

Translating Commitments, Accountability and Partnership into Actions : A Case of Nepal



One day National Level Seminar

Institute of Foreign Affairs

Tel: 4266954, 4266955

E-mail : ifa@mail.com.np

URL : www.ifa.org.np

5 July, 2011

Hotel Malla

Lainchaur, Kathmandu

Translating Commitments, Accountability and Partnership into Actions: A Case of Nepal

One Day National Level Seminar organized by the Institute of Foreign Affairs with a view to support the efforts of Nepal engaged in implementing renewed and strengthened partnership for development as per Istanbul Declaration and Istanbul Program of Action for the Least Developed Countries (IPoA).

5 July 2011, Hotel Malla, Kathmandu, Nepal

Program Note

Background: The Least Developed Countries of this world spanning from Africa, Asia to Latin America and known as the LDCs have been trying for decades their level best to provide to their people (numbering 880 million) a dignified life as a human being free from hunger, destitution and sufferings. The international community acknowledges also at Istanbul, Turkey that solidarity and partnership with the LDCs is not only a moral and ethical imperative but also an economic and political one corresponding to its long term interests and serving the cause of peace, security and prosperity for all. In spite of the joint efforts made by the LDCs and the international community during the past four decades (1971-2010) through a variety of programs, it is disheartening to note only a few countries have graduated from the LDC status but many more have entered the list now reaching 48 countries. The Fourth United Nations Conference on the LDCs (9-13 May 2011) has come up with a highly ambitious goal of enabling half of the LDCs graduate from the list through a series of measures: achieving a sustained annual economic growth rate at 7% minimum; building human capacities including women empowerment, building resilience against economic, natural and environmental shocks and disasters; enhancing financial resources through domestic resource mobilization, official development assistance, external debt relief and foreign direct investment and remittances; and enhancing good governance by strengthening democratic processes, rule of law, transparency and participation, protecting and promoting human rights and reducing corruption. To achieve the goals thus stated a set of principles have been agreed at the conference as follows: country ownership and leadership, integrated approach, genuine partnership, result orientation, peace, security development and human rights. The emphasis has been provided to the importance and necessity of 'renewed and strengthened partnership for development' between the LDCs and their development partners.

Purpose of the Seminar: The primary objective of the seminar is to make an attempt to provide important inputs for the Nepalese policy makers for integrating the core elements of Program of Action (LDCs) into national and sectoral development strategies and plans. In the process certain policies and processes might emerge for effective partnership useful to the LDCs including Nepal.

Outcome of the seminar: A report of the seminar with focus on strengthened partnership between Nepal and its development partners will be prepared. The report is likely to focus on prospects and opportunities in the post-IPoA context.

Translating Commitments, Accountability and Partnership into Action: A Case of Nepal

One day national level seminar organized by the Institute of Foreign Affairs with a view to supporting the efforts of Nepal engaged in implementing renewed and strengthened partnership for development as per Istanbul Declaration and Istanbul Program of Action for the Least Developed Countries.

Hotel Malla, Kathmandu. 5 July 2011

8.30-9.00 AM **Registration, arrival of speakers and VVIP guests**

9.00-10.00 AM **Inauguration activity and addresses**

Lighting of lamp by the Chief Guest and other VIPs

Welcome speech by Mr. Tika Jung Thapa, Executive Director/IFA

Address by Chief Guest Honourable Deputy Prime Minister and Minister for Foreign Affairs Mr. Upendra Yadav

Opening remarks by Ambassador H.E. Mr. Hong Sung-Mog of the Republic of Korea to Nepal

Opening remarks by Mr. Robert Piper, UN Resident Representative to Nepal

Opening remarks by Dr. Arjun Karki, LDC Watch International Coordinator

10.05-10.25 AM Tea/Coffee break

Session I:

10.30-10.50 AM **Economic policy assessment and orientation:**

(Discussion under this theme is expected to examine the shortcomings of Nepal's current economic policy with special attention paid to LDCs performance review "limited impact on employment creation and poverty reduction despite improved performance, if any." Different types of development practices (models) can be examined in the light of experience acquired by the Nepalese policy makers and identify the best that guarantees poverty reduction and employment creation)

Chairperson - Dr. Minendra Rijal, former Minister and Member, Central Committee of Nepali Congress

