

UNITED NATIONS OFFICE FOR SUSTAINABLE DEVELOPMENT INCHEON, REPUBLIC OF KOREA

“2022-2023 Sustainable Development Transformation Forum”

Straight Talks :

**Geopolitical realities and COVID-19 impact on the implementation of the 2030
Agenda and achievement of SDGs-Case of Nepal**



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Republic of Korea

The Content;

1. The Geopolitical Realities
2. Implementation of 2030 Agenda and Achievements of SDGs
3. Impact of COVID-19 on Key Macroeconomic Indicators
4. Impact of COVID-19 on Implementation of SDGs
5. Structural Transformation to Achieve SDGs

1.The Geopolitical Realities

Context of Geopolitical Realities

- *The geographical location, size, cultures and religions, economic strengths, and other vital resources* etc. are the major determining factors in formulating the geo-strategy for survival and development of the country.
- Geopolitics is also defined as the study of the relationship between *geographical factors and the politics of states and nations and their interactions* with the neighboring countries and international community.
- The ‘geopolitics’ indicates *links and causal relationships* between political power and geographic space which play vital role in any country’s *survival, independence, security and identity*.
- **In the context of changing geopolitical realities**, the political decisions and actions taken by a country in any parts of the world rapidly acquire worldwide ramifications in this interconnected world.
- **In concrete term**, the rise of *geo-economics, regionalization and globalization* has contested the geopolitics of nation-states and evolved multiple memberships of people in regimes.
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With the growing global connections; the challenges that we have to face now are not limited only in maintaining geopolitical relations, and dealing with the multi-tracks' relationships between the governments and peoples of different countries but also facing issues like;

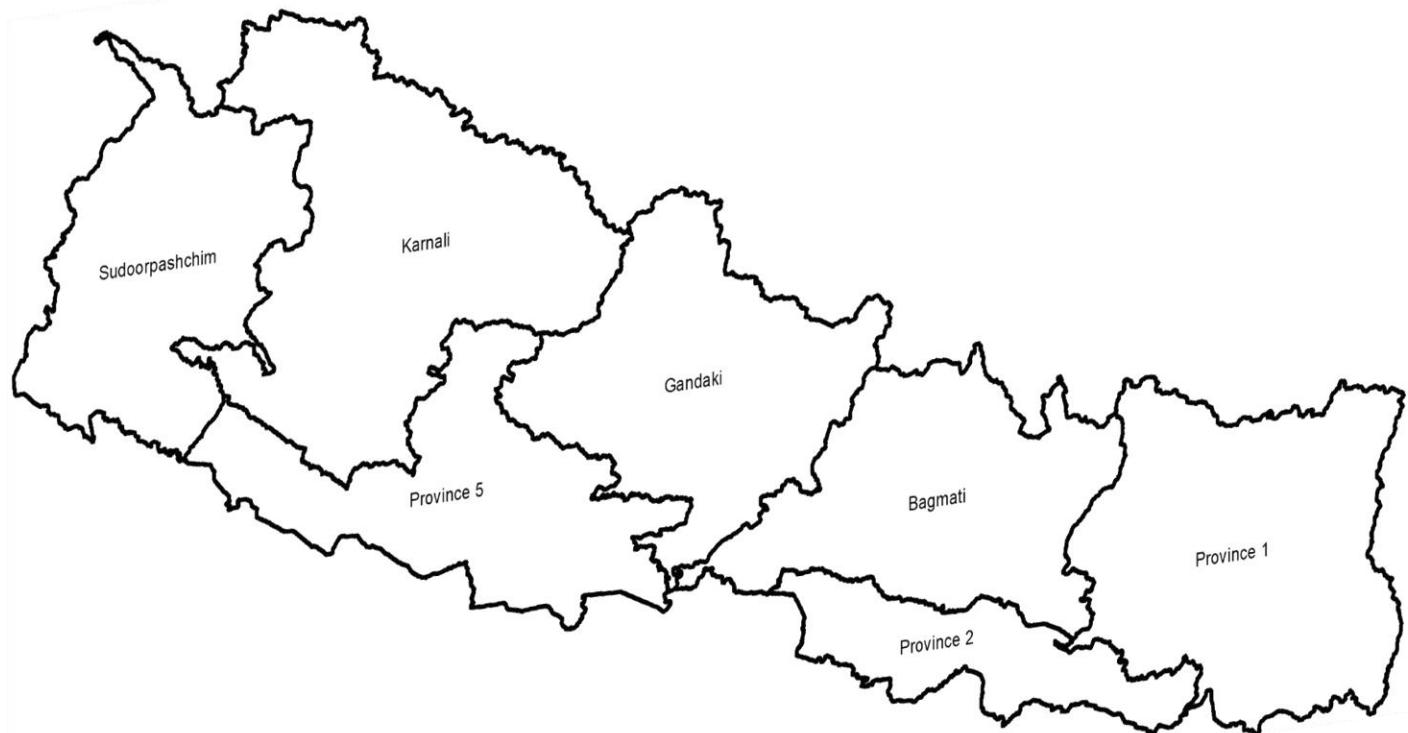
- *security threats, outbreak of diseases, financial crisis, trade disputes, political and economic hegemony, cultural and religious domination etc.*
- And require all the nations work together to overcome these issues by making the optimal use of resources.

