

# Post 2015 Development Agenda: Challenges & Opportunities for Nepal

Madhav Karki, Ph.D.

Senior Faculty; ISET-Nepal

Member, Climate Change Council

South Asia Chair, Commission on Ecosystem Management, IUCN

# Outline

- Post 2015 Sustainable Development Agenda
- Highlights of the HLP's Report
- LDC Perspectives
- Nepal's twin challenges
  - Graduation from LDC to DC status
  - Charting Development on SD Pathways
- Way Forward
- Recommendations
- Conclusion

# What is post 2015 agenda?

- The Post-2015 Development Agenda is a process mandated by UNGA;
- Purpose: ‘..to accelerate progress towards achieving the Millennium Development Goals (MDGs)..’
- Process: A High Level Panel (HLP) created by the UNSG has submitted its report on World’s Development Agenda (2015-30).

# Why 2015 is important?

- 2015 is the target date for the achievement of the MDGs;
- At Rio+20 countries agreed to develop a set of sustainable development goals that integrates the development agenda beyond MDGs (post 2015),
- 2015 is deadline for countries to negotiate a new treaty on post 2020 climate regime.

# What are SDGs?

- Developing Sustainable Development Goals (SDGs) – common for all countries – is the decision of the Rio+20 Conf. ;
- SDGs have to be agreed by the UN General Assembly;
- UNSG has constituted OWG to work on SDGs

# HLP Report:

- **“A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development,”;**
- Sets out a universal agenda to Eradicate Extreme Poverty from the face of the earth by 2030;
- Calls upon the world to work in a new Global Partnership ...role to everyone.

# Key highlights of the HLP report

- **Eradicating poverty**, increasing prosperity and protecting the planet;
- **Sustainable development** at the core; 3 goals address 'sustainable' or 'sustainably' issues;
- **Energy, jobs, environmental accounting**, biodiversity, soil loss and desertification have specific goals;
- **Equitable growth** – sustainable, inclusive growth taking into account limited natural resources.

# 5 transformative shifts

1. Leave no one behind (poor & vulnerable)
2. Put sustainable development at the core
3. Transform economies for jobs and inclusive growth,
4. Build peace and effective, open and accountable institutions for all, and
5. Forge a new global partnership.



# 12 illustrative goals

1. End **Poverty**
2. Empower Girls and Women and Achieve **Gender Equality**
3. Provide **Quality Education** and Lifelong Learning
4. Ensure **Healthy Lives**
5. Ensure **Food Security** and Good Nutrition
6. Achieve Universal **Access to Water** and Sanitation
7. Secure Sustainable **Energy**
8. Create Jobs, **Sustainable Livelihoods**, and Equitable Growth
9. Manage **Natural Resource** Assets Sustainably
10. Ensure **Good Governance** and Effective Institutions
11. Ensure Stable and **Peaceful Societies**
12. Create a Global Enabling Environment and Catalyze **Long-Term Finance**

# Why single set of goals?

Because all goals are interdependent:

- Without ending poverty, we cannot build prosperity;
- Without building prosperity, we cannot tackle environmental challenges;
- Without environmental sustainability, we cannot end Poverty;

We need to transform vicious cycle to virtuous cycle

# Gro Brundtland's comments on HLP's post 2015 Agenda

“We now have a golden opportunity to create a new global development framework that both addresses our challenges and fulfils our aspirations.”



# Implications for LDCs (1)

- The level of ambition for 2030 to reach *all the neediest* and most vulnerable;
- Improve the quality of services.
- Capture the priorities for sustainable development.
- Connect to one another goal in an integrated way.

