there is a consensus among major political parties in the Parliament to pass the Bill at the earliest. The amendment proposal has adopted a victim-centric approach and recognizes reparation as a right of the victim. I assure you that there will be no blanket amnesty in cases of serious violation of human rights.**

**Excellencies,**

**Now, let me briefly touch upon the current economic situation and the challenges we face.**

**As you all are aware, over the past few years, the global economy has faced a series of challenges and uncertainties. The cumulative impact of COVID-19 pandemic and the disruption in the supply chain of foods, fertilizers, fuel and other essential goods has hit all of us, and more particularly the poorest and vulnerable and risked backsliding of our development gains.**

**Despite manifold challenges, our economy is showing a positive sign of improvements in the external sector. The liquidity crunch is being gradually relaxed, and the interest rate is in a**

**declining trend. However, economy-wide progress is yet to be achieved. We need to redouble our efforts in all three sectors- agriculture, manufacturing and services, to achieve desired growth target. Meeting the targets of revenue collection and capital expenditure has become difficult. Thus, budget deficit has emerged, and there is some gap between revenue collection and public expenditure.**

**With a view to revive economic dynamism, my government has introduced several measures on economic, fiscal, and monetary policy that include reducing unnecessary recurrent expenditures, spearheading revenue-generating activities, reducing bank interest rate, and offering refinancing and loan restructure facilities in productive and priority sectors.**

**We accord high priority to economic development. We have taken measures to create a conducive investment environment and placed due emphasis on leveraging labour productivity, strengthening institutions, and investing in innovation and bringing about structural transformation in our economy. We also prioritize promotion of inclusive and sustainable industrialization, economic diversification and value addition.**

**We are also committed to reforming and modernizing the revenue administration to further enhance our capacity of domestic resource mobilization. We remain committed to ensure that our fiscal policies help reduce disparities and develop dynamic economy. We are encouraging the private sector to increase productivity and production, create jobs, generate revenue, and drive innovation.**

**Excellencies,**

**We are committed to ensuring a predictable, secure, and conducive investment environment to attract more foreign direct investment (FDI) in priority areas. We encourage investments especially in the areas of clean energy, tourism and infrastructures. We will continue to make further legal, policy and institutional reforms to boost the confidence of the investors.**

**Most of you have been long-standing partners of Nepal in its development efforts, and your support has been instrumental in spearheading the country's progress. Official Development Assistance (ODA), including grants and concessional loans, is still crucial for Nepal to address its economic and infrastructure challenges. There is still a significant need for external financing, particularly in areas such as sustainable development, poverty reduction, and access to education, healthcare, and other basic services and to sustain the progress we have made.**

**In the specific context of current economic stress, we urge development partners for enhanced level of unconditional and budgetary support to enable us plug resources gap in critical areas.**

**Dear Friends,**

**As you are aware Nepal is set to graduate from the LDC category by 2026. Though hit hard by multiple challenges beyond our control, graduation has been our national resolve and we are**

**committed to making it smooth, sustainable, and irreversible. Shortly we are finalizing the graduation strategy paper that will be shared with the development partners.**

**We are graduating without meeting the income criterion, making it a unique situation. On top of this, it will come with upfront costs and loss of international support measures. And our preparations for graduation will overlap with the pandemic recovery. This means we must deploy additional efforts and achieve concrete progress to sustain graduation and avoid the situation of what economists caution us the “middle income trap”.**

**In this context, it is crucial for us to receive continued and focused international support measures from our development partners. Such support measures should include, inter alia, concessional and grant finance, preferential market access and technology transfer for an extended period of time even beyond graduation.**

**Excellencies,**

**As a country situated in the Himalayan region, Nepal is bearing disproportionate burden of climate change. The negative impacts of climate change on the lives and livelihoods of our people are increasingly visible in our mountains and plains. As a committed party to the Paris Agreement, we have set ambitious targets of reaching a net-zero carbon scenario by 2045. In view of the existential threat that climate change poses to the world, Nepal calls for a robust action on climate ambition at the international level. We have tailored our NDC accordingly and localized adaptation plans to address vulnerabilities. To meet our ambitious climate targets, we need easy and flexible access to climate finance for mitigation, adaptation, transfer of technology, and capacity-building.**