Geopolitical Realities of Nepal

- Nepal's geographic position has undoubtedly affected its policies, but it is *not the sole causal factor that has predetermined and protected Nepal's security*.
- Due to its geographical location Nepal's linkage with the global environment *has always been within the context of the neighborhood environment*.
- Being in middle of the two growing economic powers(India and China), *Nepal does have immense possibilities of exploring and attracting investments from both sides*.
- Only 41 countries out of 209 have a population larger than Nepal (1996 World Bank Atlas-1996).But, Nepal's neighbors(the most populous countries in the world) has shaped *the reflection of "small Nepal" in both home and abroad*.
- Over the years, *Nepal has been able to expand its relations and gain comparatively better position* as well as reputation in the international stages
- The expansion of Nepal's role in the international arena could also be viewed in the economic front. *The foreign debts, aids as well as grants in the last fifty years have been dramatically increased*.



Nepal : Country Profile

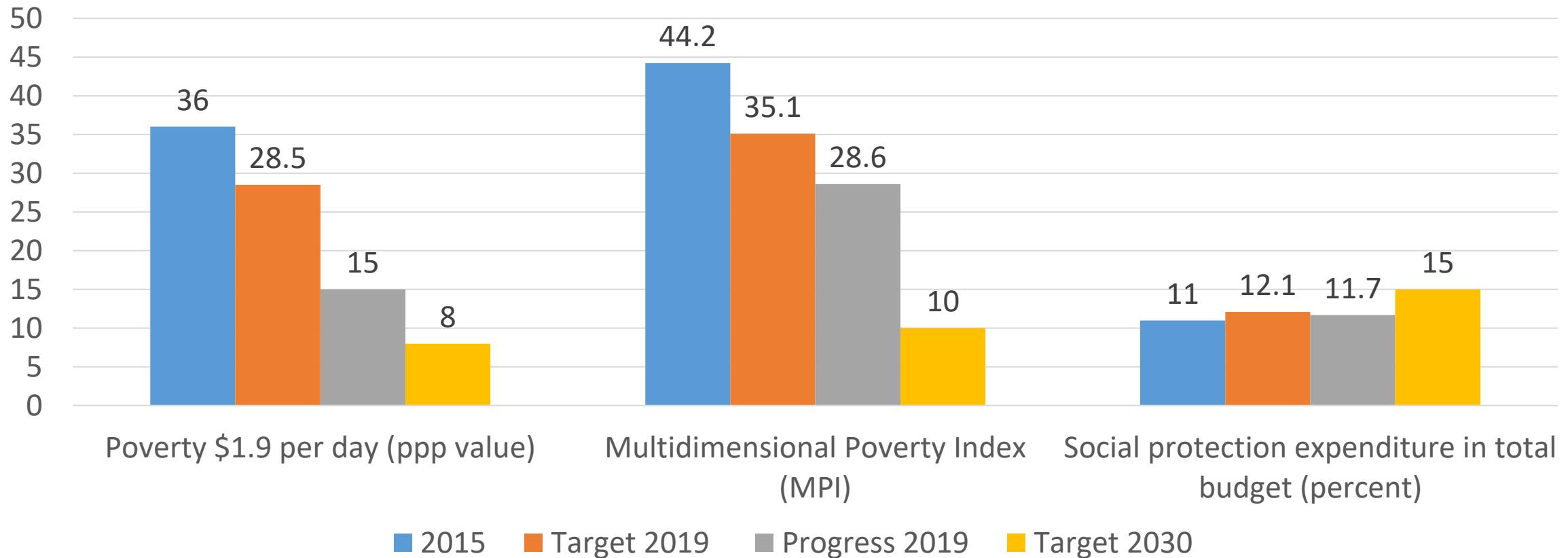


- Area: 1,47,181 sq km
- Population: 29.1 million
- Three-tier Federal system:
7 Provinces 753 local governments
- GDP : NRs. 4851.62 billion
- Per Capita GNI: 1381 US\$
- Life expectancy (at birth): 70 years
- Human Development Index : 0.602

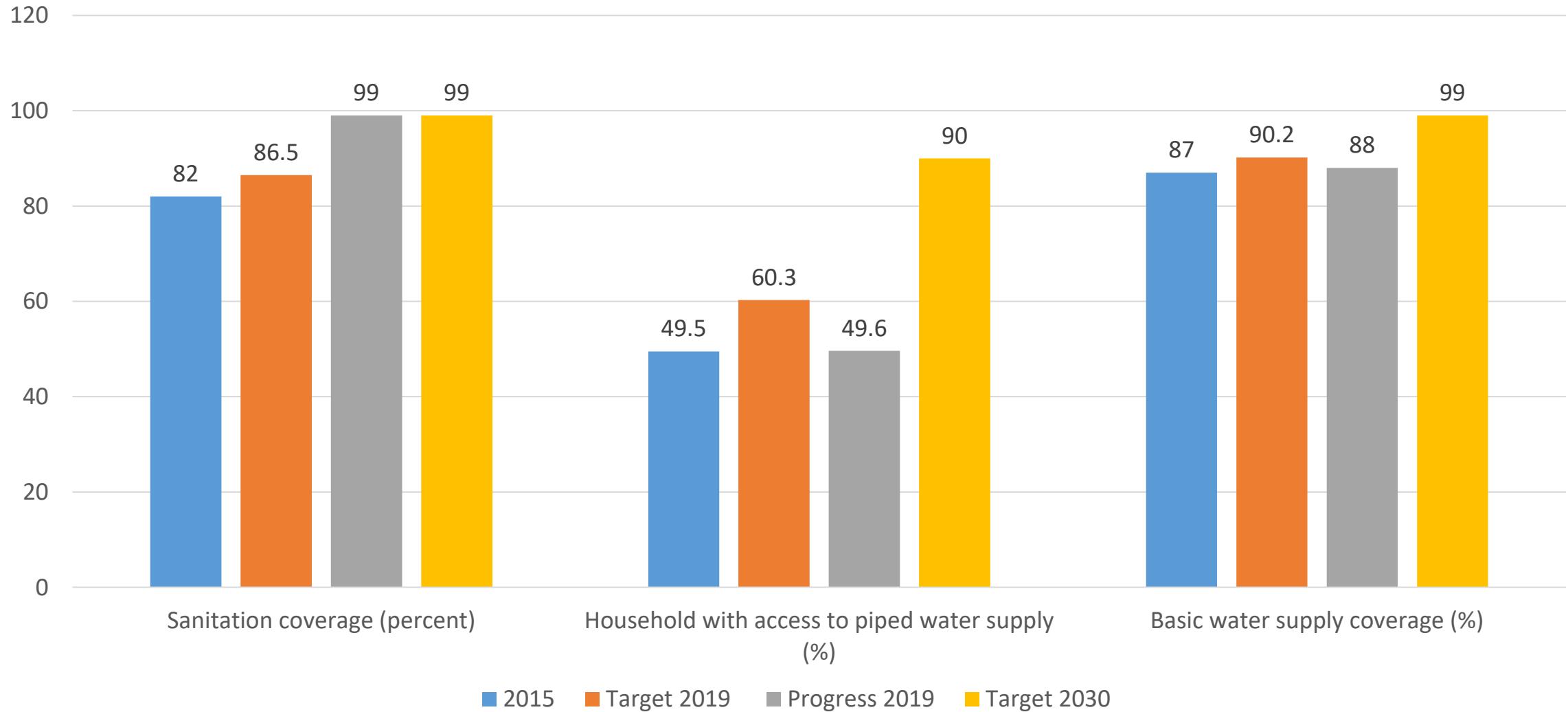
2. Implementation of 2030 Agenda and Achievements of SDGs

