



Government of Nepal and International Development Partners **Joint Communiqué on Nepal's Green, Resilient and Inclusive Development Strategic Action Plan 2024-2034**

November 2, 2023

A high-level event, “Investing in Nepal’s Green, Resilient, and Inclusive Development (GRID) Priorities,”

was convened in Kathmandu by the Government of Nepal represented by the Ministry of Finance and GRID partners represented by the World Bank on November 2, 2023, which brought together participants from the federal, provincial, and local governments, development partners, private sector representatives, civil society, think tanks, and academia.

The event was organized to advance Nepal’s progress since the September 2021 Kathmandu Declaration on GRID that was jointly endorsed by the Government of Nepal and 16 development partners, including the preparation of the GRID Strategic Action Plan (SAP).

Recalling the 2021 Kathmandu Declaration that set Nepal’s initial vision on GRID, the participants re-affirm our shared commitment to:

Reinforce and enhance the GRID partnership platform to meet Nepal’s development goals, building on and reflecting the development imperatives in Nepal’s 2015 Constitution, periodic Development Plans, Nationally Determined Contribution, National Adaptation Plan, sectoral strategies, and the Sustainable Development Goals;

Reiterate our shared view that Nepal’s GRID approach, if scaled, can be a development policy vehicle for securing prosperity, growth, jobs, livelihoods, and risk reduction for all Nepalis, while simultaneously addressing the multiple crises that complicate Nepal’s development aspirations, including climate and other environmental risks such as floods, droughts, erosion, and heat stress; earthquakes and landslides; effects from the pandemic such as a jobless recovery and human capital reversals; and pollution and other forms of natural capital degradation that undermine sustainable production as well as human health and welfare;

Endorse the 10 key transitions articulated in Nepal’s evolving GRID SAP, which includes current and new high priority investments over the next 10 years, emphasizing integrated approaches to scale up transformational solutions that deliver sustainability, resilience, and inclusion, while building on Nepal’s successes and capacity (without compromising other areas of development cooperation):

Transition 1:

Managing Landscapes to Optimize Benefits from the Water-Agriculture-Forest Nexus

Transition 2:

Disaster Risk Management, Preparedness, and Social Protection

Transition 3:

Sustainable and Inclusive Land Administration

Transition 4:

Resilient Roads and Sustainable Transport

Transition 5:

Unleashing Nepal's Renewable Energy Potential

Transition 6:

Green, Resilient, and Inclusive Cities

Transition 7:

Resilient Water Supply and Sanitation

Transition 8:

Improved Air Quality for Public Health

Transition 9:

Sustainable Solid Waste Management and Plastics

Transition 10:

Leverage Human Capital

10A: Building the Skills for a Green, Resilient Economy through the Education System

10B: Equipping the Health System for Preparedness, Prevention and Response

Cross-cutting:

Environmental governance; gender equality and social inclusion; private capital mobilization; and accelerating digital development.

Embrace the key impacts for Nepali people from the GRID SAP including, among others: more jobs, more economic opportunities, and more secure livelihoods from the GRID transition for more people including women, youth, and other disadvantaged groups; greater capacity to withstand a variety of stresses and shocks; healthier people and ecosystems; and more liveable and sustainable cities and rural areas;

Pledge to strengthen coordination of all available sources of financing and technical advice across sectors and stakeholders to support Nepal's GRID SAP priorities;

Appreciate the collective on-going significant financial and technical response to the 2021 Kathmandu Declaration on GRID for advancing the 10 priority GRID transitions, consisting of indicative additional commitments from the development partners to be programmed for new priority flagship GRID investment programs to implement the GRID SAP on top of regular financing for ongoing projects and scaling up support to develop pipeline projects;

Note with satisfaction that the external development financing for the GRID SAP is complemented by improvements in Nepal's policy frameworks; a strong partnership platform; and diverse sources of finance including significant public expenditure and opportunities for mobilizing private capital;

Recognize Nepal's need for additional and new financing to fully implement GRID, and to continue to secure financing via development partners, especially in the form of grants (keeping in mind the disproportionate impacts and additional costs that Nepal is experiencing from climate change), other concessional resources, and innovative financing instruments, while the Government of Nepal aims to effectively and efficiently develop and implement its public policy program, and increase absorptive capacity for on-going, pipeline, and future investment projects for durable impacts on the ground;

Leverage the GRID SAP to secure and coordinate additional financing such as grants and other concessional resources, private capital, results-based financing, contingent financing for disasters, green bonds and other instruments appropriate for Nepal, and assist Nepal to pursue direct access to relevant external funding mechanisms beyond its own resources, acknowledging the limited availability of grants and concessional resources;

Deepen cooperation to better identify, develop, and deploy solutions and arrangements that further promotes domestic and foreign private sector investment;

Agree that Nepal and its partners can help fill the climate financing gap by leveraging the GRID SAP to attract climate finance in line with Nepal's policies, principles of climate justice, and to help Nepal achieving green transition targets; and

Ensure that the priorities and needs of local and provincial governments and other stakeholders are reflected through consultations conducted before final endorsement of the GRID SAP, and that capacity is continually strengthened for the implementation of the SAP according to the constitutional mandates of the three tiers of government.

GRID PARTNERS



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Department of Home Affairs



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