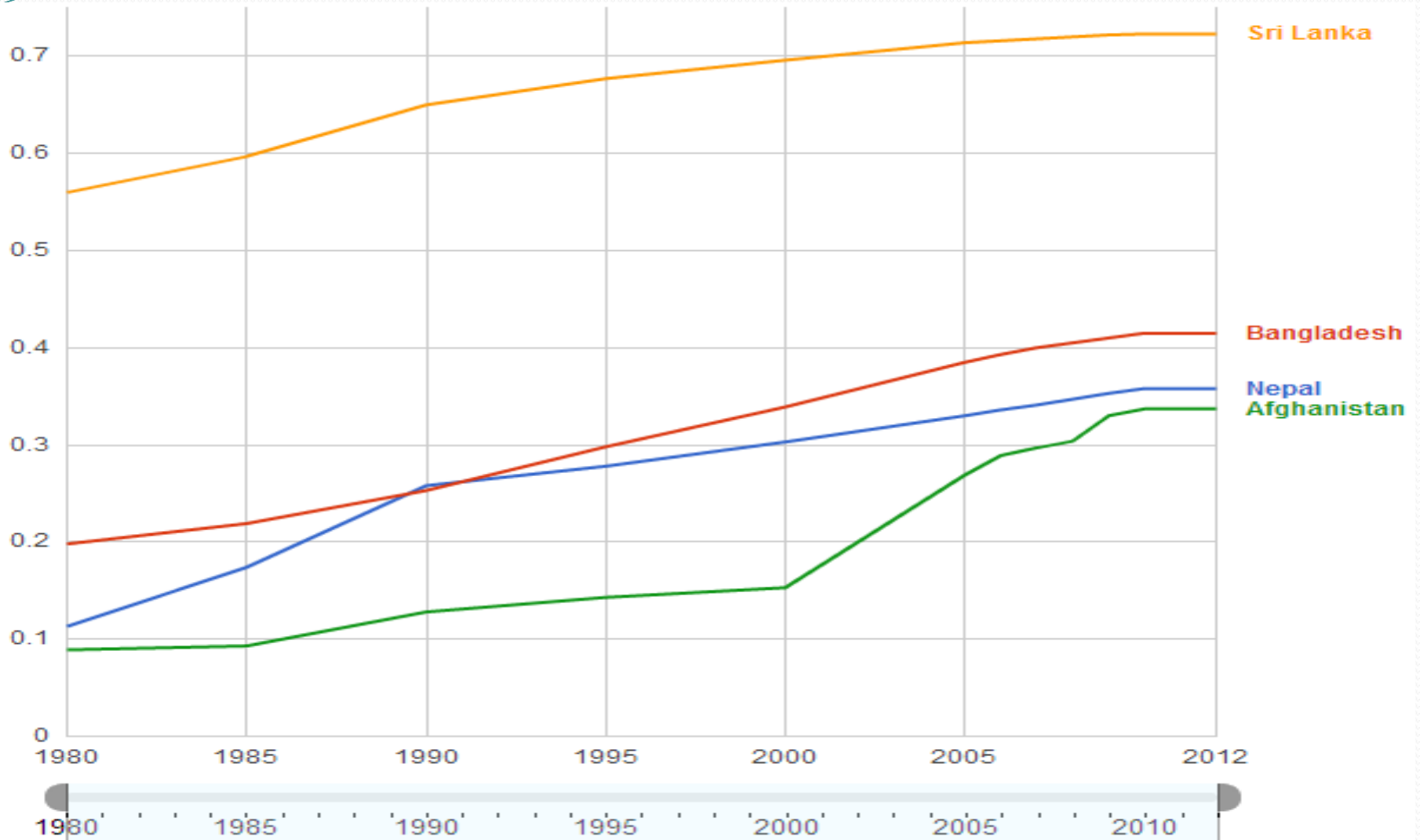
# Implications for LDCs (2)

- LDC/LLDC needs are given priority
- Protection against resource shortages and economic shocks;
- Aid commitment of 0.15 to 0.20% of GDP by developed countries (0.7% for all);
- Preferential market access to LDC originated products
- Technology access/transfer, and institutional support

# Nepal's Challenges: Graduating from LDC to DC (Source, RR Sainju, NPC)

1. **Gross National Income (GNI):** Meet GNI threshold of **US\$1,190 (current \$ 420/540?)**.
2. **Human Assets Index:** Social indicators such as nutrition, child mortality, secondary school enrolment and adult literacy must be at least 20% above the threshold set **(66) (59.8)**.
3. **The Economic Vulnerability Index:** the economic structure of a country and its ability to cope with potential 'economic shocks', such as natural disasters **(32) (27.8)**.

