

# WTO OMC

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# Page 5: ABOUT YOU

Q1 Respondent NEPAL

**Q2** About you

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# Page 7: SECTION 1: AID-FOR-TRADE PRIORITIES (YOUR GOVERNMENT'S AID-FOR-TRADE PRIORITIES)

**Q3** Does your national development strategy include trade priorities ? (i.e. Aid-for-Trade priorities)

Yes

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**Q4** If yes, please indicate your Aid-for-Trade priorities:Below are listed the most common priority areas grouped according to broad Aid-for-Trade categories. Please rank the top 5 priority areas among the ones listed below.(1 being the most important)

Connecting to value chains 2

Export diversification 5

Industrialization 4

International competitiveness 3

Transport infrastructure (airport, roads, rail, port) 1

Please specify further the priorities that you selected above as well as the main problems/obstacles encountered in furthering them and provide a weblink to the relevant strategy.

Nepal Trade Integration Strategy 2016 is the main Strategy which has prioritized export potentials and cross cutting issues to be addressed. The website is: https://moics.gov.np/media/Resources/Strategy/NTIS\_20 16.pdf

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# **Q5** Have your Aid-for-Trade priorities changed since 2016?

#### No.

Please specify further the priorities that you selected above, as well as the main problems/obstacles encountered in furthering them. Please include a weblink to the relevant strategy.:

Nepal Trade Integration Strategy 2016 is the main Strategy and it has not been further changed since then. Website of the Strategy:

https://moics.gov.np/media/Resources/Strategy/NTIS\_2016.pdf

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**Q6** If yes, please rank the top 3 drivers of these changes :(Please choose no more than 3 options)

Respondent skipped this question

**Q7** Have these changes been reflected in your dialogue with development partners?

Respondent skipped this question

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**Q8** Please provide names, titles, references or weblinks to policy documents relevant to Aid for Trade in your country.

Nepal Trade Integration Strategy 2016. Website: https://moics.gov.np/media/Resources/Strategy/NTIS\_2016.pdf

Trade Policy 2015. Website: https://moics.gov.np/en/sources/1/ Development Cooperation Policy 2014. Website:

https://www.mof.gov.np/uploads/document/file/DCP English 20140707120230 20140721083326.pdf

## Page 13: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

**Q9** Is economic diversification a priority in your national or regional development strategy?

#### Yes,

If yes, please provide additional information (including as to how economic diversification is defined and measured).:

The Constitution of Nepal, periodic plans, annual budget and programs have focused on socio-economic development and economic diversification in various forms. Inslusive development, balaced development, industrialization, export diversification, sustainable development and so on.

**Q10** What are the main constraints to economic diversification identified in your national or regional development strategy?(You may tick more than 1 box)

High trade , costs

Inadequate network infrastructure (power, water, telecommunications)

,

Limited agricultural production capacity

Limited inward foreign direct investment

Limited industrial or manufacturing capacity

Limited network and/or transport infrastructure of a cross border nature

,

Limited services capacity,

Limited standards , compliance

Low levels of training and , skills

Poor international competitiveness,

Transport infrastructure (airport, roads, rail, port)

**Q11** Please indicate in which of category(ies) of aid-for-trade financing you receive aid-for-trade support for economic diversification. (You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards)

Trade-related infrastructure (Including physical infrastructure)

,

Trade development (Including investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development)

**Q12** Does the aid-for-trade support you receive for economic diversification align with the priorities established in your national or regional trade and development strategy(ies)?

#### Unsure,

Additional information on how the aid-for-trade support you receive for economic diversification aligns with the priorities established in your national or regional trade and development strategy(ies).:

The size of aid for trade as per the international commitment is very low in Nepal. Additional resources mobilization under aid for trade focusing on the national priorities of the country in export sector development would be preferred to support economic diversification.

**Q13** Has your government recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?

#### Unsure,

Additional information on whether your government has recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?: The export import ratio of the country in foreign trade (goods) has reached to 1:15.3 in Fiscal Year 2017/2018 from the export import ratio of 1:2.7 in Fiscal Year 2005/2006. As a result, the country is facing huge challenges of trade deficit.

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Q14 If yes, please specify in which area(s):(You may tick more than 1 box)

Respondent skipped this question

**Q15** If yes, please also indicate in which sector(s): (You may tick more than 1 box)

Respondent skipped this question

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Q16 In which category(ies) of Aid for Trade is the support you receive impactful for economic diversification?(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade policy and administrative management

Trade facilitation,

Trade education/training

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**Q17** What factors contribute to the success of the aid-fortrade support you receive for economic diversification? (You may tick more than 1 box. Please limit your answer to the top five factors) Alignment of aid-for-trade support with national/regional priorities

Coordination among donors

Country ownership,

Good trade-related infrastructure

Institutional capacity to implement projects

**Q18** What factors may limit the success of the aid-for-trade support you receive for economic diversification? (You may tick more than 1 box. Please limit your answer to the top five factors.)

