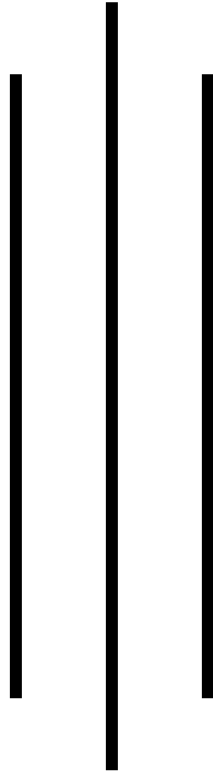




Budget Speech
of
Fiscal Year 2024/25



Government of Nepal
Ministry of Finance
2024

**Presented to the Joint Session of the Federal Parliament
by Barsha Man Pun 'Ananta', Finance Minister
on 28 May 2024**



**Fiscal Year 2024/25
Budget Speech**



**Government of Nepal
2024
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Right Honourable Speaker of the House of Representative,

Right Honourable Chair of the National Assembly,

1. As the Finance Minister of the Government of Nepal, I am here in this august Parliament to present the budget for the fiscal year 2024/25. On the occasion of the 17th Republic Day, first of all, I extend my best wishes to all Nepali brothers and sisters.
2. I pay my heartfelt tribute to great martyrs of all the democratic movements including Lakhan Thapa, the first martyr of Nepal, great martyrs of revolution of 1950, movement of 1990, people's war of 1995, people's movement of 2005/06, Madhesh movement, *Adibasi Janjati* movements. I express my respect to all communities including the families of missing persons, injured and persons with disabilities.
3. The country's economy, which has been sluggish for some time, is becoming vibrant with the continuous efforts of the government. I think it is necessary to institutionalise the achievements of economic reforms initiated in the past and make the economy strong and resilient in view of the changing global economy and Nepal's actual needs. A new phase of economic reform is necessary to build a socialism-oriented prosperous nation by making the national economy self-reliant, independent and progressive as envisioned by the constitution.
4. I have presented the Budget as a document to instil self-confidence and hope in the common citizen by addressing the challenges witnessed in the economic and social sector. I have declared the next fiscal year as the **year of economic reform** to fulfil the national aspirations of prosperous Nepal and Happy Nepali and to carry out the program of economic reform.
5. The Third Investment Summit has been concluded with enthusiasm. In the summit, the major political parties expressed a collective commitment to create an investment-friendly environment and increase the confidence of the private sector. The government's commitment to creating an investment-friendly environment has been reaffirmed with the reform in eight laws related to investment at a time.
6. The Government of Nepal has approved the Sixteenth Plan with the vision of good governance, social justice and prosperity. I have formulated the budget to help achieve the objective of the plan to realise a tangible progress in the lives of the citizens.
7. I have formulated this budget taking account of the Constitution of Nepal, the review of the Fifteenth Plan, the vision of the Sixteenth Plan, the review of the achievements of one and a half decades of the Republican system, the principles and priorities of the Appropriation Bill presented in this august House and the suggestions received from the honourable members and the policies and programs of the government of Nepal. I have also paid attention to the

advice and suggestions received from all citizens including the parliamentary committees, provinces and local levels, political parties, associations, academia, private sector, development partners and media.

Right Honourables,

8. Sixteen years have been completed today since the Federal Democratic Republic was declared in the country. Let me present the main achievements in the economic and social sectors during this period.
9. Gross Domestic Product of the current fiscal year is estimated to be Rs. 5 trillion 705 billion which was Rs. 815 billion in the fiscal year 2007/08. Per capita national income increased from US\$491 to US\$1,456. Electricity production has increased from 700 megawatts to 3,600 megawatts. In the meantime, the percentage of population with access to electricity services has increased from 56.1 percent to 98 percent.
10. There were 5,400 km black-topped roads in the year 2008 which has now reached 18,241 km. All the districts of the country are currently connected to the national road network while 61 districts were connected to the road network at that time. There are 150,000 kilometers of all types of roads in the country. Currently 5,042 branches of commercial banks are in operation while there were 591 branches in 2008.
11. After the establishment of the Republican system, the distribution of means and resources in the country is moving towards equality. The Gini coefficient, which calculates inequality was 0.41 in the Nepal Living Standards Survey of 2003/04, has improved to 0.30 in the latest survey. Absolute poverty was 30.8 percent in 2008 which has decreased to 20.3 percent. Similarly, the Human Development Index has increased from 0.505 to 0.602. The average life expectancy of Nepalis has increased from 60.7 years to 71.3 years. Literacy rate has increased from 58 percent to 76.2 percent. Access to basic drinking water has increased from 45 to 97 percent of the population.
12. The infant mortality rate has decreased from 48 per thousand live births in 2008 to 21 per thousand at present. Similarly, the child mortality rate under five years has decreased from 61 to 33 per thousand and the maternal mortality rate has decreased from 281 to 151 per hundred thousand.
13. Participation of marginalized communities, including women, in the public sector has increased significantly. The representation of women in the House of Representatives was 5.9 percent in the 1999 election, which has reached 33.1 percent in the latest election. The representation of women in local bodies was 11.8 percent in the 1997 elections which has

