

Nepal Vision 2040: National Planning and Development

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Poudel, D.D. 2018. Restructuring National Planning Commission Focusing on Asta-Ja and Nepal Vision 2040, *Asian Profile*, (Forthcoming in June, 2018)

I. Planning History

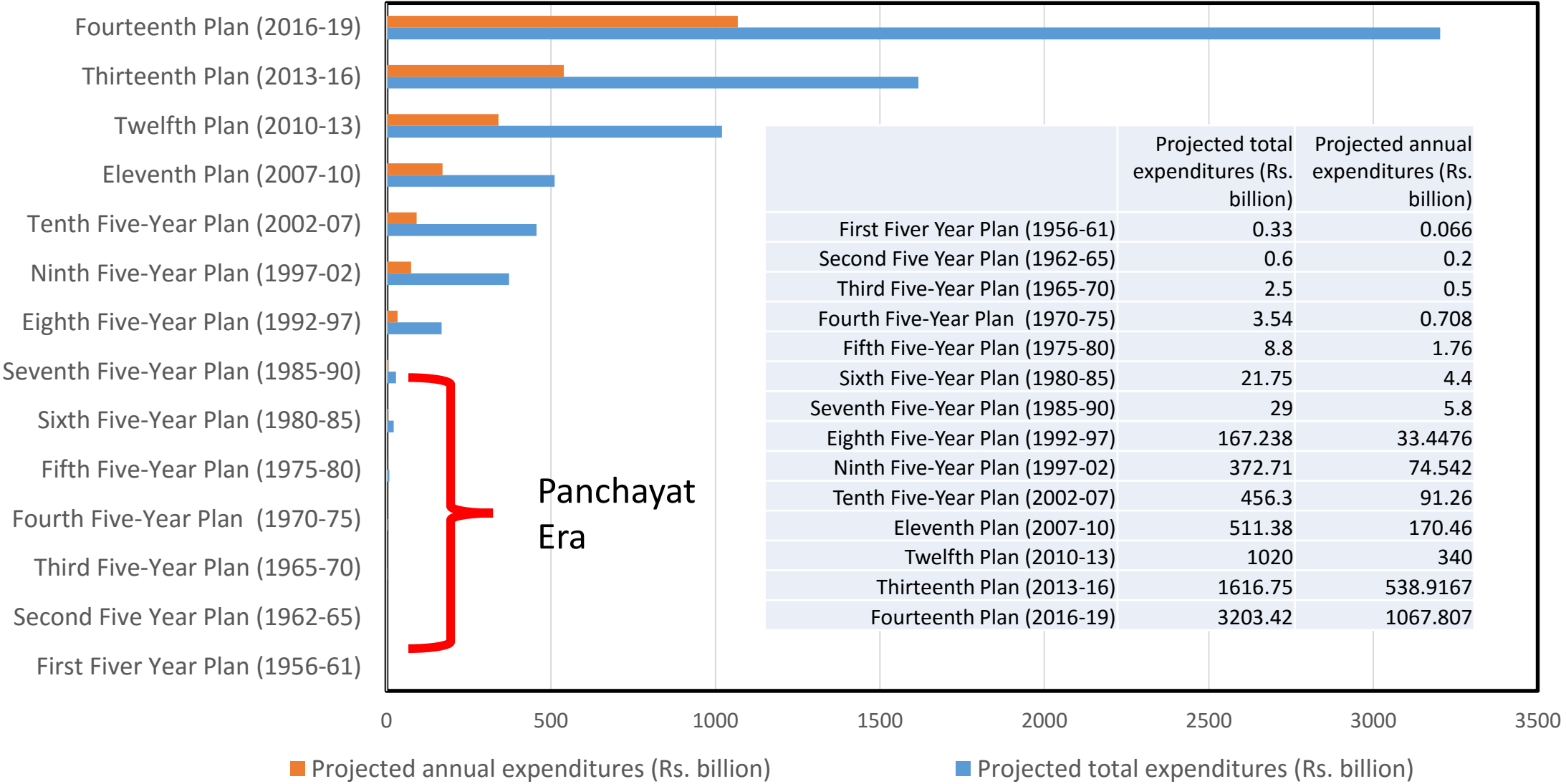
PLANNING HISTORY OF NEPAL

Pre-World War II	Twenty-Year Plan announcement by Rana PM
1949	October 31, Shri Mohan Shamshere established a national planning committee to develop a 15-year plan to make country self-sufficient. Rana rule ended on February 18, 1951.
1952	Formation of the Ministry of Planning and Development
1955	Establishment of Planning Board (produced the first plan in 1956)
1957	Ministry of Planning and Development was supplemented by establishing Planning Commission in January (25 members including from political parties, businessmen, the Secretary, and the Minister of Planning and Development); Council for the Five-Year Plan (CFYP) was created in late January with the PM as the President, the Planning Minister as the VP, Secretaries of all other operating ministries, the Planning Secretary, the chief representatives of various foreign aid missions, and several others. Planning Commission was dissolved due to its large size and inability to function.
1958	Yosana Mandal established on January 6 (Second Prince as the President, four members plus the Chairman of the Council of Ministers)
1959	Yosana Mandal dissolved and Planning Board formed in July 13. Planning Board had four full-time members with the Minister of Planning as the Chairman.

