GOVERNMENT OF NEPAL

MINISTRY OF FOREIGN AFFAIRS

INSTITUTE OF FOREIGN AFFAIRS

Safeguarding Access to Medicines during Nepal's LDC Transition: Diplomatic Priorities for Preserving Public Health, Policy Space, and Pharmaceutical Security

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PROBLEM STATEMENT

Nepal's graduation from the least developed country (LDC) category will change the legal and policy environment governing access to medicines at a time when the country remains dependent on imported pharmaceutical products, active ingredients, and external supply chains. The principal risk is not a system-wide increase in medicine prices. Rather, it is concentrated in two areas: the loss of LDC-specific pharmaceutical flexibilities under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and continuing supply-security vulnerabilities arising from supplier concentration, import dependence, logistical disruption, and limited alternatives for selected products.

Nepal has already taken important preparatory steps through its Smooth Transition Strategy, the 2026 progress review, its request for additional preparation time, and continued engagement in the UN and WTO processes. The remaining policy gap is therefore not an absence of preparation but the lack of a clearly owned mechanism linking product-level vulnerability, legal policy space, supply resilience, and external diplomatic priorities.

Relevant evidence and responsibilities remain dispersed across government institutions. Without stronger coordination, Nepal may lack the timely evidence needed to identify high-exposure products, preserve legitimate public-health policy options, guide technical assistance, and support credible negotiations in Geneva and New York. The immediate challenge is, therefore, to convert existing institutional mandates and evidence into a coordinated national response before graduation or within any approved extension period.

POLICY RECOMMENDATIONS

01 MoFA should convene a focused inter-ministerial medicines-security mechanism involving NPC, MoHP/DDA, MoICS, MoF, the Ministry of Law, and the Permanent Missions, with designated focal points, deadlines, and deliverables under existing institutional mandates.

02 The UN graduation status of Nepal, the ongoing discussions with the WTO, potential transition paths, and the risks associated with legal and supply-chain exposure should all be included in an urgent diplomatic brief to be issued for both Geneva and New York. Opportunities for negotiations, coalition stances, and applicable TRIPS-plus provisions should be outlined, with national clearance.

03 Request NPC to establish medicines and pharmaceutical security as a dedicated work stream in the revised Smooth Transition Strategy. Request MoHP/DDA and MoICS to develop a priority-product exposure register covering patent status, supplier concentration, alternatives, procurement route, and clinical impact

EXECUTIVE SUMMARY

Nepal is on the brink of a significant transition as it prepares to graduate from the least developed country (LDC) category on November 24, 2026. Parallel to this, the Committee for Development Policy has proposed an extension of the preparation period, which is associated with a more precise and well-defined Smooth Transition Strategy. A rapid, widespread increase in costs is not the primary issue with access to medications. Both the loss of TRIPS-specific pharmaceutical flexibilities for LDCs and the ongoing supply vulnerabilities due to reliance on imports, a small number of suppliers, logistical problems, and a lack of alternatives for certain vital items pose a higher threat.

Nepal has already implemented significant preparatory measures by means of its Smooth Transition Strategy, the 2026 progress review, its request for additional preparation time, and its ongoing participation in UN and WTO processes. The current obstacle is not a lack of preparation, but rather the absence of an explicitly owned mechanism that connects product-level risks, legal policy space, supply resilience, and diplomatic priorities.

Within the scope of MoFA's authority, this document suggests a workable two-pronged strategy. Nepal must maintain its stance of defending legitimate public-health policy space abroad and bolster the home evidence necessary to back prompt diplomatic action. Focused inter-ministerial coordination, a nationally agreed brief for Geneva and New York, the inclusion of medicines and pharmaceutical security in the revised Smooth Transition Strategy, the development of a priority-product exposure register, and a regular evidence-to-diplomacy process supported by targeted technical assistance are among the priorities. The objective is not to postpone graduation, but rather to optimize the transition period to ensure that Nepal is better equipped, more resilient, and capable of articulating a credible, distinct, and evidence-based national position as it transitions into the post-LDC phase

KEY TAKEAWAY

Nepal's LDC transition presents an opportunity to safeguard legitimate public-health policy space, strengthen pharmaceutical resilience, and translate domestic evidence into a coherent national position that advances the country's health and diplomatic interests.

KEY VISUALS