- SDG-1
- SDG-6
- SDG-9
- GDP-11
- SDG-17

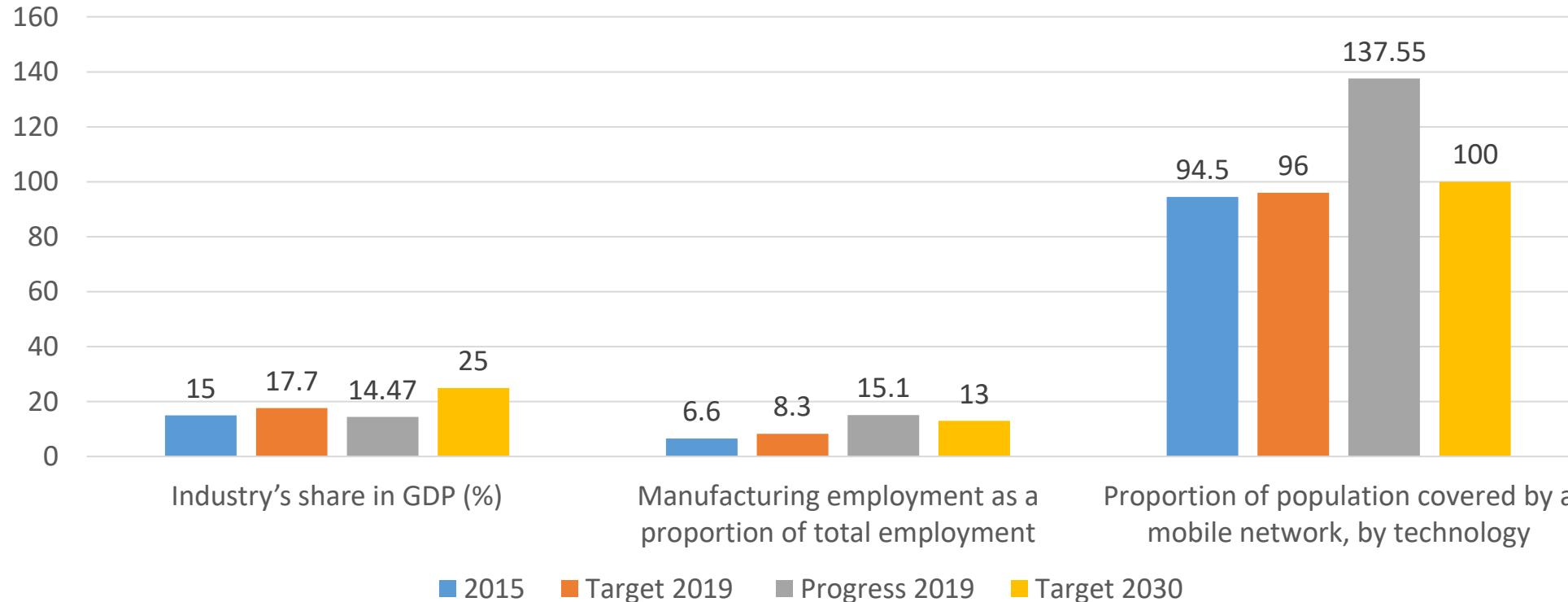
SDG 1: End Poverty



SDG 6: Clean Water and Sanitation

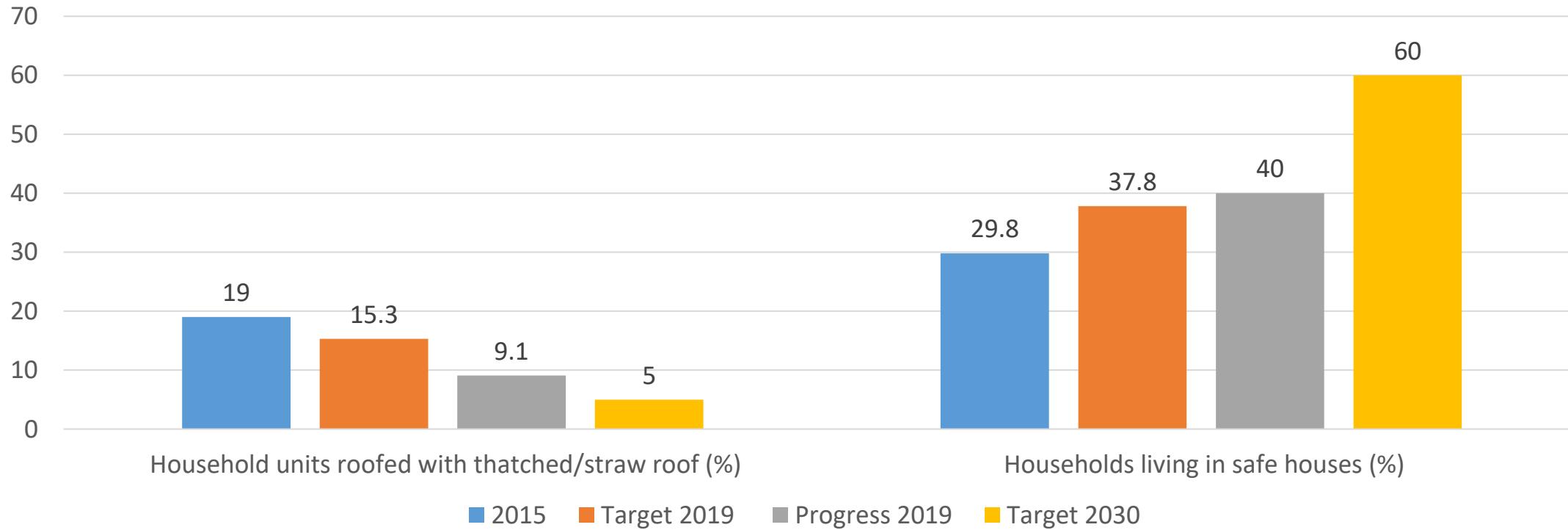


SDG 9: Industry, Innovation and Infrastructure



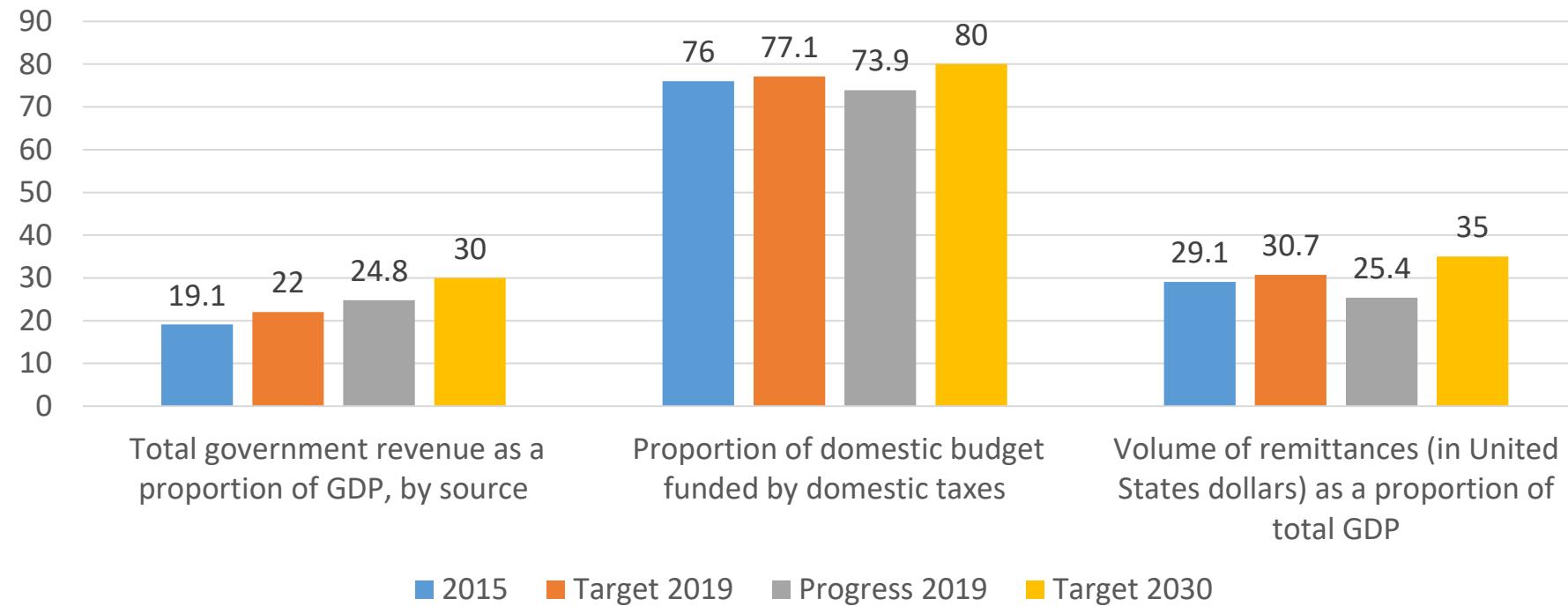
	2015	Target 2019	Progress 2019	Target 2030
Road density (km/sq. km)	0.55 ^a	1.3	0.63	1.5
Paved road density (km/sq. km)	0.01 ^a	0.07	N/A	0.25
Number of patent registered	75 ^d	322	2	1000

SDG 11: Sustainable Cities and Communities



	2015	Target 2019	Progress 2019	Target 2030
Planned new cities (number)	10 ^f	23	27	60

SDG 17: Partnerships for Sustainable Development



	2015	Target 2019	Progress 2019	Target 2030
Official development assistance as a proportion of total domestic budget, (%)	15.1 ^a	15.8	11.2	18
FDI as a proportion of GDP (Inward stock) (%)	4.8 ^a	7.3	6.2	20

