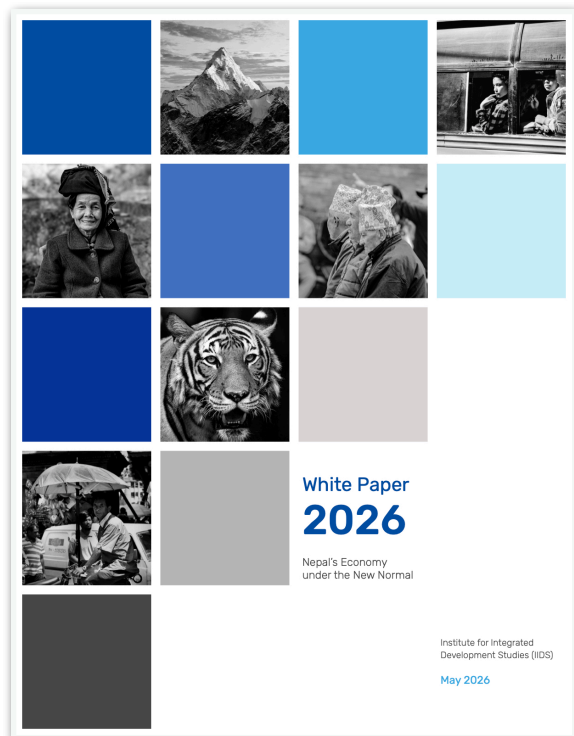


# Event Report

Presenting White Paper 2026 & Development Strategy  
to the National Planning Commission.





## Presentation and Handover of White Paper 2026 and Nepal's Development Strategy for Vision 2100 to the National Planning Commission (NPC).

### Date:

May 25, 2026

### Venue:

National Planning Commission  
Singha Durbar, Kathmandu, Nepal

### Presenter:

Dr. Biswash Gauchan, FCA - Executive Chair, IIDS

### National Planning Commission Dignitaries:

1. Dr. Gunakar Bhatta, Vice-Chairman
2. Dr. Devendra Gauchan, Member
3. Prof. Dr. Sanjaya Acharya, Member
4. Dr. Pukar Malla, Member
5. Prof. Dr. Sudan Jha, Member
6. Mr. Arjun Jung Thapa, Member
7. Ms. Reshu Aryal Dhungana, Member
8. Mr. Rabibal Pantha, Member Secretary
9. Senior Ministry Secretaries

### IIDS Delegation:

1. Dr. Biswash Gauchan, Executive Chair
2. Dr. Bijan Bhattarai, Program Specialist - Economics and Finance
3. Ms. Astha Bhatta, Program Specialist - Economics
4. Mr. Amesh Pandey, Jr. Research Assistant - Economics

# About the Event

The Institute for Integrated Development Studies (IIDS) formally presented and handed over two flagship research outputs to the National Planning Commission (NPC) on May 25, 2026: the White Paper 2026, titled “Nepal’s Economy under the New Normal,” and Development Strategy for (IIDS’) Vision 2100. Both documents represent an evidence-based effort to diagnose Nepal’s current macroeconomic condition and chart a transformative long-term development path.

The presentation was part of IIDS’s ongoing initiative to bridge rigorous research with policy dialogue at the highest levels of government, ensuring that key findings reach decision-makers who can translate them into institutional action.

The National Planning Commission warmly received copies of White Paper 2026 and the Development Strategy for Vision 2100. Hon. Vice-Chairman Dr. Gunakar Bhatta and the Honorable Members expressed sincere gratitude to IIDS for providing an unfiltered, evidence-based reference tool. The NPC leadership noted that the data-driven insights and proposed flagship strategies would serve as highly valuable reference materials as the commission continues to refine national periodic plans, guide policy updates, and transition the state toward long-term global competitiveness and economic self-reliance.



# The Presentation

Dr. Biswash Gauchan delivered a two-part presentation diagnosing the deep-seated structural issues causing Nepal's post-2022 economic slowdown and offering an alternative growth model to break the current low-growth trap.

- 01 In his diagnostic overview of White Paper 2026, Dr. Gauchan highlighted that Nepal's economic stagnation is driven by a "Premature Tetrad" of regressive welfarism, hyper-financialization, premature deindustrialization, and mass youth outmigration, which has collectively triggered a dramatic collapse in domestic demand. He emphasized that excessive land monetization acts as the "mother of all evils," inflating the cost of doing business, keeping assets fallow, driving capital flight, and fueling an unsustainable "Remittance Paradox" that artificially masks a deep domestic resource drain.
- 02 Turning to the Development Strategy for Vision 2100, Dr. Gauchan critiqued the government's baseline growth targets as unrealistic, proposing instead a pragmatic, common-sense blueprint called "Nepalbaad" to build a competitive \$100 Billion Economy. This strategy advocates for a definitive shift away from foreign aid dependency toward private investment-led growth, transitioning Nepal from a labor-exporting economy to a knowledge-based service-export nation. To anchor this transition, he introduced four high-impact flagship initiatives: a Regional Healthcare and Medical Education Hub, transforming Kathmandu into the Heritage Capital of South Asia, establishing Mustang as a specialized NetZero tech free zone, and seeding a Sovereign Investment Fund (SIF) with \$1 Billion USD from the central bank's foreign exchange reserves to crowd-in private capital for critical infrastructure.