increased to 41.2 percent from the last local level elections. Women's participation in the civil service has increased from 12 percent at the time of the declaration of the Republican system to 28.5 percent now. Women's land ownership has reached 23.9 percent. The gender inequality index has improved from 0.532 to 0.452. During this period, 24,152 people from women, indigenous people, ethnic groups, Madhesi, Dalit, disabled and backward areas have joined the civil service.

14. Although significant achievements have been made in various sectors since the establishment of the Republican system, these are not sufficient for the rapid development that we have expected. Our pace of development could not accelerate due to spending long time in drafting the constitution, internal as well as external events such as political transition, the earthquake and the Covid-19 pandemic. The rate of economic growth has remained low due to the lack of quality infrastructure, the shortage of skilled manpower and inability to achieve the expected increase in production, productivity and employment. Food security and nutrition remained weak hindering expected reductions in poverty and inequality.
15. The long-standing structural challenges in the economy have recently been compounded by shrinking public and private investment, growing imbalances in public finances, rising public debt management costs and declining capital expenditure capacity.
16. In the context of witnessing the same nature of problems and challenges recurring over the years, the goal of prosperity must be achieved through a new reform program by breaking the vicious cycle of inadequate capacity witnessed in the economy and development management.
17. In the context of the revolution in information technology, the increasing use of artificial intelligence and the development of a knowledge-based economy, Nepal's economy demands economic reforms suitable for the new generation. There is a need to develop expertise, knowledge, skills, innovation and entrepreneurship as expected by the young generation.
18. Economic reforms will be accelerated in the coming fiscal year considering the strategy to be adopted after graduating to a developing country in 2026, the international commitment to achieve sustainable development goals by 2030, and the national goal of reaching the level of a middle-income country.

Right Honourables,

Now, I will briefly present the review of the current economic scenario of the country and the implementation of the budget for the current fiscal year.

19. The preliminary estimate of economic growth in the current fiscal year is 3.9 percent only due to the decrease in consumer demand, low credit expansion, low utilization of the production capacity of the manufacturing sector and decrease in the import of goods. The average inflation is limited to 4.6 percent in the mid-April of the current fiscal year.
20. Imports have decreased by 2.8 percent and exports by 3.7 percent until the end of March of the current fiscal year. Balance of Payment is surplus by Rs. 365 billion. Foreign exchange reserves are sufficient to cover 12.5 months of merchandise goods and services imports. The growth rate of remittances is 19.8 percent.
21. The revised total public expenditure for the fiscal year 2023/24 is estimated to be Rs. 1 trillion 530 billion 350 million, accounting for 87.4 percent of the original estimate. Out of this, the revised recurrent expenditure, capital expenditure and financing are estimated to be Rs. 1 trillion 067 billion 490 million (93.5 percent), Rs. 215 billion 300 million (71.3 percent) and Rs. 247 billion 550 million (80.5 percent) respectively.
22. The revised estimate for revenue collection in the current fiscal year is estimated to be 1 trillion 253 billion 520 million, which is 88.1 percent of the initial target. The revised estimate to mobilize foreign grants and loans is Rs. 34 billion 340 million and Rs. 145 billion 440 million respectively.
23. Out of the domestic borrowings target of Rs. 240 billion for the current fiscal year, Rs. 191 billion has been raised by the mid-May 2024.
24. I have already submitted the ministry and agency-wise progress report of the allocation and expenditure for the current fiscal year, the economic survey containing the country's major socio-economic indicators and figures and the statement containing the progress of public enterprises to the august House.

Right Honourables,

Let me present the five objectives of the budget, five priorities, five strategies for economic reform and five transformative sector programs in a way to have clarity on the future course of action.