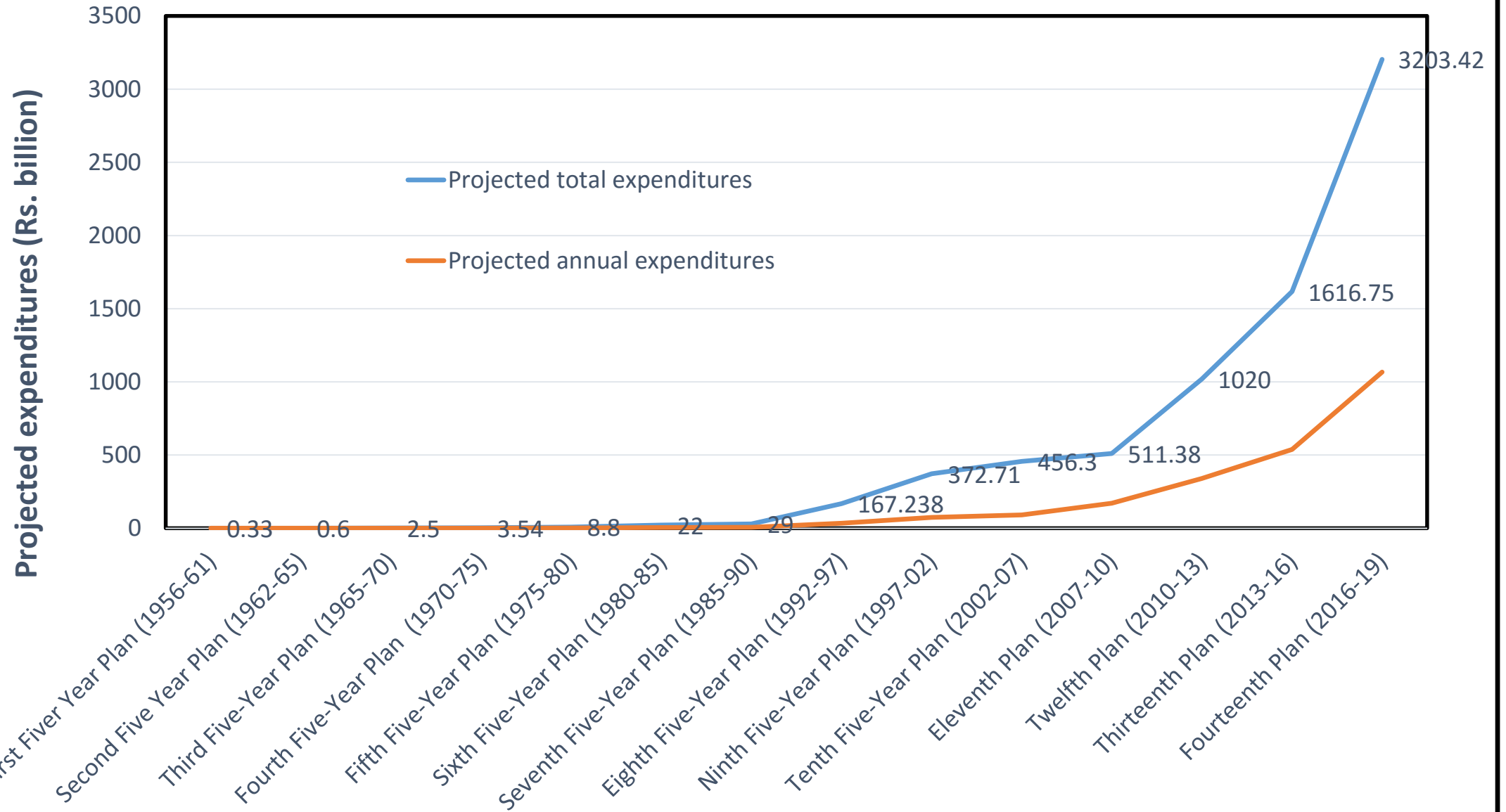
PLANNING HISTORY OF NEPAL contd...

1960	Cabinet dissolved on December 15 and the Planning Board disappeared (the King assumed the power)
1961	On February 6, a high-powered National Planning Council (NPC) was constituted under the Chairmanship of the King himself. Had 6 full-time members. Secretariat of NPC dealt with foreign aid.
1963	April, 2. Old NPC dissolved and a new NPC created with the Chairman of the Council of Ministers as head, Minister of Planning as Vice Chairman, and other ministers as members. Idea was to commit those who will carry the plan for its implementation. Prepared the third plan.
1968	National Planning Council changed into National Planning Commission (NPC) under the Chairmanship of the Prime Minister. Budget and foreign aid functions from Ministry of Economic Planning were assigned to Ministry of Finance.
1972	Reconstitution of NPC following a study on functions and responsibilities of the central planning agency.
1990	Reconstitution of the NPC with the PM as a Chair, a full-time Vice-Chairman, five members, and a member secretary.
2010	Reconstitution of the NPC based on the Executive Order issued by the cabinet in 2010.