# Discussion and Engagement

Following the presentation, IIDS and the National Planning Commission engaged in an extended, highly productive, and candid discussion. The dialogue demonstrated a institutional commitment to the research, as participants delved into the potential of the proposed reform pathways and raised crucial questions about their practical implementation.



## Queries and Statements

### 01 Ms. Reshu Aryal Dhungana (Honorable Member, NPC)

Ms. Reshu Aryal Dhungana raised foundational inquiries regarding the translation of research into policy, questioning why there had been a historical lack of evidence uptake by the government during IIDS's 46-year history and exploring what makes the current socio-economic environment different for adoption. She emphasized the urgent need for dedicated studies on an aging economy, alongside a targeted exploration of welfarism and modern social protection management.

Furthermore, she queried the operational meaning of "secular stagnation" and asked whether gender plays a definitive role within it, specifically when viewed in the context of traditional "Gorkhali pride," questioning what that pride truly means today and how it can be made genuinely inclusive. Ms. Dhungana sought clarification on the concept of treating the "Government as an enterprise" and expressed strong agreement with the presentation's critique of the country's disproportionate, mismatched investments in education, asking how a more balanced realignment could practically be achieved.

**02 Mr. Arjun Jung Thapa (Honorable Member, NPC)**

Mr. Arjun Jung Thapa focused his interventions heavily on fiscal sustainability and the mechanics of macroeconomic execution. He questioned what a genuinely feasible and sustainable trajectory for long-term economic growth would look like for Nepal under current constraints. To support such a trajectory, he requested specific pathways on how the state can create viable fiscal space, expand its public revenue base sustainably, and actively increase private sector investment in productive spheres.

**03 Prof. Dr. Sanjaya Acharya (Honorable Member, NPC)**

Prof. Dr. Sanjaya Acharya provided detailed structural insights, suggesting that the proposed \$100 Billion economy target could be realistically achieved with a growth rate lower than 7% if the state focused heavily on formalizing the informal economy and bringing it into the formal sphere. He highlighted the massive potential of upskilling the 4.5 million Nepali workers currently in the Middle East and agreed with IIDS's flagship concept of turning Nepal into an education hub that creates highly skilled labor. Stating firmly that "we are not a small economy," he cautioned that Nepal's upcoming LDC graduation requires very close monitoring of specific indicators.

He recommended that future studies comparing official development assistance (ODA) against private investment should analyze Nepal's historical trajectories from the 1st to the 15th periodic plans. For tax policy, he argued that rather than implementing a "no tax" regime, the government should introduce strategic tax rebates. He concluded by questioning how the state can durably solve emerging social security bottlenecks.



## Additional Queries and General Discussion

The floor also advanced a series of broader, queries and thematic discussions that mirrored shared institutional concerns about Nepal's unique economic constraints. A major point of debate centered on how to manage social protection and address the burdens of premature welfarism. Commission members broadly agreed that the government is becoming severely overburdened with social welfare commitments, with the Vice-Chairman questioning the sustainability of the current model and suggesting that it is an opportune time to review the exact duration and limits of the welfare provisions the state can realistically afford to provide. Participants engaged in a productive discussion on the following topics:

- 01 **Productivity and Labor Dynamics:** Members sought insights into productivity growth, noting the stark contradiction where Nepal's productivity remains among the lowest in the region while minimum wages are among the highest. This led to questions about how labor union dynamics continue to affect domestic productivity, national competitiveness, and overall private investment confidence
- 02 **Private Sector Penalization and Rent-Seeking:** The dialogue focused heavily on why productive private-sector actors are frequently penalized by bureaucratic structures, how to address the growing over-leverage of the private sector, and what mechanisms are needed to dismantle the broader rent-seeking mentality embedded across society.
- 03 **Foreign Direct Investment (FDI) and Regional Spillovers:** Serious concerns were raised regarding why Nepal has historically been unable to attract robust FDI inflows despite numerous policy iterations, alongside questions exploring how the country can better leverage economic spillover opportunities from its giant neighbors, India and China, particularly regarding debt-driven growth models and private financing.
- 04 **Demographic Shifts and Institutional Adaptation:** Given rapid demographic transitions and outmigration, participants questioned whether local community centers should increasingly evolve into old-age and community care centers. This tied into broader inquiries on how Nepal should rewrite its human resource and university strategies to better respond to rising outward migration and the rapid expansion of the diaspora.
- 05 **Gender Imbalances and Educational Alignment:** The discussion explored how emerging gender imbalances across domestic labor markets, outmigration, and higher education should be understood and integrated into national planning. This was tied to concerns over whether Nepal is making disproportionate investments in specific educational sectors relative to actual market demand, and what corrections are necessary.
- 06 **Formalizing the Informal Economy and Remittances:** Extensive time was dedicated to exploring the practical pathways, regulatory reforms, incentives, and institutional mechanisms needed to make formalization attractive to informal sector operators. Finally, given the nation's overwhelming dependence on remittances, participants questioned how inflows could be further secured and productively utilized for domestic capital formation rather than pure consumption.

# Thank you, NPC!

IIDS extends sincere gratitude to Hon. Vice-Chairman Dr. Gunakar Bhatta, the Honorable Members of the National Planning Commission, and the senior officials of the Government of Nepal for their warm reception and meaningful engagement. The quality of the dialogue reaffirmed the value of IIDS's mission to connect rigorous research with national policy processes.



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