	Dr. Pushkar Bajracharya, paper presenter on behalf of the United Nations Office in Nepal		Chairperson - Mr. Banmali P. Lacoul, former Deputy Permanent Representative of Nepal to UNESCAP and former Acting Permanent Representative of Nepal to the United Nations and other international organizations in Geneva.
10.50-11.15 AM	Questions and Answers		
11.15-12.05 AM	Capacity building I: (For all LDCs, this is perhaps the most important priority today as increasing attention is being paid to freer access to markets, trade and investment taken as the main vehicles for economic development. Sub themes under the main theme can be classified as follows: i) Productive capacity including infrastructure, energy, science and technology and private sector development, ii) Agriculture food security and rural development, iii) Human and social development, iv) Resilience to absorb economic, natural and environmental shocks and disasters The aim is to discuss and analyze elements involved in the allocation of available resources to these important areas with a good balance between 'required rate of economic growth and human and social development' to achieve sustainable development in the long run.) Chairperson-Mr. Yubaraj Ghimire, eminent journalist Dr. Krishna Pahari paper presenter representing the World Food Program Mr. Suresh Kumar Basnet, Chairman, Nepal Chamber of Commerce	2.25-2.55 PM 2.55-3.15 PM	Ms. Cristina Gomez-Dubois paper presenter representing Public Affairs Officer of EU Delegation to Nepal Questions and Answers Mobilisation of Financial Resources (The topic deals with resource mobilization aspects for the implementation of PoA. Since the financial resources constitute the central element for implementation, it is important to analyze sources of financial resources and the role to be played by the donors in these national level efforts.) Chairperson - Dr. Pitamber Sharma, former Vice Chairman of National Planning Commission Dr. Rabindra Kumar Shakya, Paper presenter and former senior economic advisor, Ministry of Finance and former secretary, National Planning Commission
		3.15-3.45 Pm	Questions and Answers
		3.45-4.05 PM	Tea/Coffee Break
		Session III	
		4.05-4.25	Capacity building II: (For all LDCs, this is perhaps the most important priority today as increasing attention is being paid to freer access to markets, trade and investment taken as the main vehicles for economic development. Sub themes under the main theme can be classified as follows: v) Productive capacity including infrastructure, energy, science and technology and private sector development, vi) Agriculture food security and rural development, vii) Human and social development, viii) Resilience to absorb economic, natural and environmental shocks and disasters The aim is to discuss and analyze elements involved in the allocation of available resources to these important areas with a good balance between 'required rate of economic growth and human and social development' to achieve sustainable development in the long run.)
12.05-12.40 PM	Questions and Answers		
12.40-1.55 PM	Lunch		
	Session II		
2.00-2.25 PM	Joint Actions: (This theme refers to new elements visualized by the Istanbul Programme of Action between the LDCs and their development partners in priority areas such as science and technology, agriculture, food, nutritional security and development, trade related issues, external debts, population and primary health)		

	Chairperson - Dr. Mangal Siddhi Manadhar, Former Minister of Education
	Mr. Suraj Baral paper presenter representing private sector (MIT solutions)
4.25-5.00 PM	Questions and Answers
5.00-5.20 PM	Good Governance
	(Since LDCs themselves have the primary responsibility to take up country ownership and leadership, this task cannot be successfully attained if a country in question, Nepal, were to mismanage its state affairs. Such mismanagement generally occurs due to lack of a clear vision of the political leaders and lack of leadership of the incumbent government. This situation is further aggravated by corruption, incompetent and helpless bureaucracy (owing to politicization) and mismatches between priorities and actions. Good governance is an outcome of transparency, accountability and responsibility. Nepal's stakeholders' representatives are expected to debate on the type of good governance that is also workable in Nepal.)
	Chairperson - Mr. Arjun Thapa, Head of International Relations Department, Madhesi People's Rights Forum, Nepal
	Ms. Sumnima Tuladhar, Executive Director of Child Workers in Nepal Concerned Center (CWIN)
5.20-5.50 PM	Questions and Answers
5.50-6.05 PM	Concluding remarks
	Binod P Bista, Key Coordinator of seminar and Advisor/IFA
6.30 PM onwards	Reception and Dinner

Note: Program is likely to change at the last moment owing to several reasons including speakers or chairpersons.