3. Impact of COVID-19 on Macroeconomic Indicators

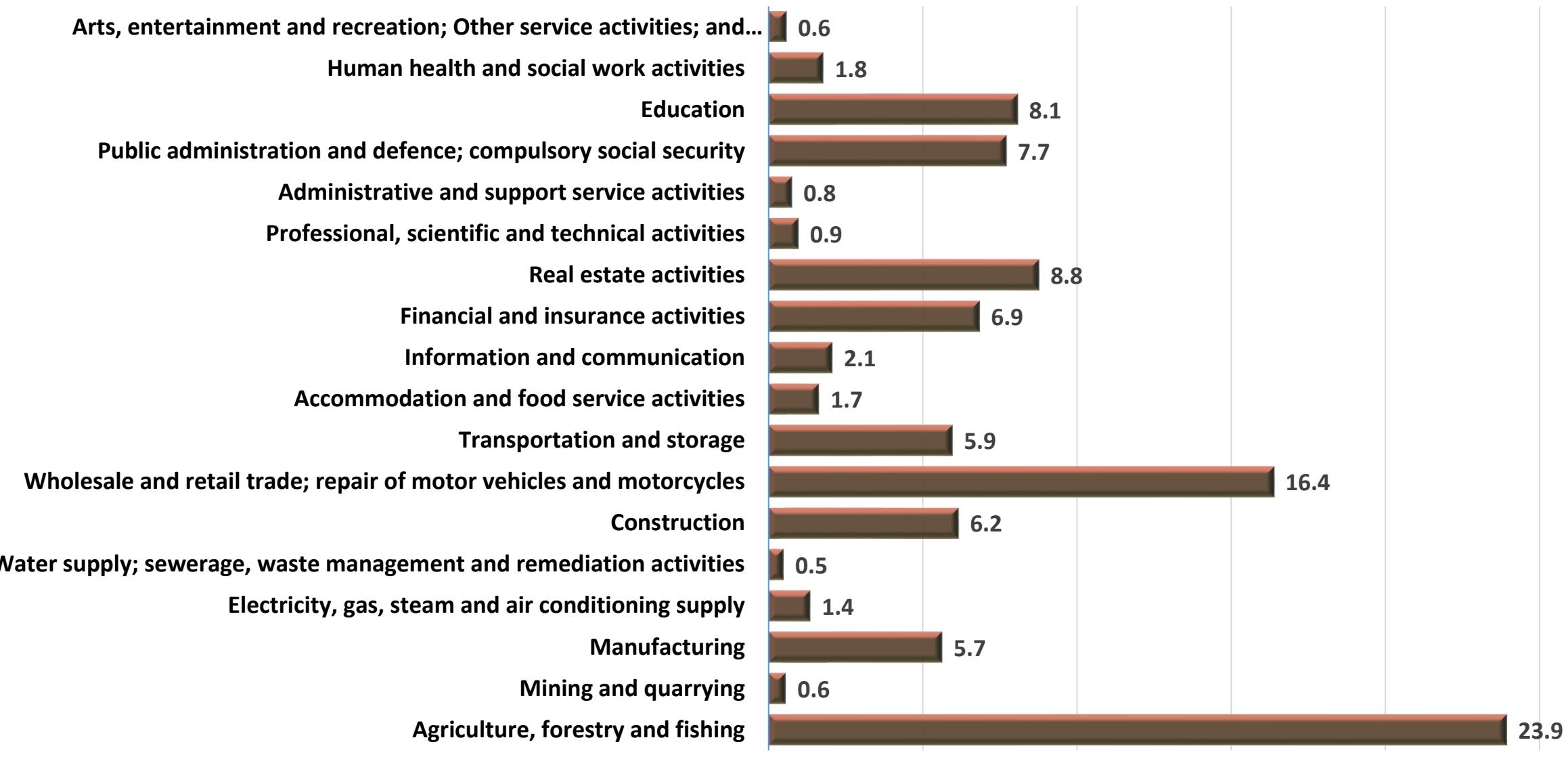
Impact on Key Macroeconomic Indicators

Indicators	2019/20	2020/21	2021/22
Per Capita GNI (\$)	1139	1246	1381
Absolute Poverty (Head Count)	18.7	18.7	18.7
Multinational Poverty (Head Count)	19.5	19.5	17.4
Economic Vulnerability Index	283	24.2	24.7
Human Development Index	0.549	0.579	0.602
Annual Growth Rate of GDP (%)	-2.9	3.8	5.8