**Multiple crises and challenges compounded with the current economic situation has rendered realization of the sustainable development goals (SDG) even more challenging. We seek your continued interest in this critical area of our development priority.**

**It was with a view to addressing impacts of COVID-19 pandemic, meeting the climate ambition, and accelerating the implementation of SDGs, we adopted Green, Resilient and Inclusive Development (GRID) strategy together with our development partners. We appreciate your strong commitment of support to implement this holistic development approach.**

**Excellencies,**

**I would also like to inform you that Nepal is close to the end of concluding periodic Mutual Evaluation under the Asia Pacific Group on Money Laundering (APG-AML/CFT).**

**Nepal has been a strong supporter and complier of international obligations as our proactive role has been visible in the United Nations and other regional organizations. Nepal's compliance of FATF recommendations has been significantly improved over the years since we became member of the APG in 2002. We remain committed to continuously improving our capacity to address the new and emerging challenges.**

**It is in this spirit we have taken the ongoing mutual evaluation as a part of this continuous reform process and our cooperation to the APG throughout this evaluation has been extraordinary. We are committed to further strengthening our legal regime, initiating policy reform, and building institutional and enforcement capacity.**

**With a view to address the new and emerging challenges and enhance our implementation capacity and plug the gaps, the Government of Nepal has tabled a comprehensive Bill in the Parliament that seeks to amend and reform several legal instruments that have direct bearing with AML/CFT. There is high-level political commitment to pass the Bill before the APG plenary which will be held in the second week of July.**

**We seek continuous cooperation and understanding from our partners as always after the completion of the assessment and publication of the report in August/September this year.**

**Dear Friends,**

**Finally, let me briefly outline our major foreign policy thrusts.**

**The Constitution of Nepal provides basic policy direction to the conduct of our international relations. Our foreign policy is guided by the principles of *Panchasheel*, non-alignment, the UN Charter, international law, and norms of world peace.**

**We pursue an independent foreign policy based on the principles of sovereign equality, non-interference, mutual respect and benefit.**

**Friendship, mutual respect, and cooperation continue to guide our external engagements. Protection and promotion of national interest is our foreign policy goal. Two major goals-promoting Nepal's credentials as a peaceful, inclusive, and democratic State, and pursuing economic diplomacy- remain at the core of our foreign policy.**

**The current Government will remain effortful to enhance Nepal's relations with our immediate neighbors, development partners, destination countries for our migrant workers and all other friendly countries. We will strive further to explore new avenues of economic cooperation with our friends and partners.**

**Potentials of regional cooperation in South Asia are far from being fully realized. We will remain effortful in reviving the SAARC process and in ensuring renewed momentum in the BIMSTEC so that its unique potentials as a link between South Asia and South East Asia are realized.**

**As always, we will prioritize safety, security, and well-being of our migrant workers. We attach due importance to leveraging the skills, expertise and resources of our Diaspora for Nepal's development.**

**Our engagements in and contributions to the critical global issues such as peace and security, sustainable development, human rights, and climate change will be further strengthened. Nepal will continue working towards finding global solutions to the global problems. What is needed is to pivot away from the traditional approaches and reorient our actions to address these challenges. Nepal's commitment to multilateralism has ever been strong and so is our commitment to the principles enshrined in the UN Charter. Nepal is one of the largest troops and police contributing countries in the UN peace operations. We continue to champion the agenda of the developing countries including the LDCs and LLDCs.**

**Currently a member of the Human Rights Council elected for the second term of 2021-23, we continue to serve the Council with determination and distinction. We promote an objective and apolitical approach to human rights issues based on our democratic values and commitment to human rights and fundamental freedoms.**

**I conclude by extending to you, and through you to the countries and institutions you represent, my sincere thanks for the goodwill, support, and cooperation extended to Nepal. I hope this will continue in the days ahead as well.**

**I thank you.**