Presentation topics and presenters

Abstract

Macro-economic Policy Orientation of Nepal

Dr. Pushkar Bajracharya

Nepal is facing difficult times in multifarious terms including development during the conflict and the post conflict transition period in the past decade or so while undergoing an epoch making transformation towards a democratic republic. It will, however, be naive to say that development suffered during the period as all along the history, despite the initiation of planned development process, the pace of development has been slow much below the targeted growth rate in Brussels Programme of Action, leading towards long suffering, persistent poverty and high level of socioeconomic deprivations. Nepal has pursued mainly mixed policies and since the mid-eighties particularly since early nineties, Nepal pursued liberal economic policies. Nepal has continued to do so with an emphasis on social security and safety nets and the recent orientation is towards mixed economy. The present times are proving to be difficult in view of the persistence of near double digit inflation, various crises observed within the country particularly in the financial sector e.g. disproportionate exposure of the banking sector in risky operations, collapse in the stock market index, inability to mobilize resources, continuation of liquidity and balance of payment crises now for an unprecedented period of more than 20 months and decline in the growth rate of remittances. The latter however, is expected to increase as record number of Nepalese is reported to have gone for foreign employment in 2009/10 and similar trend is observed in 2010/2011. Many of the problems have emanated due to lack of adequate or appropriate supervision level, unabated growth in speculative activities be it in the real estate, derivatives market or the stock market and inability to gear up investments in the primary infrastructure and productive sectors. The immediate activities that need to be done are improving macro-economic policies, bringing the total financial system including the cooperatives and informal sector under the supervision and scrutiny, and ensuring efficient supply management removing hurdles therein. Along with, initiatives must be taken to make the investment climate more lucrative and viable by addressing the problems of load shedding or ensuring more reliable power supply, improving labour relations and providing feasible and necessary incentives to reactivate the production and the export sector. Exports, in the short run, need to be boosted through incentives, appropriate trade facilitation and removing hurdles and well as easing administrative procedure while in the longer run it must start with developing products and services as per market demands, linking production to market and taking advantages from various treaties and memberships including WTO, SAFTA, BIMSTEC and the recently concluded agreement with China.

Dr. Pushkar Bajracharya

Have been in academia for last 38 years, joined Kirtipur Campus (Central Department of Management) as an assistant lecturer in July 1973 a full professor in

1990. Have extensive experience of teaching at post graduate level including MBA, MBS, Master of Urban Development, M.Phil and at Ph.D. Have taught in wide topics of management and economics, Have successfully supervised seven PhD students. Have held positions of Director and Chairman of different institutions on deputation from the university. Also have extensive consultancy experience at home and abroad. Have worked as a consultant for the Asian Development Bank, the World Bank, DFID, UNDP, ILO, UNCTAD, WHO, Asian Productivity Organization etc. Have also worked in India, Thailand, and Malaysia and have held visiting professorships in a number of universities.

Abstract

Food Security in Nepal: Prospects and Challenges

Dr. Krishna Pahari

With about 40% of the population undernourished and almost half of the children below five years of age stunted, food security is a matter of serious national concern in Nepal. Even with more than two thirds of the population being engaged in agriculture, Nepal's own production is hardly adequate to feed its own growing population, as can be understood from the negative food balance in the country in four of the past six years. In addition, due to large disparities in access due to income and infrastructure, significant proportion of population is vulnerable to food insecurity even in times of national food surplus. This paper presents an analysis on state of food security in Nepal and prospects for the future amidst the growing expectations of the people and the emerging challenges such as those posed by climate change, rising global food prices and international financial crisis.

Krishna Pahari

Education:

Post Doctoral research, University of Tokyo, 1998-2000, Doctorate on Geo information Sciences, Asian Institute of Technology, Thailand, 1997, Masters on Natural Resource Management, Asian Institute of Technology, Thailand, 1993, Bachelor in Civil Engineer, Panjab Univeristy, India, 1983

Various positions held:

Currently serving as Advisor (Food Security Policy and Coordination) at the National Planning Commission seconded by UN World Food Programme; Has worked at WFP since last six years as Vulnerability Analysis and Mapping Officer; Also served as Food Security and Livelihood Cluster coordinator working for FAO in Southern Sudan in 2010; Research and teaching experience at the University of Tokyo, Asian Institute of Technology, Tribhuvan University and Pokhara University; One of the founding members of Nepal Development Research Institute; Has extensive professional and research experience in many countries in Asia and Pacific; Has received numerous awards on outstanding academic achievements

Abstract

Mobilization of Financial Resources for the implementation of Program of Action for the Least Developed Countries for the Decade

Rabindra Kumar Shakya, Ph.D.