The five objectives of the budget are as follows:

- a. To increase production, productivity and employment;
- b. To increase investment by enhancing private sector morale, and accelerate economic activity;
- c. To develop human resources;

- d. To reduce economic inequality and poverty by mobilizing means and resources in a balanced and equitable manner, and
- e. To make public service delivery effective.

I have set five priorities of the budget as follows:

- a. Economic reforms and promotion of the private sector,
- b. Agriculture, energy, information technology, tourism, industrial and infrastructure development,
- c. Development of social sectors including education, health,
- d. Inclusivity and Social Security, and
- e. Promotion of good governance and improvement in public service delivery.

Now, I present five strategies for economic reforms:

(a) Structural Reforms

A new phase of economic reform program will be launched to achieve a high rate of economic growth by identifying the main drivers of economic growth, developing integrated economic corridors, expanding the digital economy and building the foundation of the green economy based on the analysis of potentiality of the national economy. A high-level Economic Reforms Recommendation Commission will be formed to make recommendations in this regard.

(b) Business Environment Reform

Business environment will be improved by amending laws related to industry and investment, ensuring policy stability, investment security, conducting country rating, concluding bilateral investment and double tax avoidance agreements, increasing the limit of service fees that can be taken abroad for technology transfer, permitting to reinvest the income earned by technology transfer abroad up to a certain limit, encouraging the private sector to establish companies by collecting small capital to invest in enterprise and infrastructure development.

(c) Public Finance Management Reform

The Public finance Management reform will be carried out by reforming the tax system, ensuring policy stability, aligning fiscal and monetary policy, securing public debt sustainability, maintaining financial sector stability and enhancing capital mobilisation, and result-oriented public expenditure management and targeted fiscal transfer.

(d) Financial Sector Reforms

The second financial sector development strategy will be formulated and implemented promoting digital payments, preparing the central bank digital currency, expanding economic activities in the formal sector and advancing financial sector reforms by utilizing innovative instruments such as green finance.

(e) Public Administration Reforms

Good governance will be promoted in the public sector by maximising the utilisation of information technology in the structural, functional and behavioural reforms of public administration and service delivery. Law related to public accountability and conflict of interest will be formulated in the coming fiscal year.

The five transformative areas of the budget are as follows:

- (a) Transformation of agricultural sector,
- (b) Development of energy sector,
- (c) Development of Information Technology,
- (d) Tourism promotion, and
- (e) Entrepreneurship and industrial development.

Right Honourables,

- 25. Let me present the details of fiscal transfer as provisioned in Article 60 of the Constitution of Nepal.
- 26. I have provisioned the fiscal equalisation grants to transfer Rs. 60 billion to provinces and Rs. 88 billion to local levels based on the recommendations of the National Natural Resources and Fiscal Commission.
- 27. I have allocated Rs. 25 billion 840 million for provinces and Rs. 208 billion 880 million for local levels, totalling Rs. 234 billion 730 million as conditional grants.
- 28. I have allocated Rs. 6 billion 200 million and 7 billion to provinces and local levels respectively as supplementary grants to implement the infrastructure projects. I have allocated Rs. 4 billion 400 million and Rs. 8 billion 500 million to provinces and local levels respectively as special grants. I have arranged the transfer of conditional, supplementary and special grants based on performance.
- 29. It is estimated that Rs. 159 billion will be transferred to provinces and local levels through revenue sharing.

30. It is estimated that Rs. 567 billion will be transferred to provinces and local levels including revenue sharing and grants.

Right Honourables,

Now, let me present the sectoral programs and allocations of the budget for the coming fiscal year.