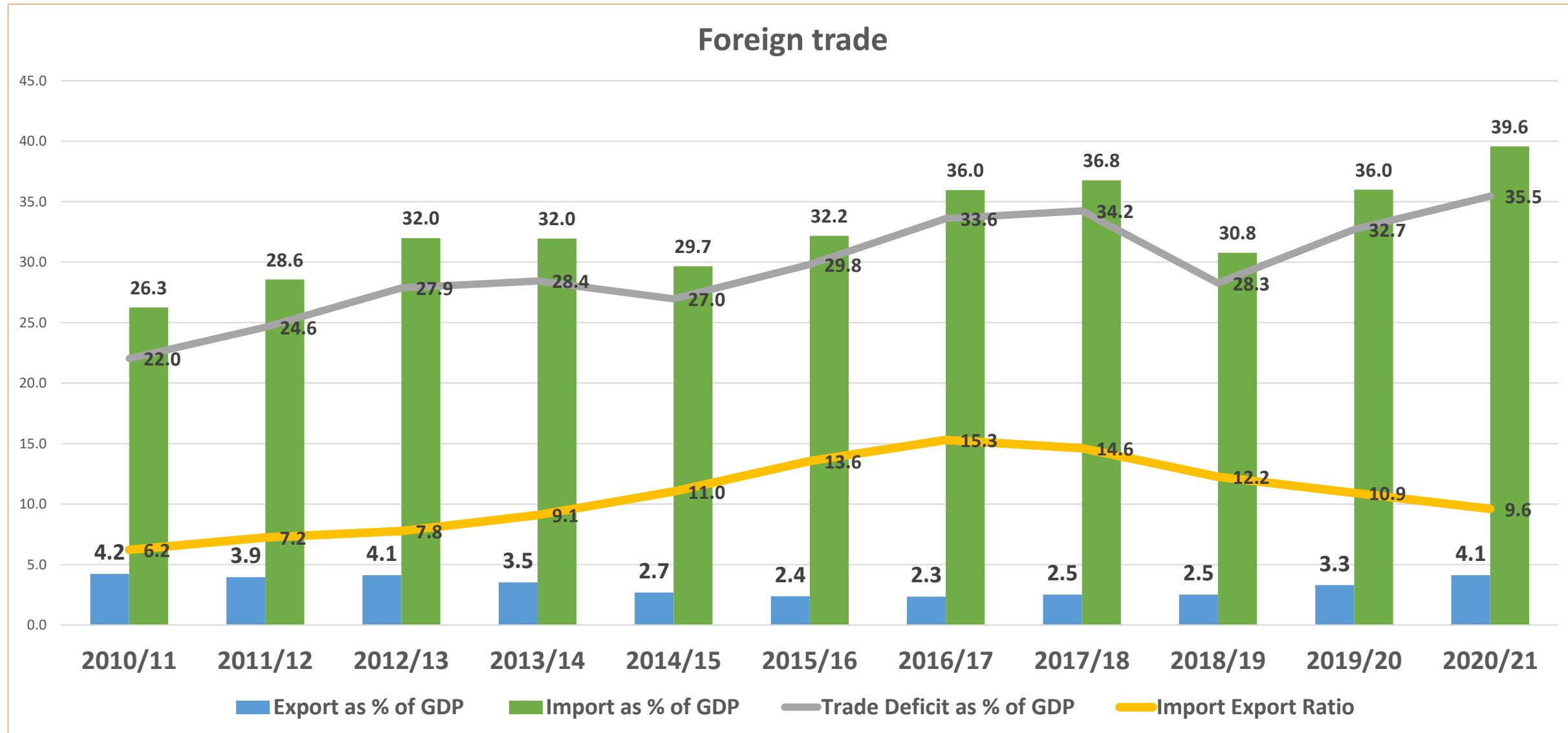
Impact on Key Macroeconomic Indicators(Cont....)

Indicators	2019/20	2020/21	2021/22
Gross domestic saving as % of GDP	5.7	7.7	9.3
Gross national saving as % of GDP	32.2	33.3	31.9
Gross fixed capital formation as % of GDP	30.5	29.9	29.4
Final consumption expenditure as % of GDP	94.3	92.3	90.7
Exports of goods and services as percentage of GDP	6.8	5.2	6.6
Imports of goods and services as percentage of GDP	34.1	38.6	41.5
Workers' Remittances as percentage of GDP	22.5	22.5	19.8
Resource Gap as percentage of GDP(+/-)	1.7	-2.5	-5.3

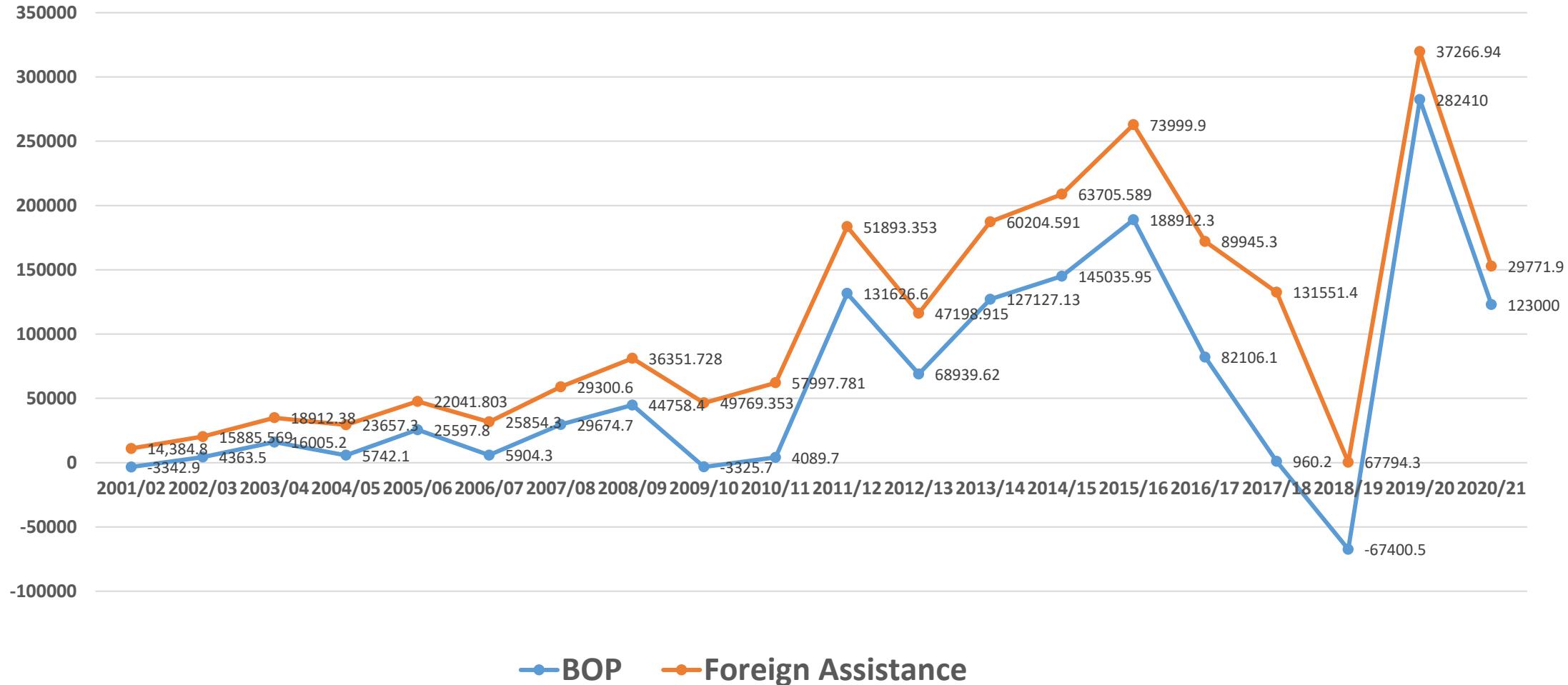
Impact on Sectoral Composition of GDP by 2021/22