The Paper is guided by three objectives – to recall the overall objective of Istanbul Program of Action (PoA), the role and responsibility of Nepal as the signatory country and the nature and extent of support of the Development Partners to implement PoA. Its primary purpose is to concentrate its attention on the resource aspects that would be important to implement PoA. The PoA has isolated eighth principal areas and 19 sub-areas as priority for action, including on domestic resource mobilization, ODA, external debt, FDI and Remittances. The paper suggests actions to be taken by Nepal and her Developed Partners in the days to come. The paper also highlights that for the future, financial resources arising out of the trade gap continue to dominate Nepal's resource position for development purposes. The paper concludes that Nepal will have to develop an indicative perspective plan in line with the content and spirit of PoA along with the estimated requirement of financial resources to implement the plan. The paper also urges to scale up efforts for the generation of necessary data for monitoring and follow up of the efforts of Nepal and Development Partners towards their mutual accountability as well as to keep track of development taking place towards the realization of the country-level PoA targets. And, this will certainly be in accordance with the spirit and content of PoA.

Rabindra Kumar Shakya, Ph.D.

US-educated international consultant and former Senior Economic Advisor to the Ministry of Finance and former Secretary in Nepalese government, with over 30 years of international policy and planning accomplishments leading to highest ranking non-elected professional and civil servant post in the then His Majesty's Government. Experience in development planning and administration including regional planning; development finance and public policy; international economic relations; agricultural and rural development; poverty alleviation and employment; decentralization and social mobilization; human resource development and labor issues; and industry, trade and investment. Consultant with United Nations, including UNESCAP, and other non-governmental organizations. Director and Board Chairman of several banks in Nepal. Member of Nepalese delegations to numerous national/regional/international conferences. Expert in regional and international conferences/seminars/workshops such as UNESCAP Annual Sessions, Colombo Plan Consultative Committee Meetings, International Conference on Population and Development Preparatory Committee Meeting, ILO Employment Planner's Meeting, Meetings of South Asia Planning Agencies' Representatives and Conferences on poverty alleviation.

Abstract

PRODUCTIVE CAPACITY BUILDING IN NEPAL

Prakash Ghimire & Suraj Baral

Productive capacity building has been sought as one of the strategy in numbers of United Nations conference on LDCs to achieve sustained economic growth and development. Productive capacity building is an evolutionary process which should be generated and subsequently regenerated at higher levels through the strategic diversification of products and services. In the Nepalese context, abundant resources are available in the country that is underutilized and undermined. At the same time, existing limited infrastructures are not contributing its full potential for economic growth. Developing competitiveness through technology adaptations for market oriented products and services development, market extension and linkage, quality control and standardization, and providing favorable business environment by the government's line institutions, local and private sector actors for optimal utilization of available resources and infrastructure should be Nepal's key strategies for building productive capacity in the country.

GHIMIRE, PRAKASH MANI:

Mr. Ghimire is the founder chairman of MIT International Inc., New York, USA, and honorary chairman of MIT Solutions Private Limited, Nepal. He is a growth and development expert, and hands-on management practitioner who has extensively worked as a decision maker in both consulting and executing areas in Nepal and abroad. His 37 years of professional experiences are particularly in finance, business, and growth and development. Mr. Ghimire has accumulated substantial exposure in establishing and developing new organizations, managing businesses, and undertaking finance & resource management and restructuring works both as consultant and executing manager.

BARAL, SURAJ: Mr. Baral is one of the founders of MIT Solutions Private Limited. He has been working in the capacity of director for technology transfer and renewable energy since the inception of the company in November 2010. He has worked in various consulting companies, international non-governmental organization and academic institutions in Nepal in the past. He obtained higher education from Aalborg University, Denmark in the field of Development and Planning with special focus on Sustainable Energy. His professional expertise includes technology transfers, technological changes and planning, feasibility studies, enterprise development, renewable energy, and climate change & sustainable development.

Good Governance

Ms. Sumnima Tuladhar

Ms. Tuladhar's has majored in History, English and Management with working experience from 1988 as social worker, research associate and documentation officer. She also held positions as programme coordinator in Child Workers in Nepal Concerned Center (CWIN) and currently working as executive coordinator overseeing all programmes of CWIN-Nepal. She has received trainings in documentation, gender equity reflection, counseling of children at risk, women in technology, knowledge management and strengthening policy and practice in conflict transformation among many. She is resource person of children issues such as their rights, participation, protection, sexual abuse, armed conflict, drugs and alcohol, internet use, etc. She has done research works on various issues pertaining to children and women. She has done editing and writing of reports on the same. She is affiliated with organizations related to alcohol policy, women, children and peace.