Agricultural Sector Transformation

31. Production and productivity will be increased through commercialization and modernization of agriculture. The period from 2024 to 2034 has been declared as the **Decade of Investment in Agriculture** to increase investment in the agriculture sector from government, private, cooperatives and development partners. The production will be promoted by identifying special areas of agricultural produce from the federal, provincial and local levels based on suitability of geography, market potential and ecological peculiarity.
32. Contract farming will be promoted such that the government, farmers and businessmen participate to ensure fair price and market for agricultural produce. Interest subsidies on fertilizers, seeds, agricultural extension services, and loans will be provided based on the quantity of produce generated, if a firm engaged in the collection, processing, and export of agricultural produce ensures the purchase of agricultural products from local farmers by supplying them with necessary fertilizers, seeds, and other materials.
33. Barren land under the ownership of government, public sector, private sector along with river basins will be recorded at the local level. Arrangements will be made for the utilization of such land for agricultural crops, fruits, vegetables, forages, medicinal herbs, livestock and poultry farming and fisheries. Arrangements will be made to provide government land on lease to promote collective farming.
34. Interest subsidy, technical support and tax exemption on machinery import will be provided to the individuals, firms and cooperatives engaged in commercial collective farming, animal husbandry and medicinal herbs cultivation by consolidating and pooling more than 50 *ropanis* in the mountains and hills and more than 10 *bighas* in the Terai.
35. The market for the produce will be ensured by providing subsidies for high yielding seeds, irrigation etc, to promote the production of agricultural crops including slender-grained and aromatic rice, sugarcane, maize, milk, fish, meat, coffee, tea, ginger, turmeric, *akabare* chilli, onion and potatoes. I have allocated necessary funds for the expansion of spring paddy and winter maize as well as for the production and consumption of indigenous (*Raithane*) crops.

36. I have made arrangements to provide fertilizers, seeds, technical services and concessional loans and subsidy on insurance premium easily to seven model projects for cultivation of aromatic paddy in land pools larger than 100 *bigha*. I have allocated Rs. 2 billion 980 million for the Prime Minister's Agriculture Modernization Project.
37. Fruit cultivation will be expanded to two thousand hectares of land in hilly and high mountain areas. The capacity of fourteen government farms will be expanded to produce at least seven lakh quality fruit saplings in the coming financial year. A state-of-the-art laboratory will be established to produce plants using tissue culture technology. I have allocated Rs. 1 billion 440 million for the development of the fruit sector.
38. A special program will be conducted to promote the production and export of the national fruit- oranges in the mid-hills, apples in the Himalayas and high hills, and mangoes as well as bananas in Terai-Madhesh in collaboration with the Federal, Provincial and local levels.
39. For the commercialization of agriculture, I have made arrangements to provide start-up capital to 300 highway-centric production organizations and to ensure the market for the produced goods. I have allocated Rs. 1 billion 120 million for this purpose. I have allocated Rs. 27 billion 950 million for subsidy to ensure timely supply of fertilizer to farmers.
40. Production and use of organic and bio-fertilizers will be promoted. Use of chemical pesticides will be discouraged, and bio-pesticides will be promoted.
41. An auction centre for agricultural crops, livestock and fruits will be established in major commercial cities in collaboration with the public and private sectors. A certain percentage of space in the agricultural market area will be made available for farmers to operate Holding Yards.
42. Cold storage will be established at international and major domestic airports to promote export of agricultural produce. Facilitation will be made in certification and laboratory testing fees for exports of agricultural produce.
43. Arrangement will be made to ease access to credit based on collateral of agricultural produce. I have made arrangements to subsidize the interest on loans for agriculture and fruit enterprises, which typically takes a long time to yield returns, on pre-production phase.
44. Cattle-Buffalo rearing resource centres will be developed in collaboration with the provinces, local levels and even the private sector in all provinces. I have allocated Rs. 380 million for breed improvement in cows and buffaloes to produce milch animals with higher production capacity in the country.

45. Fifty million doses of vaccine will be produced next year to control epidemic diseases in livestock. A free vaccination campaign will be conducted to eradicate PPR and classical swine fever within the next three years. An intensive vaccination program will be conducted to control Foot and Mouth Disease. I have allocated Rs. 400 million for vaccine production and vaccination service.
46. A commercial farm for rearing wild animals including musk deer will be established with the participation of the private sector and the local community in the Himalayan areas of Myagdi, Mustang, Manang, Gorkha and Dhading districts.
47. I have allocated Rs 2 billion 250 million to encourage farmers for the promotion of sugarcane cultivation. I have allocated Rs. 1 billion 650 million to provide a subsidy on crop and livestock insurance premiums for small farmers.
48. The capacity of agencies involved in agricultural research, including the Nepal Agricultural Research Council, will be enhanced. Additional 75 agricultural technologies will be developed in the next fiscal year. I have allocated Rs. 3 billion 520 million for agricultural research and development.
49. Legal arrangements shall be made for the commercial production of marihuana for medicinal purposes.
50. I have allocated Rs. 57 billion 290 million for the Ministry of Agriculture and Livestock Development.