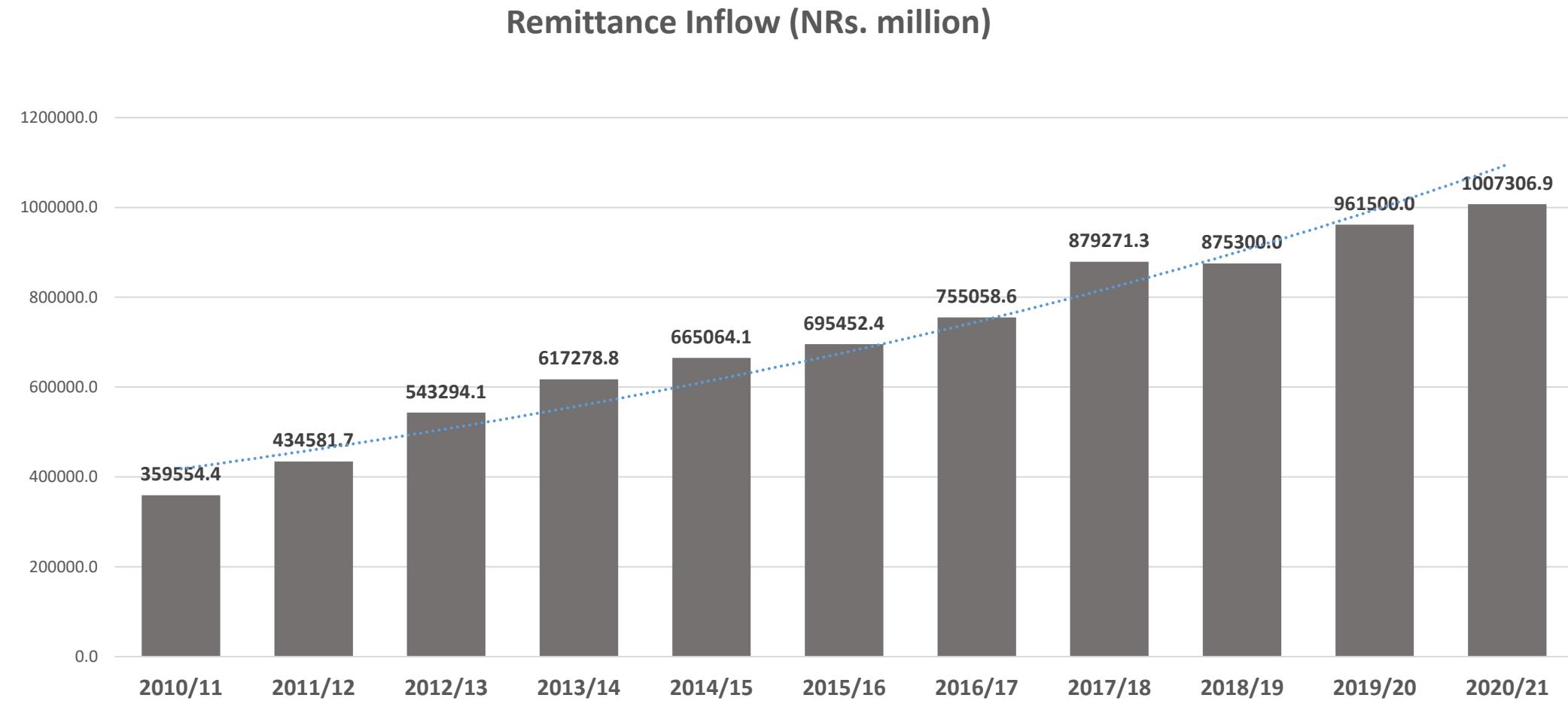
Trend in Foreign Trade before and during COVID-19 Era



Trend of BOP and Foreign Assistance (million NRs.): *BOP facing challenge in latest Fiscal Years*