Diverging priorities between partner and donor

Lack of donor interest in specific projects/programmes

Poor alignment of aid-for-trade received with national/regional priorities

Resources dedicated to the project or programme too low

Weak institutional capacity

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**Q19** Does the Aid for Trade you receive help mobilize other forms of development finance for economic diversification (i.e. non-concessional financing, foreign direct investment, remittances, trade finance, etc.).

#### Yes.

Additional information on how Aid for Trade received helps mobilize other forms of development finance for economic diversification.:

Capacity development, infrastructure development, institutional capacity building, and other support extended through aid for trade may have positive impact on domestic and foreign investment in production and productivity development, export promotion, value chain development, exploring the potentials and benefiting from the golbal trading system.

**Q20** Which development partner(s) are the most important source of aid-for-trade financing for economic diversification?(You may tick more than 1 box)

European Union,

United Kingdom,

United States,

Asian Development Bank

(AsDB)

World

Bank

**Q21** Which South-South partner(s) are the most important source of financing for your economic diversification?(You may tick more than 1 box)

China.

India

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**Q22** Looking ahead, in which sector(s) will future support for economic diversification be most required? (You may tick more than 1 box)

Agriculture,

Industry,

Services,

Additional information on the sector(s) that will require most support for economic diversification.:

Support in trade related infrastructure development, production and productivity enhancement, value chain development, and export promotion among others would be

highly appreciated.

**Q23** Looking ahead, in which category of aid-for-trade financing do you think that your government will require aid-for-trade support for economic diversification. (You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards)

Trade education/training,

Trade-related infrastructure (Including physical infrastructure)

,

Transport and storage infrastructure

Energy supply and generation infrastructure

Trade development (Including investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development)

,

Building productive capacity

Agriculture,

Industry,

Mineral resources and mining

Travel and tourism

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**Q24** Is there any Aid-for-Trade project or programme for economic diversification that you would like to showcase as an example of best practice?(Please provide additional information and include weblinks as relevant)

Respondent skipped this question

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**Q25** Is economic empowerment a priority in your national or regional development strategy?

#### Yes.

If yes, please provide additional information on how economic empowerment is prioritized in your national or regional strategy.:

The Constitution of Nepal, periodic plans, annual program and budget, sectoral policies and programs have incorporated various provisions and programs of economic empowerment.

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**Q26** For which groups does your national or regional development strategy seek to promote economic empowerment?(You may tick more than 1 box)

Women's economic empowerment

Micro, Small and Medium Sized Enterprises

Youth economic empowerment

Additional information on the groups for which your national or regional developing strategy is seeking to promote economic empowerment.:

In addition to the groups as mentioned above, other minorities and marginalized groups are also in priority of national development process such as shadow casts, ethnic groups, poor people group, remote areas and others.

**Q27** Does the national or regional development strategy propose any indicators to track economic empowerment or include any targets to achieve?

#### Yes,

If yes, please provide additional information on the indicators, or targets, on economic empowerment that are included in your national or regional development strategy.: The Constitution of Nepal, periodic plans and sectoral strategies and programs have incidated targets to some extent mainly in the areas of education, health, income, employment and participation in social and political activities including representation in state mechanism.

**Q28** Does the national or regional development strategy link economic empowerment to participation in international trade?

#### Yes.

If yes please provide additional information on how your national or regional development strategy links economic empowerment to participation in international trade. : Support to women empowerment, balanced development, and employment generation among others were also criteria for selection of priority export potentials while developing Nepal Trade Integration Strategy 2016.

**Q29** Please indicate in which category(ies) of aid-for-trade financing you receive aid-for-trade support for economic empowerment. (You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Trade policy and administrative management

Trade education/training,

Transport and storage , infrastructure

Energy supply and generation

infrastructure

Building productive

capacity

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Agriculture,

Industry

**Q30** Does the aid-for-trade support you receive for economic empowerment align with the empowerment priorities established in your national or regional trade and development strategy(ies)?

**Unsure** 

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**Q31** How best can Aid for Trade make a contribution to women's economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

Improving access to global value , chains

Supporting the growth and economic development of women

,

Supporting rural , trade

Upgrading business skills,

Upgrading the transport infrastructure

Q32 What forms of aid-for-trade financing, in your view, best support women's economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Trade education/training,

Trade-related infrastructure (Including physical infrastructure)

,

Transport and storage , infrastructure

Energy supply and generation infrastructure

**Business support services,** 

Building productive capacity

Agriculture,

Industry,

Mineral resources and mining

Q33 What factors contribute to the success of Aid for Trade in promoting women's economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

Good trade-related

infrastructure

Institutional capacity to implement projects

Services capacity,

Sufficient funding and appropriate implementation timelines

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**Q34** How best can Aid for Trade make a contribution to the economic empowerment of MSMEs?(You may tick more than 1 box. Please limit your answer to the top five factors)

Upgrading business skills,

Upgrading the energy , infrastructure

Upgrading the transport infrastructure,

Improving access to foreign , markets

Improving access to global value chains

Additional information or examples of projects and programmes on how Aid for Trade can make a contribution to the economic empowerment of MSMEs.:

Integrating Nepali products in the global value chain program, business and entrepreneurship skills development for MSMEs project and similar other projects could contribute.