Energy sector development

51. The capacity of the national grid will be increased to 4500 MW by adding 900 MW of electricity in the coming fiscal year. Electricity consumption per capita will be increased to 450 units. Arrangements will be made to export electricity to Bangladesh from the next fiscal year. Legal arrangements will be made to involve the private sector in the construction and distribution of electricity transmission lines. The private sector will be encouraged to invest in reservoir-based hydropower projects so as to construct dams and powerhouses by separate promoters.
52. The construction of 1200 MW Budhigandaki, 670 MW Dudhkoshi, 417 MW Nalsingad Reservoir Hydropower Project and 280 MW Naumure Multipurpose Hydropower Project will be initiated to meet the demand during the dry season. The 77.5 MW Ghunsa and 70.3 MW Simbuwa hydroelectric projects will be constructed with the investment of people working abroad.

53. The construction of 1063MW Upper Arun, 106MW Jagdulla, 100MW Tamakoshi Fifth, 42MW Modi A and 210MW Chainpur-Seti hydropower projects will be started under the People's Hydropower Programme.
54. The construction of the Sunkoshi-Third hydropower project will be carried forward after a detailed feasibility study. Detailed engineering design of Karnali-Chisapani hydropower project of 10800 MW will be initiated.
55. Fossil fuel will be gradually replaced by clean and renewable energy to achieve the goal of net zero carbon emissions by 2045. Arrangements will be made to establish 100 megawatts of solar power from the private sector to diversify energy production. I have arranged the necessary budget for the research and development to promote green hydrogen.
56. The construction of the Hetauda-Dhalkebar-Inaruwa, and Khimti-Bahrabise-Lapsifedi 400 KV transmission line will be completed. The construction of the Karnali Corridor 400 kV transmission line will be expedited. The construction of the Hetaunda-Ratmate-Lapsifedi-Damauli-New Butwal, New Butwal-Lamhi, Lamhi-Dododhara and Bheri Corridor 400 KV transmission line will be initiated. The construction process of the Seti Corridor, Arun Corridor, Dudhkoshi Corridor 400 KV, and Budhigandaki corridor transmission line will be carried forward.
57. The construction of the New Butwal-Gorakhpur 400 KV transnational transmission line will be completed. The construction process of the Inaruwa-Purniya and Dododhara-Bareli 400 KV and Rasuwagadhi-Kerung 220 KV transnational transmission line will be carried forward. A separate land parcel of the land owners will be maintained for the land required for the right of way of the transmission line and will be included in the share ownership in the same manner as the citizens impacted by the hydropower project.
58. I have allocated Rs. 50 billion 740 million for energy sector development.

Information Technology Development

59. Nepal will be developed as an information technology hub. The coming fiscal year will be the first year of the Information Technology Decade with the aim of achieving export worth Rs. 3 trillion and creating 500 thousand direct and 1 million indirect employment opportunities in the information technology sector in the next ten years. Information technology will be established as a driving sector of the economy. Legal basis to adopt the innovative technologies of information technology will be prepared. Arrangements will be made for the development, promotion and regulation of artificial intelligence.

60. Reliable, high-speed, and affordable internet services, data security, and intellectual property protection will be ensured with policy stability in the information technology sector. Institutional arrangements will be made for implementation and monitoring of the Digital Nepal Framework after its revision. I have allocated Rs. 590 million for this project.
61. The operation of the information technology park will be initiated with infrastructure such as high-speed internet, electricity, security, etc by utilizing available government and private buildings in Kathmandu Valley and Butwal. Spaces will be made available free of cost for three years for the operation of the workstation in such parks.
62. A multistorey structure will be constructed in Charkhal of Dillibazar, Kathmandu through public-private partnership to operate a state-of-the-art information technology hub. I have allocated Rs. 170 million to establish a Knowledge Park in Khumaltar, Lalitpur.
63. Arrangements will be made for prioritizing domestically developed software to utilize in public entities. The government data centre will be upgraded. Standards will be developed for private sector operated data centres. Storage, security, and utilization of electronic data will be made systematic and reliable. Internships will be arranged in IT-related industries for youths studying information technology at the undergraduate and postgraduate levels.
64. Broadband internet service will be provided in all ward centres, community schools, and health institutions. Access to information technology will be expanded to backward classes, regions, women, and communities to reduce the digital divide,

Tourism Promotion

65. Tourism promotion programs will be conducted to attract 1.6 million tourists in the upcoming fiscal year. Profiles of tourist destinations will be prepared by identifying new destinations and developing and promoting existing ones. One-door system will be developed for tourists for service delivery. The mountaineering permit system will be developed based on automated technology.
66. Tourism promotion programs such as road shows, fairs, and festivals will be conducted in major cities of neighbouring countries India and China as well as other countries. Border tourism will be promoted in the border districts by expanding tourist destinations, markets, and health facilities targeting at tourists from neighbouring countries.
67. Arrangement will be made for easy access to major religious sites for pilgrims by operating transport services from Nepal-India border points for Pashupatinath, Swargadwari and Muktinath Darshan, in collaboration with the private sector.

