

**National Planning Commission (NPC), Government of Nepal, and
United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)**

**National Workshop on Infrastructure Financing Strategies
for Sustainable Development in Nepal**

Chair's summary

The workshop on Infrastructure Financing Strategies for Sustainable Development in Nepal, organized jointly by ESCAP and the National Planning Commission, Government of Nepal, was held on 24 January 2017 in Kathmandu. The workshop was attended by high-level officials from different ministries. The event also benefited from the expertise of private sector infrastructure companies, international experts and representatives from the finance industry.

The policy dialogue was addressed by honourable Minister of Physical Infrastructure and Transport, vice-Chairman and members of the National Planning Commission among other dignitaries.

To enlighten the discussions, the participants had in front of them a detailed study prepared with the support of ESCAP and a national consultant, which was recognized to be of high quality. The report provides a comprehensive picture of the required investments in Nepal across the various infrastructure sectors. It also proposes six financing strategies for infrastructure development in Nepal, which were presented in details.

Overall, the participants emphasized that infrastructure is the number one priority for Nepal's development and the workshop was therefore timely, productive and extremely useful. The participants also agreed that the study and discussions during the workshop will be used in future infrastructure related policies, including the upcoming budget and future planning documents.

To facilitate the discussions, the workshop was structured around two sessions. First, the participants discussed the needs in the different sectors and noted that around 8 to 12 per cent of Nepal's GDP should be invested to adequately develop infrastructure in the country. This would obviously require a significant increase compared to the current level of around 5% of GDP. Closing the infrastructure gaps and providing public services is however key to achieve the 2030 Agenda for Sustainable Development including the 17 Sustainable Development Goals adopted in 2015.

Second, the participants discussed the available resources in the economy, as well as the financing strategies, to fund the infrastructure deficit through domestic and international resources, both public and private. They agreed that Nepal should not only mobilize more resources but also how to improve the efficiency of public spending in infrastructure. It was also recognized that the private sector has an important role to play although the majority of infrastructure development is financed through the public purse. Given the amount required, the participants also agreed that all the financing strategies presented will have to be implemented as none could tackle the Nepal infrastructure challenges on its own.

The workshop then concluded by recognizing that:

- Nepal has to go from a "wish list" of infrastructure projects to ready to be implemented projects;
- While financing is available to the Government, notably through multilateral development banks, the domestic private sector still face difficulties to access long-term funding;
- Execution, discipline and delivery should be key focuses in Nepal and ways have to be found to gain support from local communities for instance via adequate benefits sharing.