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Statement by the Hon. **BARSHAMAN PUN**,
Governor of the Bank for **NEPAL**

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Governor of the Bank for Nepal**

Mr. Chairman

Fellow Governors

Distinguished Delegates

1. It is a great honor for me and my delegation to participate in 2011 Annual Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund. I express my sincere appreciation for the hospitality extended to us. I would also like to commend the management of the World Bank Group and Fund for the excellent arrangement made for this meeting.
2. The entire world has been confronted with a crisis of one sort or another in the recent years. It has not been long time when the World recovered from the aftermaths of global financial meltdown, it is being plagued by soaring food prices, global warming, natural calamities and other problems and conflicts. Financial meltdown which created a major economic crisis was caused mainly by the weaknesses in regulations and supervision and failure in spotting and correcting banking crisis.. So I urge all my fellow delegates to draw the attention of the World Institutions like the World Bank and the International Monetary Fund, with which we are all associated, to explore ways of correcting the defects of existing mechanism.
3. Nepal is still struggling hard in bringing the peace process to a logical end, drafting the new constitution, and institutionalizing political stability in the country. Accomplishment of all these tasks require political consensus among the major political parties. And, it is encouraging that there are indications of forging a consensus very soon.

4. Recently, a new coalition Government led by the Unified Communist Party of Nepal (Maoist) has been formed. The new Government has committed to complete the drafting of the new constitution and establish lasting peace in the country within the stipulated time. On the very day, that is August 29, 2011, the new Prime Minister was elected, the Constituent Assembly unanimously extended the time for drafting the new constitution to 30 November 2011. The Maoist Party, even before the new Prime Minister was elected, had publicly announced to finalize the integration and rehabilitation of its army combatants, which fought for bringing the great historical political change in the country, within 45 days. As first and key step towards fulfilling this commitment, the UCPN (Maoist) had already handed over its weapons stored in various cantonments to the Special Committee on 1 September 2011.

Mr. Chairman,

5. Nepali people have seen the returning back of the UCPN (Maoist) to the helm of the Government with great hope and expectations. Even the international community has viewed this development as a right event to expedite the peace process and maintain political stability in the country. I take this opportunity to reassure the international communities our commitment to meet their expectations as well as aspirations of the Nepalese people for peace, stability, and progress through a democratic and inclusive constitution to pave the way for economic development and improvement of the living standard of the people.
6. On the economic front, the growth performance of the Nepalese economy in the recent years has not been encouraging. Frequent changes in the Government, energy problem, low efficiency in the use of resources, absence of conducive industrial environment have been some of the major causes for this. The present Government is committed to address all these problems and to this effect various programs have already been initiated. On the social front, many of the Millennium Development Goal (MDG) indicators have improved. And, poverty levels are declining. Inclusion and representation have received increased policy

attention, but capacity building of marginalized communities still remains far from satisfactory. Despite the pressure on Government expenditure to meet emerging needs of the people, we have maintained macro-economic stability in the country.

Mr. Chairman,

7. We are encouraged by the World Bank Group's focus on strengthening governance to increase transparency and accountability of the member governments and the Bank itself.
8. We highly appreciate the World Bank's support for Nepal's participation in regional and multilateral global initiatives including Climate Investment Fund Pilot Programs and other projects with the joint support of Asian Development Bank, International Development Association and the International Finance Corporation.
9. We welcome the successful IDA 16 which has been the hope and aspirations of the poor countries to meet MDGs.

Mr. Chairman,

10. We have realized from our long experience that aid effectiveness has not been directly visible where aid is scattered. We would, therefore, like to draw World Bank Group's attention to concentrate on large and mega projects like large hydro-power projects, roads and river water management projects, which will have multiple development impact in the low income countries like Nepal, and would also help create employment.
11. Finally, on behalf of the Government of Nepal, and on my own, I would like to express my sincere gratitude to the World Bank Group and the International Monetary Fund for their continued support to Nepal and expect that this support will be enhanced further in the days to come.

12. I wish the Annual Meeting a grand success and thank you all for your kind attention.

Thank you!