Public Private Partnerships

Mr. Suresh Kumar Basnet

Chairman, Nepal Chamber of Commerce

EU Position on LDCs IV-Meet

Abstract

EU position on the Fourth United Nations Conference on the Least Developed Countries (LDC-IV).

Cristina Gómez Dubois

Public Affairs Officer

Delegation of the European Union to Nepal

The Fourth United Nations Conference on the Least Developed Countries (LDC-IV) in Istanbul, Turkey, (9-13 May 2011), was an opportunity to achieve a comprehensive and result-oriented outcome that integrated both traditional and new challenges and ensured a higher level of global partnership. After difficult negotiations, the conference achieved a 10-year Istanbul Programme of Action and a Political Declaration, which will guide the international support for LDCs and the LDCs own action in the next decade, with the aim of lifting them out of poverty and bringing half of them close to graduation.

Based on the outcomes of the Brussels PoA and built on the main achievements of the major United Nations conferences and follow-up meetings, mainly the September 2010 Millennium Development Goals Summit, the European Union (EU) was very clear with the priority areas that should be addressed during the conference:

1. Combating the vulnerability and fragility of LDCs and further enhancing their resilience to shocks.
2. Creating a favourable environment for the sustainable development of LDCs.
3. Promoting inclusive and sustainable economic growth for LDCs.

This approach should combine measures to accelerate poverty eradication with supportive policies for sustainable and inclusive development, governance and institutional reforms.

In the current context of economic crisis, the priority is not to set new commitments but rather to assure the implementation of existing commitments by all concerned.

In this regard, the EU has been the most successful development partner in fulfilling its commitments relating to the LDCs within the Brussels Programme of Action, notably in terms of market access, rules of origin and official development assistance.

Looking ahead, the EU development agenda priority will be now to translate this document into concrete orientations and measures for the EU cooperation with LDCs.

Cristina Gómez Dubois studied Law in Spain and holds a degree in International Studies and European Law. She has recently joined the European Union Delegation to Nepal where she works as a Public Affairs Officer and as member of the Peace and Security team. She previously worked at the European Commission and the Spanish Ministry of Foreign Affairs.

Translating Commitments, Accountability and Partnership into Actions: A Case of Nepal

Background Information: This paper is divided into four parts reflecting: the emergence of LDCs, latest review of the Brussels program of action, outcome of the Istanbul Program of Action and upcoming activities planned with a view to coming up with a generally accepted action plan with focus on Nepal.

Emergence and international community actions: Recognized as the less developed among the developing countries, the first resolution adopted at UNCTAD II (1968) meeting saw the need to make provision for special measures in favor of the least developed countries known as the LDCs today. This was further supported in the form of international development strategy of the Second United Nations Development Decade. With the basic research embarked upon by UNCTAD and on the recommendations of the Committee on Development Planning the UN General Assembly approved a list of LDCs in 1971 based on the criteria as: per capita GDP of USD 100 (at 1968 US Dollars), share of manufacturing in GDP of 10% or less, and adult literacy rate of 20% or less. Original list of LDCs based upon the said criteria included: Afghanistan, Benin, Bhutan, Botswana, Burundi, Chad, Ethiopia, Guinea, Haiti, the Lao People's Democratic Republic, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Somalia, Sudan, Uganda, United Republic of Tanzania, Upper Volta (now Burkina Faso), Samoa and the Yemen Arab Republic. Later, Bangladesh, Central African Republic, Democratic Yemen and the Gambia were included in 1975; Cape Verde and the Comoros in 1977; Guinea-Bissau in 1981; Djibouti, Equatorial Guinea, Sao Tome and Principe, Sierra Leone and Togo in 1982; Vanuatu in 1985; Kiribati, Mauritania and Tuvalu in 1986; Myanmar in 1987; Mozambique in 1988; Liberia in 1990; Cambodia, Madagascar, Solomon Islands, Zaire and Zambia in 1991 and Eritrea and Angola in 1994. It is recorded that the 48 LDCs comprised a population of 610.5 million in 1997.