68. Circuits will be gradually developed in the tourist destinations based on geographical proximity to Terai, Hill, and Himalayan region. I have allocated the budget for tourism promotion in Buddha Circuit, Shiva Circuit, Ramayana Circuit, and Kirat Cultural Circuit by identifying such routes.
69. Eco hill stations with hilltop tourist destinations including recreational infrastructure will be constructed to promote ecotourism in the major destinations of *Chure*, hilly, and mountainous regions covering all seven provinces. Government land will be provided on lease to establish hotels in the major tourist area of the *Madhyapahari Pushpalal Lokmarga* region. Road access, electricity services, and drinking water services will be made available in such places in collaboration with the Provinces and Local Levels.
70. Tourist infrastructure will be developed to operate trail-based tourism programs such as the Great Himalayan Trail, Mundhum Trail, and Guerrilla Trail. The existing trekking routes will be preserved and improved. A tourist rescue centre will be established in risk prone areas. I have allocated Rs. 5 billion 460 million has been allocated for the development of tourism infrastructure.
71. Cultural and tourist destinations will be developed as wedding destinations by facilitating **tourists arriving** in Nepal for wedding ceremonies. Janakpur, Ram Janaki wedding place, will be promoted as wedding hub, and Lumbini, Birth place of Gautam Buddha, as the birthing hub.
72. Himalayan Resource Center will be established for study and research of Nepali Himalayan civilization, lifestyle, resources, and identification of potential and showcasing it as a resource centre for tourists. Arrangements will be made for the construction of ad hoc installations in culturally significant places such as the Upper Mustang while preserving their original structures.
73. Every year, May 29 will be celebrated as Special International Everest Day. National and foreign individuals and organizations with special contributions in promotion of Himalayan tourism will be honoured.
74. The construction of the second terminal building of the Tribhuvan International Airport will be initiated. The investment modality and preparatory work for the construction of the Nijgadh International Airport will be concluded through a public-private partnership within the upcoming fiscal year.
75. The extension of *Bharatpur* Airport will be completed by next fiscal year. For this, I have allocated Rs. 360 million. *Surkhet* Airport will be upgraded. *Bada Chaur* of *Rolpa*, *Tarigaon*

of Dang, Jumla, Biratnagar, Dhangadhi, and Nepalgunj airports will be upgraded. I have allocated Rs. 3 billion 770 million for the development of the civil aviation infrastructure.

76. The domestic airports including *Balewa, Lamidanda, Manang, Rumjatar, Baitadi*, which are not in operation, will be utilized for recreational adventure tourism like paragliding, parachute, sky diving, ultralight in collaboration with the private sector.
77. I have allocated Rs. 11 billion 910 million to the Tourism Sector.

Entrepreneurship and Industrial Development

78. **Partnership program for production and employment** will be implemented to substitute imports, increase exports, and link production with employment by increasing domestic production. This program will encourage to increase the production and productivity of agriculture, develop and expand agriculture-based industries, promote rural tourism, and establish and operate information-technology-based enterprises and will be implemented in partnership among the federal, provincial, and local levels, private sector, cooperatives, and communities. I have allocated Rs. 7 billion for this program.
79. Domestic production will be promoted through the Prime Minister Nepali Production and Consumption Enhancement Program. Collaboration with the private sector will be performed through the **Make in Nepal, Made in Nepal** campaigns. The government will collaborate with the private sector to enhance infrastructures including access roads, transmission lines, regular electricity service, and internet service to the site of manufacturing and tourism industries.
80. The local level, that is directly responsible and plays an important role for public service delivery to the people, will be developed with production and employment centres. Programs such as local infrastructure development, operation of large-scale agricultural firms in public-private partnerships, one village-one product, and tourism will be accelerated to increase income at local level.
81. The province will be developed as a specialized economic zone in collaboration with the private sector. Accordingly, Koshi will be developed as industrial, Madhesh as agricultural, Bagmati as information technology, Gandaki as tourism, Lumbini as small and medium enterprise, Karnali as herbal, and Sudur Paschim as religious tourism hub.
82. Aligning the concept of integrated development to cover the potential areas of economic growth, the **Gandaki Economic Triangle Project** is proposed to carry out a model development campaign connecting three corners - Bharatpur-Butwal-Pokhara- (Mugling)

