Nepal’s Statement on LDC Graduation
The 15th Plan along with Long Term Vision 2043 has articulated the national aspiration of ‘Prosperous Nepal, Happy Nepali’,

The Constitution aims to foster good governance, development, justice and prosperity,

Remarkable achievements in poverty reduction, education and health, social protection coverage and access to drinking water, sanitation and electricity,

Encouraging women’s representation in the public and private sectors.

The earthquake in 2015, border disruption in 2015/16 and flood in 2017 impacted in economic growth among others,
Impact of COVID-19 in the Economy

- The growth is estimated to be 2.3% against the target of 8.5% in FY 2019/20.
- Travel restrictions canceled the flagship campaign ‘Visit Nepal 2020’.
- Disruption in regular health.
- About 35 thousand schools closure affected about 8.7 million students directly.
- Delay, and time and costs overrun of development programs and projects,
- Labor market (Domestic and Global) disturbance.
- Tourism, transport and manufacturing sectors hit the hardest along with education, construction, agriculture, trade and supply.
Recent Government Initiatives

- Formulation and implementation of the 15th Plan along with Vision 2043 which includes 10 national goals aligned with the 2030 Agenda,

- Implementation of National Pride Projects, Game Changer Projects, major programs,

- Relief packages, tax rebates, delayed payment of taxes, and concessional loan, recovery plan, policy and programs to minimize the adverse effects of COVID-19,

- Priority in health, agriculture, infrastructure and social development in the budget,
Possible Impacts of Graduation

- Positive impact as graduation will increase the country’s creditworthiness and boost foreign direct investment,
- Negative impact on export-oriented small and medium enterprises
- Loss of flexibilities possible as a WTO member such as LDC-specific international support measures, however, LDC graduation may increase country’s credit worthiness and boosts FDI.
Nepal’s Readiness for Graduation

- An integral component of national aspiration and plan documents.

- Ensuring the sustainability of graduation.

- Needs to navigate alternative sources of development finance including blended finance.

- Best use of LDC specific preferential markets and diversification.
Expected Support Measures

- Investment in infrastructure, employment, production and productivity,
- Support for health infrastructure, quality education, sustainability of social security,
- Support for ICT, reducing digital divide, technology transfer and disaster-risk reduction,
- Continued preferential market access to promote the exports,
- Continued export subsidies as a WTO member on pharmaceutical products among others,
Way Forward

- Formulation of a transition strategy with the engagement of all stakeholders;
- Institutional arrangement for strategy development and capacity development,
- Coordination and consultation with development and trading partners,
- Develop productive capacity through investment in human capital, infrastructure, health and entrepreneurship, reducing inequality and building resilience.
- Request for maximum preparatory period of 5 years for ensuring a smooth, meaningful, irreversible and sustainable graduation.
Thank you!

National Planning Commission

www.npc.gov.np