PERIODIC PLANS AND PROJECTED EXPENDITURES



PERIODIC PLANS AND PROJECTED EXPENDITURES



PRE-1990 INFRASTRUTURAL DEVELOPMENT

- Tribhuvan Highway, Araniko Highway, Sidhartha Highway, Prithvi Highway, East-West Highway, Gorkha-Narayangarh Road, Kathmandu Ring Road
- Almost all airports
- Trishuli Hydro, Sunkoshi Hydro, Kulekhani Hydro, Marshyangdi Hydro,
- Gandak and Koshi Projects, Dunduwa Irrigation System, Kankai Irrigation System, Mahakali Irrigation Project, Banganga Irrigation System, Marchawar Lift Irrigation System, Babai Irrigation Project, Eastern Rapti Irrigation Project
- Janakpur Cigaratte Factory, Birgunj Sugar Factory, Birgunj Agricultural Tool Factory, Hetauda Banaspati Ghiu, Hetauda Textile, Hetauda Cement Factory, Gorakhkali Rubber Industry, Bansbari Shoe and Leather, Butwal Plywood Factory, Udaypur Cement Udhyog, Balaju Textile Factory
- Many public institutions (ADB, AIC, Food Corporation, Teaching Hospital, Sajha, Trolley Bus)

CONNECTING EAST-WEST, NORTH-SOUTH, AND THE NEIGHBORS



CONSTELLATION OF GLOBAL POWERS AND THE EAST-WEST HIGHWAY

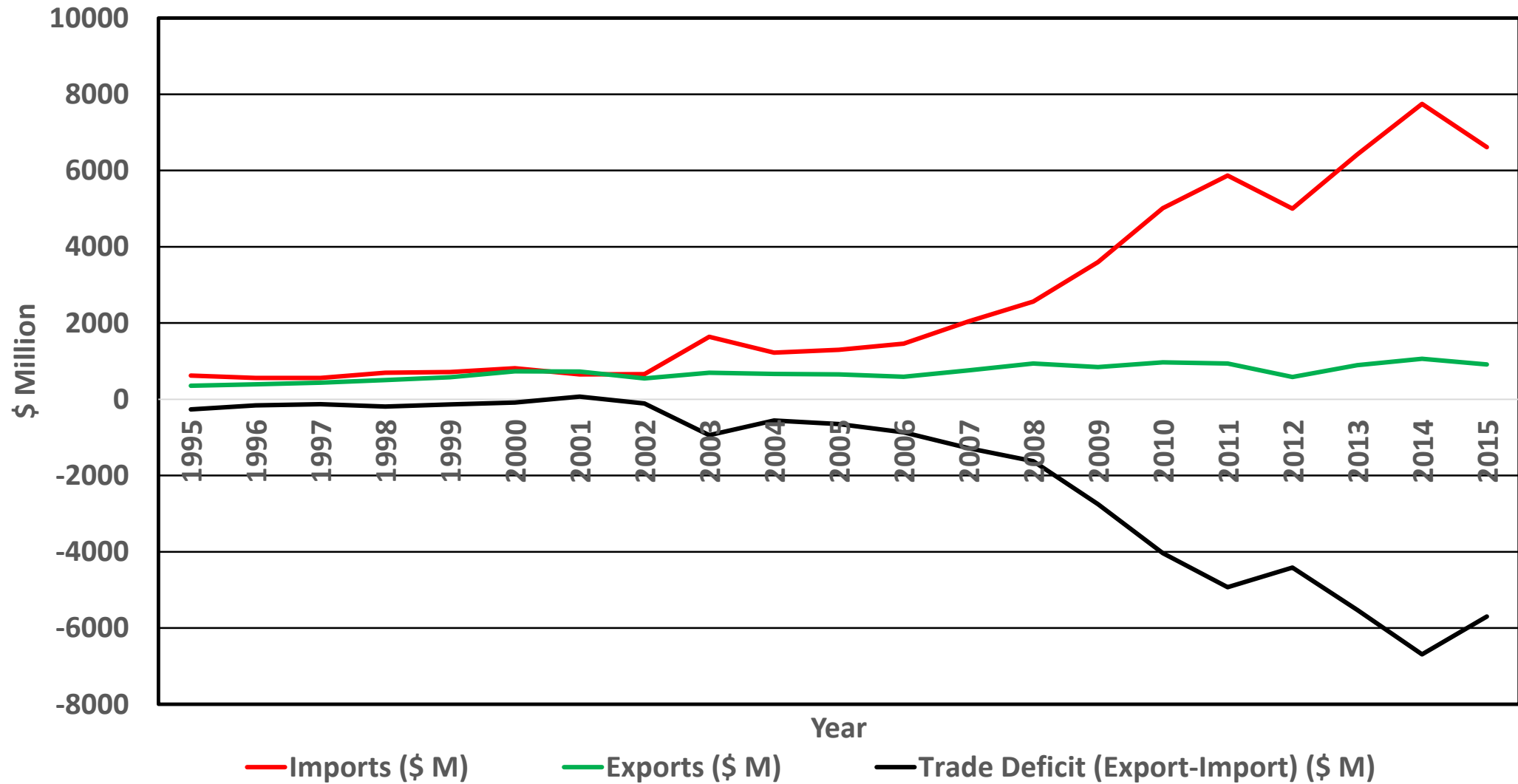
- **1958** King Mahendra desired to construct a Cross-Country Highway.
- **Late 1958-early 1959** Nepal requested India and the USA (RTO members) for the construction of East-West Highway. Both declined the request on economic reasons.
- **Mid 1959** Signed agreement with USSR for the road survey (1040 km), and sugar and cigarette factories.
- **1961** Nepal wanted USSR to be involved in actual construction of the road, but the USSR dissociated.
- **1962** King Mahendra called upon the countrymen to undertake this project by themselves. He established East-West Highway Committee and he himself became the Chairman of the committee. But, within a year-and-a half King Mahendra realized that it is impossible to carry-out the project by internal means. Then, he again turned out to the external resources. He started exploring the possibilities of utilizing geopolitics (India and China) for the road construction.
- **1963** King Mahendra approached China for help. China agreed for a section of the road. Then, immediately after this agreement, India came on board and agreed to construct the section that China had agreed upon and another section eastward. China agreed for another road construction.
- Following India's involvement on East-West Highway, USA also picked up one section for construction.
- **1965** When Indo-Soviet relations improved, USSR agreed to construct a section of East-West Highway.
- **1968** Signed an agreement with Britain for the construction of a section of the East-West Highway.