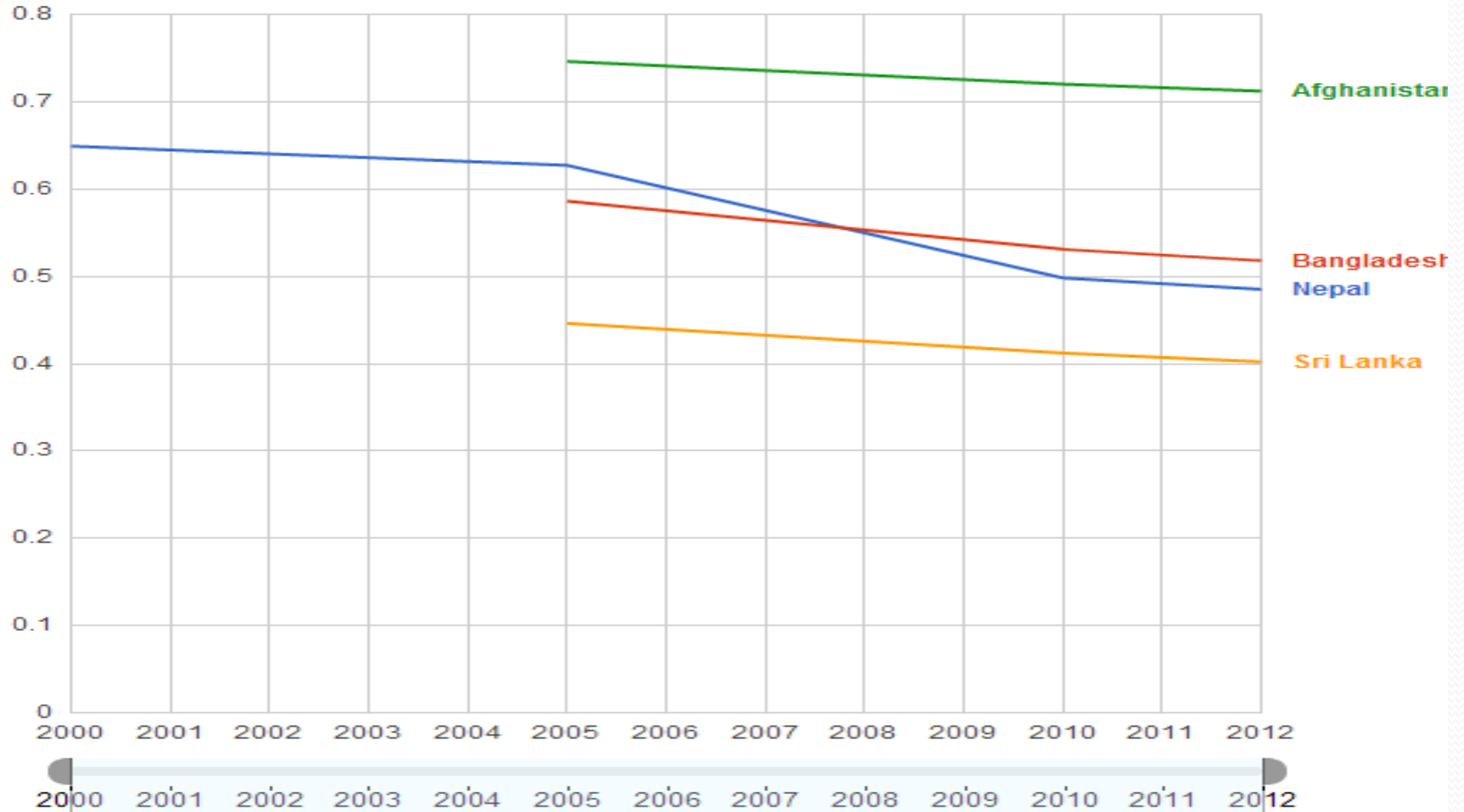
# HDI : Education Index ( RR Sainju, NPC)