As a result of UNCTAD continuous work in support of the LDCs, with more focused analytical work about special measures, the Intergovernmental Group on the Least Developed Countries met for the first time in 1975 and gave a substantial push towards the elaboration of special measures for these countries. As it was becoming evident during the 1970s that the LDCs countries were lagging behind further, launching of a comprehensive and substantially expanded programme in two phases were agreed: an immediate Action Programme (1979-1981) and a Substantial New Programme of Action (SNPA) for the 1980s for the least developed countries. It called for vastly increased flows of foreign assistance to the LDCs as soon as possible. The first (1981) and the second (1991) UN Conference on the LDCs were held in Paris that set the pace for comprehensive action in support of the LDCs.

So far Botswana, Cape Verde and the Maldives are the only countries graduated from the list of LDC.

Review of the Brussels Programme of Action (2001): Review of the Brussels Program of Action for the LDCs revealed that despite some improvements, the overall goals set for the LDCs could not be achieved during the past decade. Nepal's

performance fell short of the goals and targets as laid down in BPoA. Hence it is to review Nepal's progress towards graduation from the LDCs' list. Key considerations taken for the purpose of the seminar were as follows:

1. The assessment that "improved economic performance in some LDCs had a limited impact on employment creation and poverty reduction.." requires that a thorough review of subject country's economic development practices (model) be closely scrutinized.
2. LDCs made considerable efforts to mobilize domestic resources for their development yet most of them face a huge financial gap. ODA continued to be the largest source of financing for development of the LDCs and its increase from 0.05% (1997-1998) to 0.09% (2008) of DAC members gross national income, notwithstanding well below the earlier committed target of 0.15-0.20%, "an increasing share of aid went to the social sectors, rather than building physical and economic infrastructure" needs to be reexamined for effectiveness of development aid.
3. In spite of substantial increase of FDI to LDCs, visible impact on structural change could not be made as "FDI flow remained concentrated on extractive industries with non-resource attracting sectors receiving a limited share of overall FDI" reflects the need to identify areas that can assist the LDCs not only to build its productive capacity but also help in creating employment, reducing poverty and boosting exports.
4. "Debt distress continues to be a major concern for the LDCs" signals the need to provide effective debt relief measures, besides the debt write off given to HIPC, to other LDCs which are trying hard to fulfill their debt repayment obligations at the cost of economic development.
5. Istanbul Program of Action "needs to fully take into account specific geographical constraints and vulnerabilities of each LDC, including small island and land locked developing countries,.....LDCs emerging from conflict" points to the fact that each LDC must be treated separately for its strengths and weaknesses and tailor made support needs to be designed rather than grouping all LDCs under one category or two.
6. To enable the LDCs to graduate "strengthened role of domestic capacity, diversification, enhanced investments, infrastructural development, building technological capacity, building and strengthening capacity of private sector" are required and they should be supported by quantity, quality and predictability of resources supplemented by regional and global facilities and mechanisms.
7. Other supports should come from: "South-South cooperation as a complement to, but not a substitute for, North-South cooperation"; improved market access and removal of "non-tariff barriers that are inconsistent with WTO rules and obligations.'

It is in this context that the present seminar is being organized with the following objectives:

Istanbul Programme of Action (2011): The overarching goal of the Programme of

Action for the decade 2011-2020 is to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category. In this regard, special consideration was given in the new Programme of Action that has, among other things, also prioritized the areas requiring joint action as well as international support outlined under 'development partners'. Priority areas identified by the Istanbul Program of Action that require special attention are defined as follows:

- a. Productive capacity building—infrastructure, energy, science, technology and innovation, private sector development;
- b. Agriculture, food security and rural development;
- c. Trade and commodities;
- d. Human social development—education and training, population and primary health, youth development, shelter, water and sanitation, gender equality and empowerment of women, social protection;
- e. Multiple crises and other emerging challenges—economic shocks, climate change and environmental sustainability, disaster risk reduction;
- f. Mobilizing financial resources for development and capacity building—domestic resource mobilization, official development assistance, external debt, foreign direct investment, remittances;
- g. Good governance at all levels.

The objective of renewed and strengthened partnership between the LDCs and their development partners is supported by the following principles:

Country ownership and leadership; An integrated approach; Genuine partnership; Result orientation; Peace and security, development and human rights; Equity; Voice and representation; and Balance role of the state and market considerations. In addition, for a smooth transition of countries that might be graduating the UN General Assembly is invited to establish an ad hoc working group to further study and strengthen the transition process. It is acknowledged that efficient follow up and monitoring mechanisms at the national, regional and international levels are crucial for the successful implementation of the Programme of Action.