Consing, 1963; Schloss, 1983)

CURRENT SOCIO-ECONOMIC STATUS

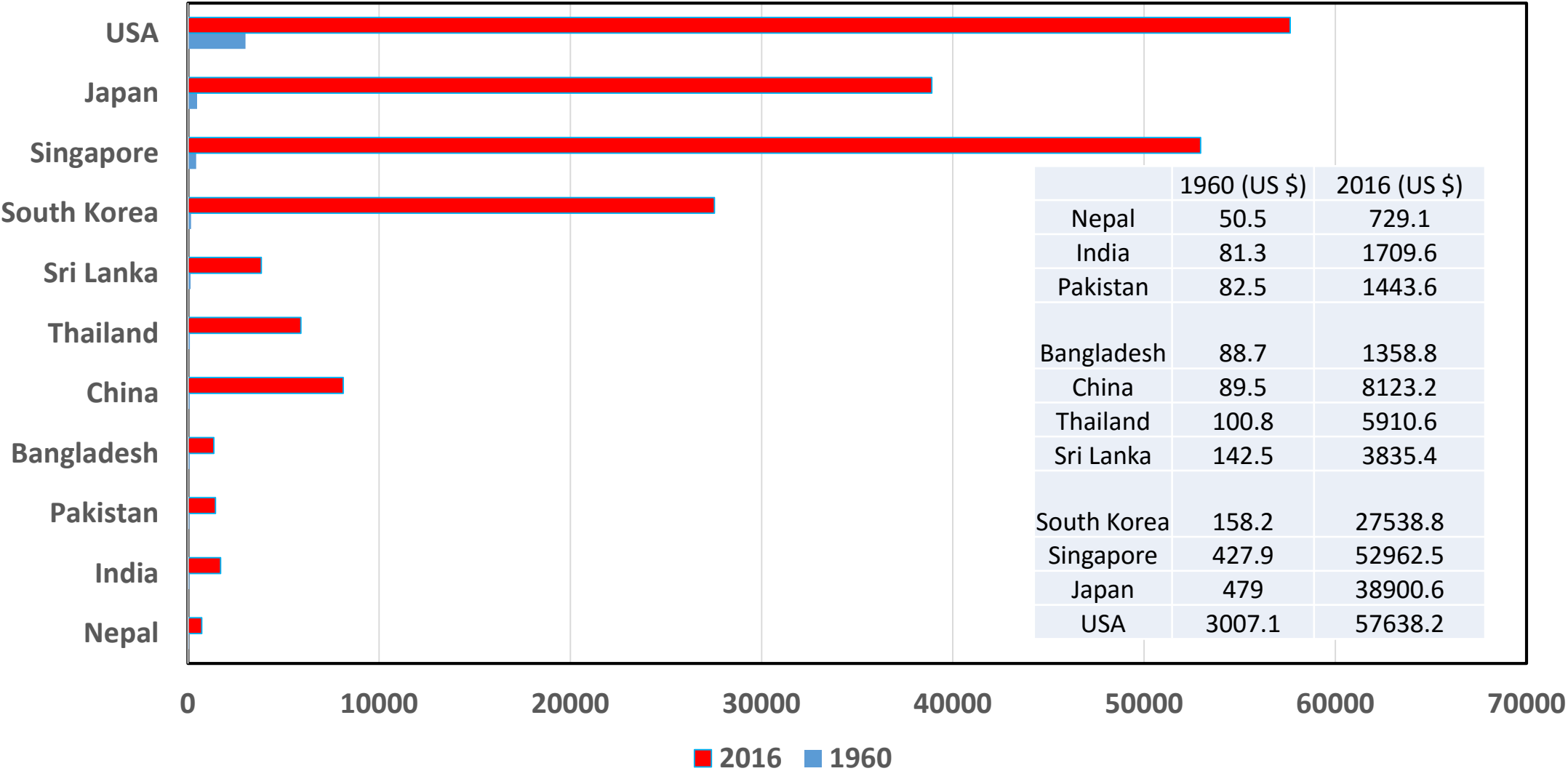
- 25% population is below the poverty line
- 41% children suffering from stunting and chronic malnutrition
- Negative trade balance of Rs. 622.37 billion for 2014/15 (of which 63.22% was with India and 14.21% with China)
- Top two imports in 2014/15 included agricultural products (Rs. 137.12 billion) and petroleum products (Rs 112.16 billion)
- Total outstanding public debt of Rs. 627.8 billion in 2015/16
- Outstanding per capita debt Rs. 22,159 in 2015/16
- Nepal ranked 131 out of 176 countries in 2016 Corruption Perception Index
- Nepal is still in the group of LDCs
- Increasing dependency on foreign aid
- Almost 5 million youths outmigration for foreign employment

TRADE BALANCE (1995-2015)