Data from Human Development Report 2013, United Nations Development Programme - Powered by Google™

Explore

# HDI : Gender inequality Index (RR Sainju, NPC)



Data from Human Development Report 2013, United Nations Development Programme - Powered by Google™

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# NEPAL LIVING STANDARDS SURVEY (NLSS)

## PEOPLE LIVING BELOW POVERTY LINE

2003-04 **30.85** percent

2010-11 **25.16** percent

## POVERTY LEVEL

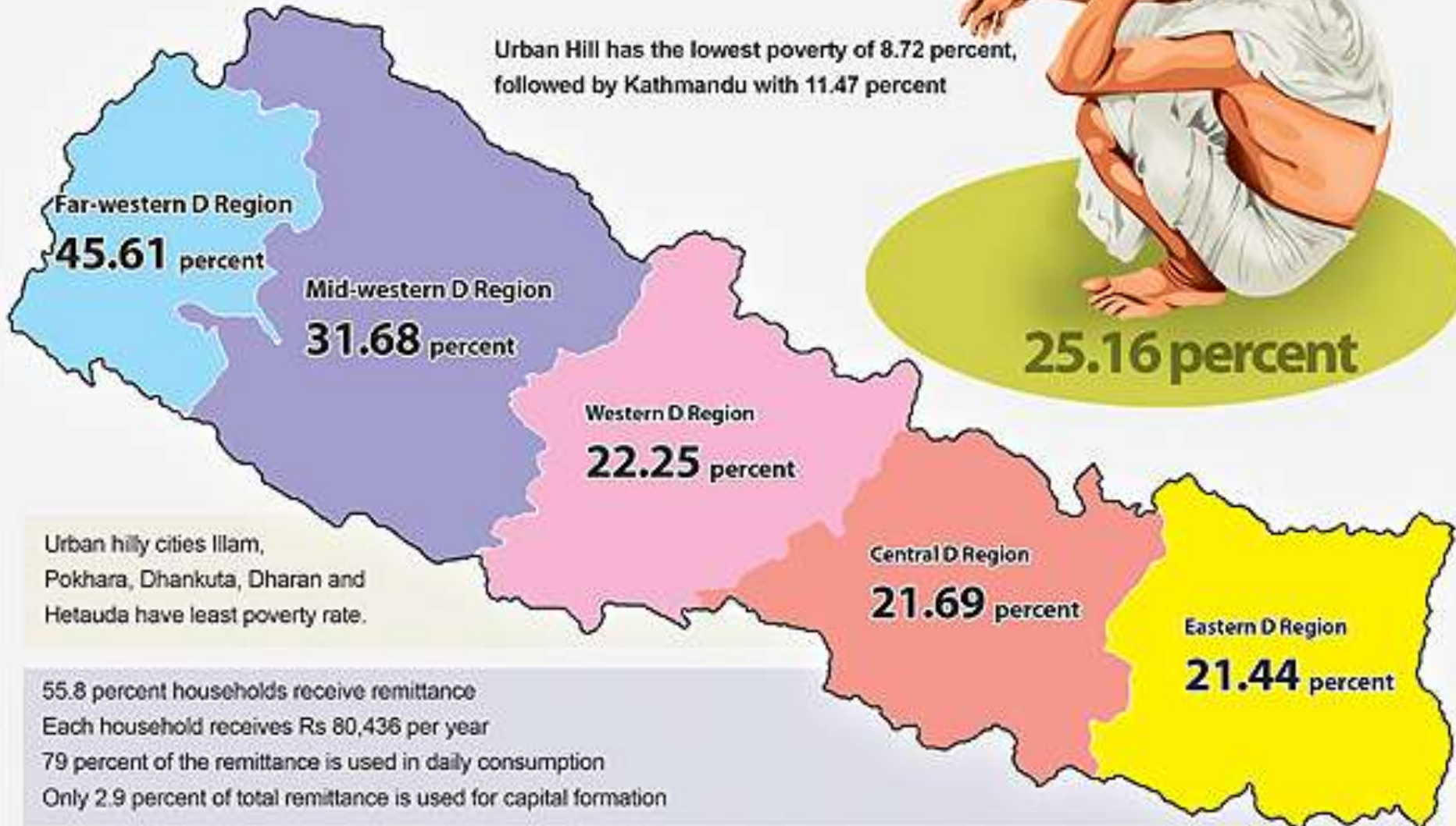
Urban **15.46** percent

Rural **27.43** percent



**25.16 percent**

Urban Hill has the lowest poverty of 8.72 percent, followed by Kathmandu with 11.47 percent



Urban hilly cities Ilam, Pokhara, Dhankuta, Dharan and Hetauda have least poverty rate.

55.8 percent households receive remittance  
Each household receives Rs 80,436 per year  
79 percent of the remittance is used in daily consumption  
Only 2.9 percent of total remittance is used for capital formation

## Goal & priority of 13<sup>th</sup> Plan

- Achieve Millennium and SAARC Dev. Goals;
- Meet SD and Climate Change related challenges by promoting Green Economy;
- Reduce poverty (to 18%) and improve overall well being
- Eco. Growth ( 6%/3.6); Agri. Growth (4.5%/1.3)

# Plan strategy

- Achieve broad-based, inclusive & sustainable economic growth by increasing contribution of non-Govt. sectors;
- Infrastructure Development
- Improve social service sector's delivery
- Empowerment of excluded communities & sectors
- Promote climate change adaptive programmes

# Major problems of Nepalese Economy

- Low and stagnant level of economic growth ( 3.6 % in the 2012/13),