- Bharatpur. Under this project, industrial revival and quality employment will be created by developing the industrial ecosystem in partnership with the private sector.
83. The under-construction Narayanghat-Butwal and Mugling-Pokhara road sections in the Gandaki Triangle will be completed in the next fiscal year. The Butwal-Pokhara road section will be upgraded to a dedicated two-lane. Necessary transport network will be developed for industrial development in all three corridors of the triangle.
 84. Under this Triangle Project, the Narayanghat-Butwal section will be developed as a construction materials and heavy industry hub, the Mugling-Pokhara section as an agriculture and food processing industrial hub, and the Pokhara-Butwal section as a household goods, including electrical appliances, shoes, garments, carpets and service-related industrial hub,.
 85. In collaboration with the private sector, the necessary infrastructure facilities will be developed for eco-tourism services, water rafting, and specialized health services in the Bharatpur node, adventure recreation, eco-tourism services and research-based higher education in the Pokhara node, and religious tourism, data centre and information technology-based institutional development in the Butwal-Bhairahawa node through the implementation of this project. I have allocated Rs. 2 billion to this project to develop and implement it as a model project of public-private partnership.
 86. The area around the East-West Highway from Nijgadh to Dhalkebar will be developed as the Nepali Carpet Corridor. Arrangements will be made for the public entities to purchase carpets made in Nepal.
 87. In collaboration with the province and local level, the area around the Sharada River in Salyan-Rukum will be developed as an agricultural corridor, the area around the Hima River and Tila River in Jumla will be developed as a Marsi rice corridor, the area around the Kolbi to Simraungadh road in Bara will be developed as a fishery corridor.
 88. Construction work will be started for the development of the industrial estates of Daiji in Kanchanpur, Nauvasta in Banke, and Motipur in Rupandehi. Partnership with the private sector will be done for the operation and management of industrial zones and special economic zones. The industrial areas including Mayurdhap in Makwanpur and Shaktikhor in Chitwan will be built and operated in a public-private partnership model.
 89. Entrepreneurship environment will be created by developing an ecosystem for start-ups and innovation to increase youth participation in business. A Start-up Board will be set up to facilitate and regulate start-up entrepreneurs. I have set up a Rs. 1 billion start-up fund to address the financial needs of start-up entrepreneurs.

90. Business Incubation Centres will be operated in each province to transform the entrepreneurial thinking of the youth into business. Credit lending from banks and financial institutions will be encouraged and promoted to invest in innovation. Arrangement will be made to invest in the securities unit of the Private Equity Fund and Venture Capital Fund from various contractual funds.
91. An international-level exhibition centre will be developed at Chobhar, Kathmandu in a public-private partnership model to promote goods and services produced by women entrepreneurs. Arrangements will be made for the entry of goods and services produced by women entrepreneurs on the trade portal for the branding it. **Koseli House** will be established and developed to sell goods produced by women entrepreneurs.
92. Skills and employment will be aligned by conducting a workplace-based apprenticeship program with the involvement of the productive sector as per the demand of the market.
93. Laws relating to industry and investment will be revised. Industrial Enterprise Act, Direct Sale of Goods (Management and Regulation) Act, Insolvency Act, Labour Act, Industrial Area Operation and Management Regulation, and Hedging Regulation will be timely revised. The law on derivatives will be formulated. Forest Act and Land Acquisition Act will be duly revised for the facilitation of the investment. The Company Act will be amended to simplify the process related to registration, regulation and deregistration. Laws related to intellectual property and collection of outstanding debt (bad debt) will be formulated.
94. Legal arrangements will be made for the production, branding, marketing and sales of domestic liquor.
95. I have allocated Rs. 6 billion 550 million for industrial development and entrepreneurship promotion.

Post-Earthquake Reconstruction

96. The reconstruction will be expedited by completing the survey of the private houses damaged by the earthquake in Jajarkot and Rukum West districts. The infrastructure, including community schools, health institutions, government and public buildings will be reconstructed rapidly. I have allocated Rs. 21 billion 600 million for post-earthquake reconstruction.