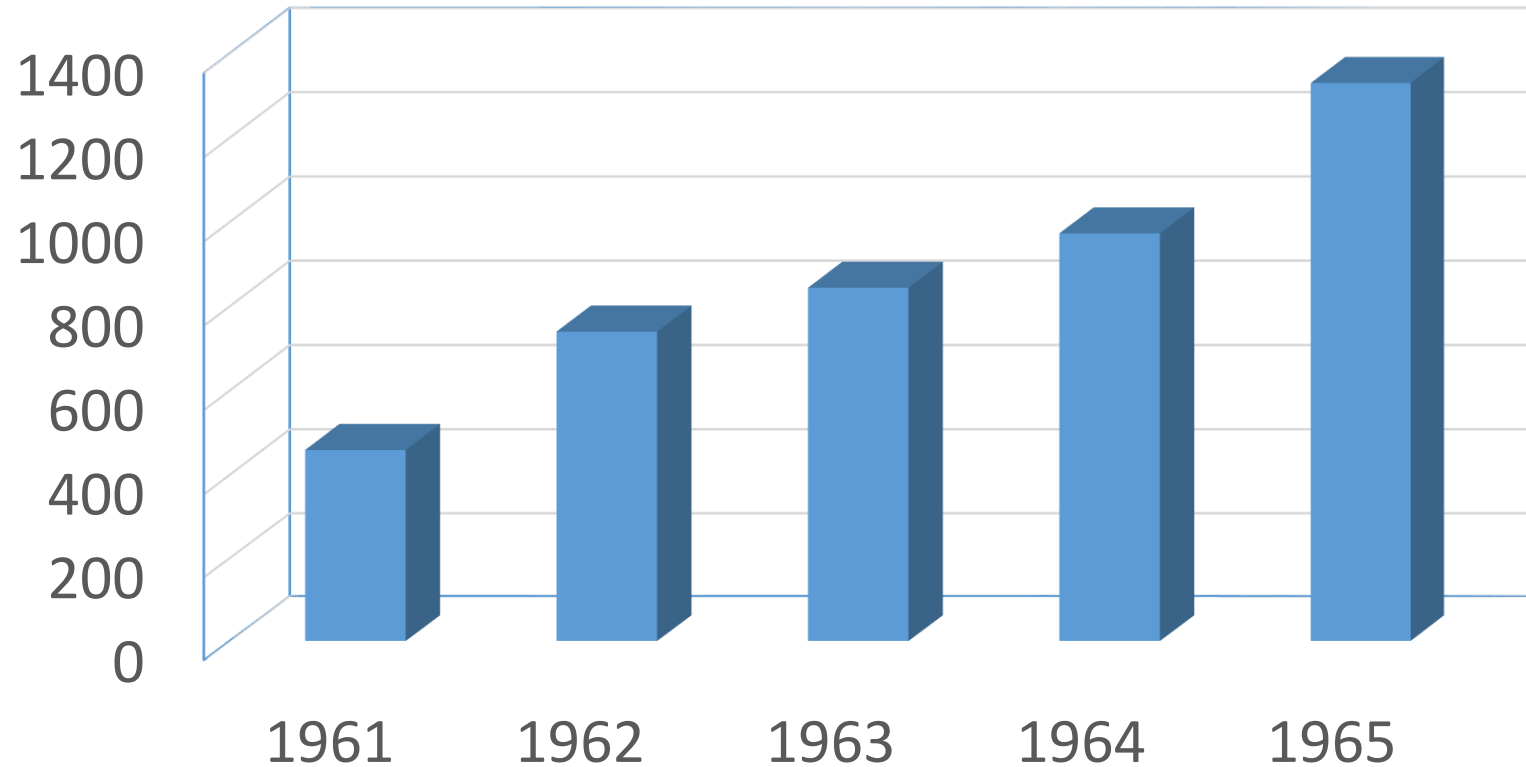


Data source: atlas.media.mit.edu/en/profile/country/npl.

GDP PER CAPITA (CURRENT US DOLLAR)



GROWTH OF INDUSTRIAL FIRMS IN NEPAL (1961-1965)



GDP Growth Rate

1961-62 Rs. 3680 million

1964-65 Rs. 5280 million

**43% increase in GDP over
the three year period.**

CONCERNS AND CHALLENGES OF PLANNING AND DEVELOPMENT

- Ad hoc plans, Implementation Failure, Lack of information
- Foreign aid, Administrative problems
- Capacity-building, Ambitious plan
- Poor project proposals, Lack of coordination, Functions and responsibilities
- Monitoring and Evaluation
- Underspending, Financing the plans
- Bureaucratic hurdles, Audit, Finance Ministry
- Expedited developmental works, Bottom-up approach, Advisory
- Constant search for more appropriate organizational forms