- Relatively high income inequality
- High inflation, low deflation (esp. in food prices);
- High dependency on agriculture income and remittance
- Ever widening trade deficit, and
- Low levels of domestic savings, among others.

# Gloomy Forecast for 2013/14

- WB forecast of 4.3 % for 2014/15
- But continuing political problems, low capital expenditure, poor utilization/misuse of budget means growth may be lower;
- Although investment in agriculture has increased but implementation challenges and uncertainty of monsoon remains a concern;
- Poor industrial relations & low investment confidence will also hit growth

# Way Forward: make transformative shifts (1)

1. Rethink poverty reduction strategy
2. Put sustainable development at the core
3. Green jobs for inclusive growth
4. Peace, stability effective governance, and accountable institutions

# Adopt low carbon green economic approaches (2)

- Reduce impacts of climate change and environmental risks and scarcities, and practice low carbon approaches

## **Nepal's Green sectors:**

- Agriculture/Food
- Forestry
- Employment
- Energy
- Water

## **Cross Cutting sectors:**

Knowledge, Information, Technology, Capacity Building

# Recommendations (1)

- Agriculture and natural resources sectors should be the growth engine and critical components for inclusive growth.
- Needed: Synchronized efforts by Govt.-NGO-Private Sector at all levels and across all sectors;
- Integration of Agriculture & forestry and massive small & micro enterprises (SMEs) development;
- Agro-business models by developing supply/value chains of AF products.