Towards this, each LDC government is required to integrate the provisions of the POA into national policies and development framework and conduct regular reviews with the full involvement of all key stakeholders. The UN resident coordinator system and country teams as well as representatives of Bretton Woods institutions and others are to collaborate with and provide support to national follow up and monitoring.

Development partners are to support the objectives and policies designed by the LDCs and should monitor the delivery of their commitments and consider appropriate measures to overcome shortfalls or shortcomings, if any. At the regional level, relevant UN regional commissions and agencies are to undertake biennial

reviews of POA and in close cooperation with regional development banks and intergovernmental organizations ensure that the needs and challenges of the LDCs are addressed as part of their ongoing work. At the global level, the UN General Assembly and the Economic and Social Council, are to continue monitoring the implementation of the PoA.

UNCTAD is assigned the responsibility of addressing the challenges faced by the LDCs through intergovernmental consensus building, especially in the trade and development board and to provide technical assistance to the LDCs and also maintain its own capacity in the research and analysis of the LDCs. A comprehensive high-level midterm review on the implementation of the PoA is to be convened by the UN General Assembly for which Turkey has already offered to provide the venue.

It goes without saying that good intentions alone do not suffice. What makes a project or a program realizable depends on clarity, commitment and cooperation between partners engaged in such activities.

Programme of Action and Nepal: As the main coordinator of the LDCs which is primarily responsible for the outcome of the Istanbul Declaration and Program of Action, Nepal is obliged to assess its own case in the light of priorities that have been set. Since every country is unique in its own right not all priority areas covering specific issues may be relevant for Nepal. Thus, Nepal needs to first identify its weaknesses and shortcomings and in close cooperation with its development partners make serious efforts to integrate important elements of PoA in its national plans with full consideration given to people's aspirations and needs. Anything less would be dishonesty not only to the group of LDCs which gave its full trust and support at the conference but also the people of Nepal who have been waiting since long to obtain gainful employment or engage in business of their own to lead a dignified life for them and their families.

High level Asia-Pacific Policy Dialogue for the Brussels Programme of Action, held in Bangladesh last year (2010), on Nepal's review paper concluded that besides the unfavorable political and security situation in the country, Nepal also suffered from lack of coordination between the planning body and the executing agencies reflecting clearly that there are problems in institutional working as well. Economic growth scenario in the past seven-eight years has been dismal with actual growth attained just over half of the target. There are evidences that poverty reduction is attained in some quarters, significant under the prevailing situation, yet the most disadvantaged communities and regions lagged behind with hardly any symptoms of changes in rural areas. Recommendations indicate that Nepal needs to improve investment climate, ensure efficient use of available resources, continuous monitoring, bench marking, transparency, and abatement of corrupt practices. Institutional strengthening, policy of social inclusion, coordination between planning and executing bodies as well as proper partnerships and networking are called for.

Nepal faces several challenges today: Current target set at 3.6% average annual employment rate for the three year plan period is bound to create an enormous challenge to the economy which has to absorb 400000 persons entering the labor market. Still worse is the economic growth rate targeted at 5.5% as against recommended target of a minimum of 7% by the IPoA for enabling Nepal to

graduate from the list of the LDCs within the next ten year period. Nepal lacks necessary infrastructure, is facing serious resource gap on three counts—trade, saving investment gap and fiscal gap. The situation as it stands indicates that Nepal needs massive support from its development partners simply to stand on its feet, much less progress further. Unless that happens, graduation from the LDCs list seems like a distant dream.

Proposed seminar can be taken as an exercise, the first of its kind, aimed at further defining the role of an LDC and its development partners, with special focus on Nepal, based upon commitments made at the Istanbul Conference. Technical and economic support committed by the development partners will provide the necessary thrust to encourage as well as ensure the success of development agenda that LDCs are expected to formulate in line with the Program of Action for the LDCs for the period 2011-2020. The first step is to make an attempt to clearly define the role and responsibilities of Nepal as a least developed country in line with the commitment, accountability and partnership agreed with Nepal's development partners, to be supported by the international institutions and agencies. Keeping full view of this fact, the themes for this first seminar entitled "Translating commitments, accountability and partnership into actions: A Case of Nepal" are envisaged as follows:

A. Economic policy assessment and orientation

Discussion under this theme is expected to examine the shortcomings of Nepal's current economic policy with special attention paid to "limited impact on employment creation and poverty reduction despite improved performance, if any". Different types of development models can be examined in the light of experience acquired by the Nepali policy makers and identify the best approach that guarantees poverty reduction and employment creation.