CONCERNS AND CHALLENGES OF PLANNING AND DEVELOPMENT

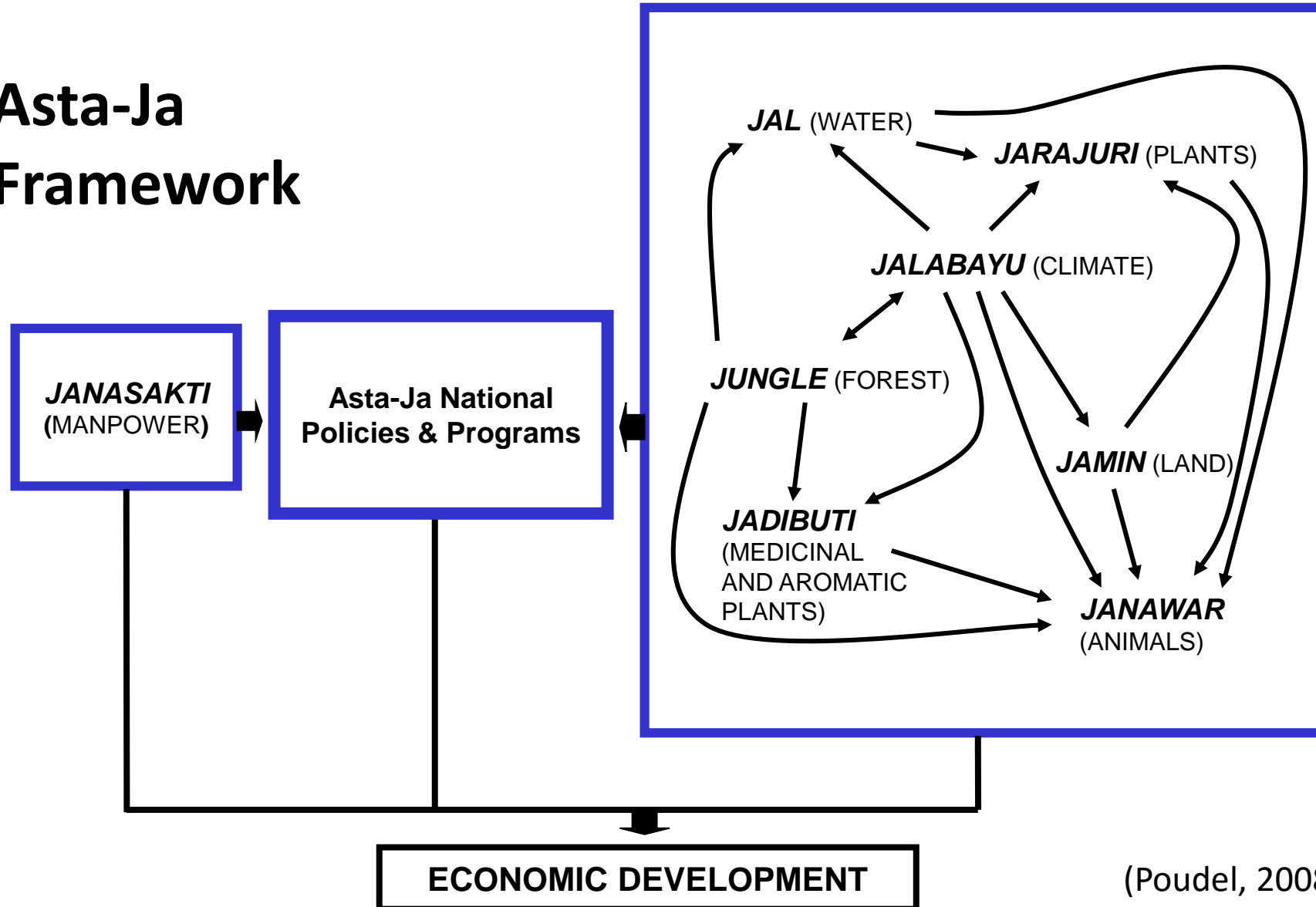
Contd...

- Federalization of administration
- 2015 Constitution requiring socialism-oriented economy
- Accelerated economic growth and fast-paced socio-economic transformation
- Employment generation
- Infrastructural development
- Education and health services, safety and security
- Sustainable natural resources, environmental quality
- Geopolitics, trade and transit
- Lack of appropriate framework for development
- Lack of Developmental Vision

