

ADB to help govt mitigate fiscal deficit

The Asian Development Bank (ADB) has said that it will support the government of Nepal in mitigating the resource deficit that the country is currently facing in implementing the federal system.

Moreover, ADB officials informed that discussions are under way with the government of Nepal to finalise the support modality.

“We have taken into account the financial deficit that Nepal is likely to face while allocating additional budgets at the provincial and local levels under the new governance system that the country has adopted,” said Hun Kim, director general at South Asia department of ADB, adding that ADB is currently discussing the ways to support Nepal to overcome the fiscal deficit.

During a brief conversation with *The Himalayan Times* at the 51st annual meeting of ADB’s Board of Governors, which kicked off in Manila, Philippines from Thursday, Kim also informed that ADB will highly prioritise Nepal’s infrastructure sector in the future.

“A recent breakthrough of the Melamchi Water Supply Project, one of the biggest ADB-supported projects in Nepal, is a great success. ADB will focus on similar transformative projects in Nepal in the future,” added Kim.

More than 4,000 visitors, including high-level government officials from around the world, finance ministers of South Asia and Pacific nations, members of civil society and development agencies, private sector and media, among others, are currently in the Philippine capital to participate in the ADB’s annual meeting.

Being organised with the theme of ‘Linking people and economies for inclusive development’, the ADB meeting is examining the development hurdles in South Asia and the Pacific.

Likewise, various seminars and discussions are also under way regarding the role of private sector in meeting infrastructure needs in the region, technology and labour market in South Asia and entrepreneurial growth in the region.

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Meanwhile, Finance Minister Yubaraj Khatiwada, who is also in Manila to attend the ADB meeting, told *THT* that the government has asked ADB to primarily support Nepal in infrastructural projects that connect or assure linkages between rural and city areas in the country.

Moreover, Khatiwada said that Nepal should explore other possible means of support from ADB in the coming days, rather than only focusing on seeking concessional loans.

Source : THT, 5th May 2018