Q35 What forms of aid-for-trade financing, in your view, best support the economic empowerment of MSMEs? (You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Business support services,

Building productive capacity

Agriculture,

Trade education/training,

Trade-related infrastructure (Including physical infrastructure)

,

Transport and storage , infrastructure

Energy supply and generation , infrastructure

Industry,

Mineral resources and , mining

Travel and tourism

Q36 What factors contribute to the success of Aid for Trade in promoting the economic empowerment of MSMEs? (You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

,

Good trade-related , infrastructure

Institutional capacity to implement projects

Services capacity,

Sufficient funding and appropriate implementation timelines

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Q37 How best can Aid for Trade make a contribution to Youth economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

Supporting the growth and economic development of Youth

Upgrading business skills,

Upgrading the transport infrastructure,

Improving access to foreign , markets

Improving access to global value chains

Q38 What forms of aid-for-trade financing, in your view, best support to Youth economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Business support services,

Banking and financial , services

Building productive , capacity

Agriculture,

Trade education/training,

Transport and storage infrastructure

Energy supply and generation infrastructure

Industry,

Mineral resources and

mining

Travel and tourism

**Q39** What factors contribute to the success of Aid for Trade in promoting to Youth economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

Country ownership,

Good trade-related infrastructure

Institutional capacity to implement projects

Sufficient funding and appropriate implementation timelines

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**Q40** In your view, can Aid for Trade make a contribution to the achievement of the 2030 Sustainable Development Agenda?

#### Yes,

Please provide a weblink to the relevant national strategy or policy document in which SDGs are referred to.:

The Constitution of Nepal, current development plan (14th periodic plan), annual budget and programs have mostly focused on the matters reflected in the SDGs. Website: http://www.lawcommission.gov.np/en/wp-content/uploads/2018/09/constitution-of-nepal-2-2.pdf, www.mof.gov.np, www.npc.gov.np The aid for trade would contribute to achieve msotly all of the SDGs in general and Goals: 1, 5, 8, 9, 10, 12, and 17 in particular.

**Q41** If yes, please specify which Sustainable Development Goal or Goals (SDGs) Aid for Trade can help to achieve.(You may tick more than 1 box)Sustainable Development Goals:

- 1. No , poverty
- 2. Zero hunger,
- 5. Gender equality
- 8. Decent work and economic , growth
- 9. Industry, innovation and infrastructure
- 10. Reduce , inequalities
- 12. Responsible consumption and production
- 13. Climate , action
- 16. Peace, justice and strong
- institutions
- 17. Partnership for the goals

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**Q42** Which donor(s) are now the most important source aid-for-trade financing for your economic empowerment. (You may tick more than 1 box)

Australia,

**European Union,** 

Finland,

Germany,

Japan,

Korea,

Norway,

Switzerland,

United Kingdom,

United States,

**Asian Development Bank** 

(AsDB)

World

Bank

**Q43** Which South-South partner(s) are the most important source of financing for your economic empowerment?(You may tick more than 1 box)

China,

South Korea\*,

India

**Q44** Looking ahead, in which category(ies) of aid-fortrade financing do you think that further support for economic empowerment will be required.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support) Business support services,

Building productive capacity

Agriculture,

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards).

Trade education/training,

Trade-related infrastructure (Including physical infrastructure)

Transport and storage infrastructure

Energy supply and generation infrastructure

Trade development (Including investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development.)

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Industry,

Mineral resources and , mining

Travel and tourism

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**Q45** Please provide any additional information that you think may be relevant.(Please references in the form or weblinks, document symbols etc.)

Aid for trade could be an important means for enhancing export competitiveness of Nepal if it could be fully mobilized as per the spirit of global commitment. Furthermore, focus on trade related infrastructure development, global value chain integration, production and productivity enhancement, export promotion, strengthening quality infrastructure, and service sector strengthening among others would be highly appreciated.

**Q46** Is there any Aid for Trade project or programme for economic empowerment you would like to showcase as particularly important for your country or as an example of best practice?(Please provide any relevant additional information and include weblinks as relevant)

Respondent skipped this question

## Page 30: END OF SURVEY

Q47 CONSULTATION (Other ministries/agencies consulted in preparing this questionnaire reply):

The information provided here are mainly based on the legal and policy documents, programs, and also viewes shared by line agencies, private sector and other stakeholders in various consultations earlier organized in different occasions.