II. Asta-Ja Resources

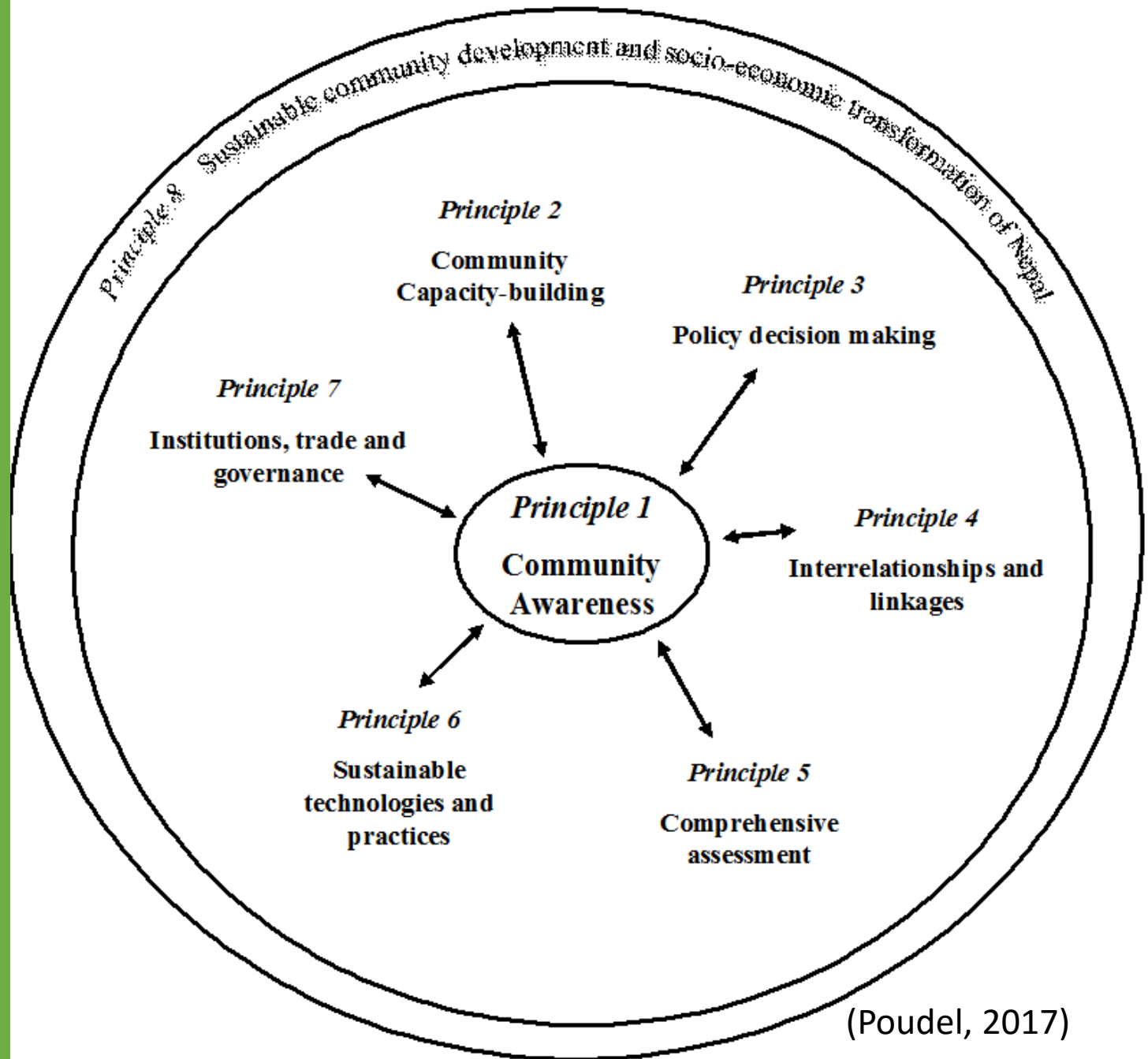
PLANNING AND DEVELOPMENT FOR SUSTAINABLE UTILIZATION OF ASTA-JA RESOURCES

Asta-Ja Framework



(Poudel, 2008)

EIGHT PRICIPLES OF ASTA-JA FRAMEWORK



III. Nepal Vision 2040

Nepal Vision 2040

(At the par of a developed nation)

Challenges

Poverty, Negative Balance of Trade, Outstanding Public Debt, Foreign Aid Dependency, Implementation Failures, Massive Outmigration for Foreign Employment, GDP Growth Rate, Natural Disasters, Environmental Degradation, Energy



Assets

Asta-Ja

(Jal, Jamin, Jungle, Jadibuti, Janashakti, Janawar, Jarajuri, Jalabayu)



Vision

1. Food self-sufficiency,
2. Reliance on renewable resource energy,
3. Thirty million tourists annually,
4. Export of organic foods, medicinal and aromatic plants, and other products;
5. Corruption control,
6. Infrastructural development,
7. Community resiliency,
8. Social services;
9. Asta-Ja resource conservation, utilization and development

GOALS AND STRATEGIES

Goals	Strategies
1. Food self-sufficiency	Commercialized agriculture, agricultural productivity, pro-poor market, investment in agriculture, organic farming, value chain, and policies and programs
2. Renewable resource energy	Large hydropower projects, micro-hydros, alternative energy
3. Thirty million tourists annually	Tourism infrastructure, conventional tourism, eco-tourism, religious tourism
4. Exports of organic foods, medicinal and aromatic plants, and other products	Organic fruits and vegetables, organic dairy products, organic meat products, medicinal and aromatic plants products, drinking water, high value products
5. Corruption control	Digital transactions, paper trails, ethic codes, enforcement of anticorruption measures
6. Infrastructural development	Large hydro, roads, railways, aviation, and other projects; small to medium size development projects; private investment
7. Community resiliency	Flood, earthquake, landslides, wildfire, hailstorms and other natural disasters resiliency
8. Social services	Education, health, drinking water, old age, disabilities, food stamps, school meals, social security, women empowerment, children welfare
9. Asta-Ja resources	Conservation, development and utilization of Asta-Ja resources, environmental quality

United Nation's global Sustainable Development Goals (SDGs)

declared at the UN's New York Convention on September 25-27, 2015

- Goal 1** *End poverty in all its forms everywhere*
- Goal 2** *End hunger, achieve food security and improved nutrition and promote sustainable Agriculture*
- Goal 3** *Ensure healthy lives and promote well-being for all at all ages*
- Goal 4** *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*
- Goal 5** *Achieve gender equality and empower all women and girls*
- Goal 6** *Ensure availability and sustainable management of water and sanitation for all*
- Goal 7** *Ensure access to affordable, reliable, sustainable and modern energy for all*
- Goal 8** *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

- Goal 9** *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*
- Goal 10** *Reduce inequality within and among countries*
- Goal 11** *Make cities and human settlements inclusive, safe, resilient and sustainable*
- Goal 12** *Ensure sustainable consumption and production patterns*
- Goal 13** *Take urgent action to combat climate change and its impacts*
- Goal 14** *Conserve and sustainably use the oceans, seas, and marine resources for sustainable development*
- Goal 15** *Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*
- Goal 16** *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*
- Goal 17** *Strengthen the means of implementation and revitalize the global partnership for sustainable development*