B. Capacity building

For all LDCs this is perhaps the most important priority today as more and more attention is being paid to freer access to markets, trade and investment taken as the main vehicles for economic development. Sub-themes under this main theme can be classified as follows:

- i) Productive capacity including infrastructure, energy, science and technology and private sector development;
- ii) Agriculture food security and rural development;
- iii) Human and social development;
- iv) Resilience to absorb economic, natural and

The objective is to agree in principle the allocation of available resources in a multiyear basis to these important areas with a good balance between 'required rate of economic growth' and 'human and social development' to achieve sustainable development in the long run.

C. Resource gap for development

It should deal with the resource gap in spite of "considerable efforts to mobilize domestic resources for development" and touch upon the flow of external funding from ODA, FDI, regional and international financial institutions and others outlining key constraints and impact on development. Further, debt repayment obligation eating up a big chunk of Nepal's resource needs to be examined.

D. Good governance

Since LDCs themselves have the primary responsibility to take up country ownership and leadership, this task cannot be successfully attained if a country in question, Nepal, were to mismanage its state affairs. Such mismanagement generally occurs due to lack of a clear vision of the political leaders and lack of leadership of the incumbent government. This situation is further aggravated by the presence of corruption, incompetent and helpless bureaucracy (owing to politicization) and mismatches between priorities and actions. Good governance is an outcome of transparency, accountability and responsibility. Nepal's stakeholders' representatives are expected to debate on the type of 'good governance' that is also workable in Nepal.

E. Technical and economic support from South-South Cooperation mechanism

Discussion under this topic is for examining the effectiveness and usefulness suitable to the LDCs, particularly Nepal. Indian and Chinese viewpoints, among others, under this issue would be a good starting point.

F. Joint action

This theme refers to the compact visualized by the Istanbul PoA between the LDCs and the development partners in all priority areas.

G. South-South Cooperation

Discussion under this topic will examine contribution of developing countries in areas such as human and productive capacity building, technical assistance and exchange of best practices. It is also for examining the effectiveness and usefulness of complementary role of South-South cooperation suitable to the LDCs, particularly Nepal. Lessons can also be drawn from the pre- summit meeting held in India

Future activities: Although the seminar (5 July) is expected to come up with important inputs necessary to integrate into Nepal's development strategies and plans, yet it is obvious that the scope and nature of activities listed in the PoA cannot be accomplished in one or few meetings. It has to be developed progressively with constant interactions with each LDC (Nepal in the present case) and its development partners. The outcome of this seminar will be taken as inputs for the successive meetings to be held this year and the next, as per requirement. It is envisioned that

the following areas need to be dealt in the upcoming meetings:

1. Nationwide discussion on economic policy orientation;
2. Identification of specific data and measures to close resource gap;
3. Workable model of good governance in the Nepali context;
4. Productive capacity building mechanisms and sources of support in the areas of:
 - a. infrastructure,
 - b. agriculture,
 - c. human and social development,
 - d. building resilience against shocks of all kinds,
 - e. support from regional and international agencies,
 - f. partnership model for Nepal,
 - g. Others, if any.

it is the general experience of most LDCs that the problem often lies with the execution of programs, whether they be solely national or in partnership with donor countries. Most common problems cited are lack of: absorptive capacity, involvement of local groups or beneficiaries, aid coordination, trained manpower and a host of other problems. While these problems require short term as well as long term strategies and actions at the national level, yet lack of proper follow up and monitoring mechanism can be resolved quickly given a standard operating procedure established for every project or program. Thus there is a need to integrate this basic element of project management to each action area. Success or failure of such mechanisms lies in devising an appropriate model suitable to the LDC in question.

*References drawn from reports of the UNSG (ten year appraisal and review of BPoA), reports (intergovernmental preparatory committee), review paper UNESCAP), UNCTAD report, as well as the Fourth UN Conference on the Least Developed Countries.

**Contributed by Binod P. Bista, Advisor/IFA with support drawn from members of a working group of Nepal seminar (5 July) namely, Dr. Rabindra Kumar Shakya, Mr. Banmali P. Lacoul, Mr. Prakash Mani Ghimire.

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