Remittance Inflow before and during COVID-19 Era

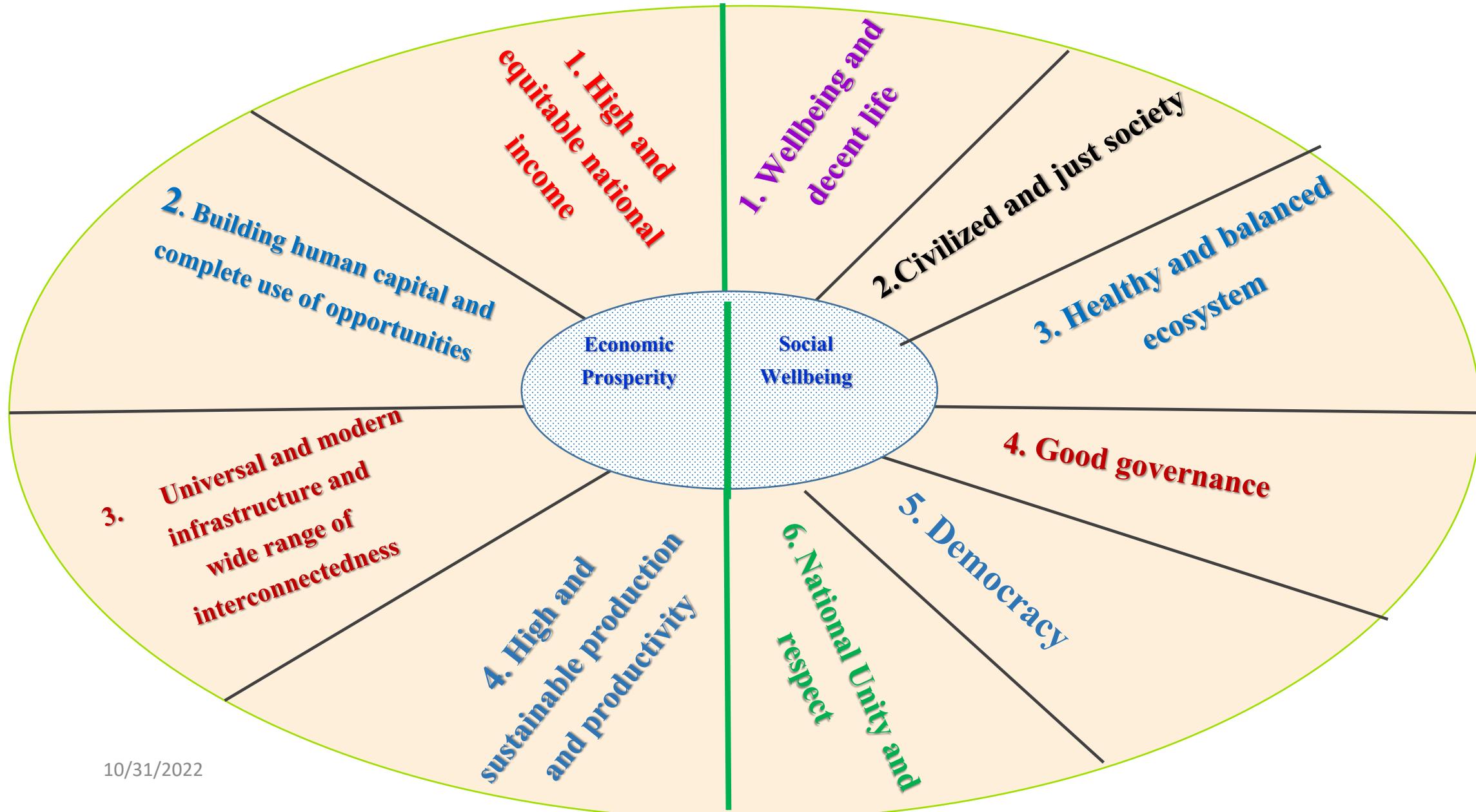


4. Impact of COVID-19 in the National Economy

- Hardest hit sectors – tourism, manufacturing, construction and social sectors
- Severely affected – education, construction, agricultural production, trade, supply chain and service delivery
- Impact - Revenue mobilization, capital expenditure and private sector investment
- Inadequate Health infrastructure to fight for COVID-19
- Future remittance will plummet, ODA decreased unemployment impacted marginalized population (1.5 million people lost job 2019/20)
- School closure and limited access of online class due to access to internet and lack of affordability of technological devices;
- Limited access to school-based nutrition programs;
- Increase vulnerability in the external trade front in general and exports fronts
- Trade led vulnerability at a time when remittances inflows are also shrinking

5. Structural Transformation to Achieve 2030 SDGs

Future direction : Socio-Economic Transformation of Nepal



Path Ways to Structural Transformation

- **Agriculture:** subsistence via. commercial agro practices
 - Modernization and Mechanization
 - High value agro production
 - Productivity enhancement-agro inputs and market management
- **Natural Resources:** unutilized/underutilized via. optimum utilization
 - Strategic use of forest resource (exploit and replant)
 - Multidimensional utilization of water resource (irrigation, energy and drinking)
 - Resilience use of mining and quarrying
- **Domestic resource mobilization:**
 - public expenditure and revenue,
 - private sector investment and partnership with cooperatives
 - internal cooperation with tiers of government
- **Hydroelectricity:** Export-oriented hydroelectricity generation and transmission

Path Ways to Structural Transformation

- **Infrastructure:** *Balanced/inclusive (federal balance) and quality infrastructures*
- **Tourism :** *Diversified and quality tourism*
- **Transportation:** *Safe and mass-based transportation system*
- **ICT and wider network:** *Implementation of Digital Nepal Framework*
- **Foreign employment and remittance inflow:** *Productive and safe foreign employment, productive use of remittance inflow*
- **Service sector modernization :** *quality and modernized education and health system.*
- **Urbanization and safe settlement:** *Safe and modern cities, resilient settlement practices*
- **Demographic dividend:** *optimum and productive use of economically active population*
- **Climate resilient** production activities and climate finance.
- Proper institutional arrangement for pre and post graduation

Thank You !