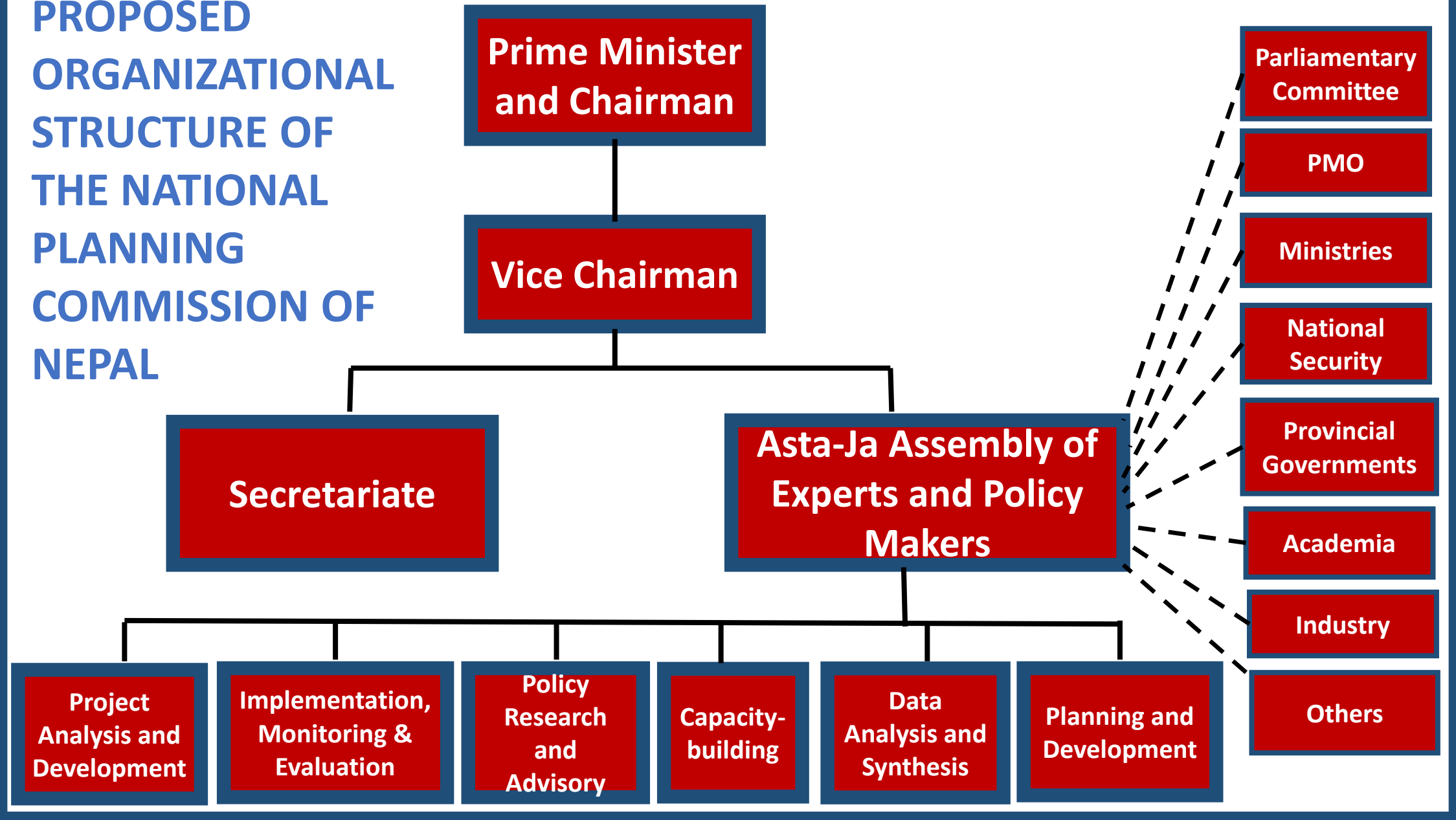
IV. Restructuring of NPC

SECRETS OF SUCCESSFUL PLANNING AND DEVELOPMENT



- Development of a good plan
- Plan Implementation
- Monitoring and Evaluation
- Research and Development
- Data Analysis and Synthesis
- Project Development
- Capacity-building
- Good Policies
- Financing
- Reporting
- Others

**PROPOSED
ORGANIZATIONAL
STRUCTURE OF
THE NATIONAL
PLANNING
COMMISSION OF
NEPAL**



CONCLUSIONS

- Successful national planning and development is critical for sustainable utilization of natural resources and economic development of Nepal.
- Nepal holds vast Asta-Ja resources and conservation, utilization, and sustainable development of Asta-Ja resources is necessary for socio-economic transformation of the nation.
- Nepal Vision 2040 identifies nine developmental themes which guide us in developing programs within these themes and moving forward towards the realization of our vision.
- Restructuring NPC on the basis of Asta-Ja Framework and Nepal Vision 2040 facilitates national drive for fast-paced economic growth and socio-economic transformation of the nation.
- Through the formation of Asta-Ja Assembly and its six operating units, the new NPC will be very effective in developing coordinated plans following bottom-up approach within the federalized condition, serve as a “think tank” for the government, help implement programs and projects, and capacity-building at the local, provincial, and national level for planning and development.



Thank you for your attention!
Questions?