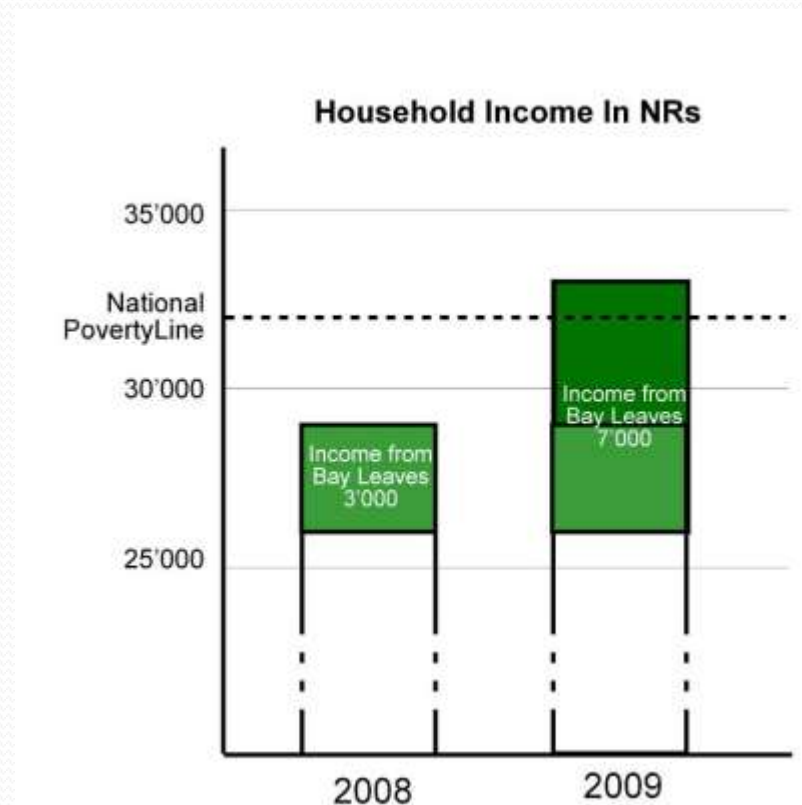


# Value chain development in Tej paat (Bay leaf)

- Value chain analysis identify leverage points

## Interventions:

- Producers Organized
- Contracts between producers and traders
- Capacity development
- Improved quality of products
- Doubling of price from NRs 8 to 16/kg in Udaipur



# Recommendations (2)

- Create in-country inclusive and income enhancing jobs,
- Remove implementation bottlenecks and policy barriers,
- Improve the institutional and technical capacities of government agencies and the quality of governance.

# Recommendations (3)

- Integration, collaboration and partnerships will be key to achieve faster, inclusive, efficient, and inclusive growth;
- So far we have been working hard, but separately; now we need to work harder but jointly;
- E.g. all green ministries should have one coordination mechanism
- NPC should develop a framework for all stakeholder participation in planning to monitoring of programs

## Recommendation (4)

- Knowledge, information and technologies will remain critical for sustainable development.
- Better use of ICTS ( e.g. mobile technologies in DRR, MIS);
- Access and use available knowledge in and outside Nepal

# Improve access to market information

Information availability of commodity prices from nearest market

Access to commodity prices at Dailekh market by dialing single number using NTC Notice Board System

Access to technical information for extension and field level development workers using SMS



## Recommendation 5: Better use of ODA:

- Improve utilization of financial and technical support;
- Improving Aid effectiveness,
- Make Nepal less ODA dependent

# REDD+: a low hanging fruit

- Technology transfer
- Performance based REDD+ payment
- REDD fund used for local livelihoods



# Agribusiness promotion through value chains

- Community based Climate Change impact assessment
- Climate adaptive agribusiness and livelihood technology packages
- Enhanced capacity, knowledge and information sharing





# PES: Taping watershed services in Kulekhani and Shivapuri

- Kulekhani:
  - Upstream communities receive a bigger share of hydropower royalty (MOLD directives)
- Shivapuri-Nagarjun National Park (Sundarijal):
  - Services: Water, hydropower, ecotourism, downstream industry
  - Valuation of water supply services:



# 5 take home messages

1. Peace and good governance - core elements of SD,
2. Ending extreme poverty is just the beginning, not the end,
3. Pursuing sustainable development agenda can deliver triple wins, and
4. Benefitting from India and China's fast growth should be Nepal's strategy.
5. Knowledge, technology and ideas are necessary inputs;

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