Rural Development

97. **A rural development campaign** will be conducted to promote economic and social activities based on local potentialities in the areas of Postal Highway, Mid-hill Pushpalal Highway and

- Madan Bhandari Highway and North- South Corridor with cost sharing of the province, local level, private sector and community. Small and medium enterprises based on local raw materials, indigenous (*Raithane*) agricultural crop development, agricultural demonstrations, weekly fairs and farmer's market (*haat bazar*) will be carried on to develop local products.
98. Original programs will be conducted at the ward level to enhance and promote local skills, art, literature and culture. One municipality, one downtown will be developed in the centre of the local level, reflecting originality in coordination and cooperation with the local level.
 99. Provincial and Local Road Improvement Program will be implemented to link local level centres that are not linked with paved road networks with provincial centres and national highways. I have allocated Rs. 7 billion 80 million for this program. I have allocated Rs. 1 billion 170 million for the Local Level Administrative Building Infrastructure Programme.
 100. I have allocated Rs.1 billion 500 million for infrastructure development of Madhesh and Karnali provinces. I have allocated Rs. 8 billion 80 million for the construction of alternative auxiliary highways at the rural level.
 101. I have allocated Rs. 3 billion 400 million for the construction of the suspension bridge to provide the facilities of crossing the stream within half an hour's walking distance on cost sharing of Federal, Provincial and Local level. I have allocated Rs. 4 billion 270 million for construction of the local road bridge.
 102. I have allocated Rs.1 billion to implement the Terai-Madhesh Prosperity Program for economic-social development and empowerment of the marginalized and backward areas of Terai-Madhesh. I have allocated Rs. 350 million to conduct a local economic development program based on innovation.
 103. Under the *Himal Samriddhi Program*, sheep, *chyangra* (mountain goat), *chauri* and other animal husbandry and apple, walnut and medicinal herb farms will be operated in the Himalayan region. *Prosperous Karnali Entrepreneurship Program* based on agriculture and forest produce will be conducted in Karnali province.
 104. ***Non-resident Nepali at the place of birth*** campaign will be conducted to connect the capital, technology and skills of non-resident Nepali with the motherland under the ***investment of foreign income in the country***. The NRN Development Fund established by non-resident Nepalis will be facilitated to utilize it and to promote more investment opportunities. I invite the descendants of non-resident Nepalis to visit Ancestral land (Purkhayuli Thalo) to familiarize themselves with the geography, art and culture of Nepal.

Water Resources and Irrigation

105. Under the first phase of Rani Jamra Kularia Irrigation Project, 14 thousand 3 hundred hectares of land will be provided irrigation facilities through branch canals. Construction of a branch canal under Lamki main canal will be started. For this project, I have allocated Rs. 2 billion 870 million.
106. Construction of branch canals including Duduwa and Narainapur will be taken forward to expand irrigation facilities from the Sikta irrigation project. I have allocated Rs. 1 billion 600 million for this project.
107. I have allocated Rs. 1 billion 790 million to extend the irrigation facility for an additional one thousand hectares of land by expanding the branches from the eastern and western main canals of the Babai irrigation project. I have allocated Rs. 2 billion for the construction of headworks and power house of Bheri-Babai Diversion Multi-Purpose Project.
108. The extension of the main canal and branch canal including Tribhuvan Basti of the 3rd. phase of the Mahakali Irrigation Project, will be carried forward. Additional 1,500 hectares of land will be made available to irrigation services from the Brahmadev area branch. I have allocated Rs. 2 billion for this project.
109. Headworks, Powerhouse and other structures of the Sunkoshi-Marine Diversion Multi-Purpose Project will be constructed to provide reliable irrigation facilities to 122,000 hectares of land in five districts of Central Terai. I have allocated Rs. 3 billion 120 million for this. To provide reliable irrigation facilities to 45 thousand 6 hundred hectares of arable land by restoring the irrigation system of the Bagmati irrigation project, I have allocated Rs. 680 million.
110. I have allocated Rs. 820 million for the Integrated Karnali Irrigation Development Project to be implemented in all 10 districts of Karnali Province.
111. I have allocated Rs. 3 billion 450 million to extend the irrigation facilities in about 15 thousand hectares of land from cluster-based shallows and deep tubewells in the arable pocket area by installing additional 450 deep boring under Terai-Madhesh Underground Water Irrigation Program.
112. Construction of the modern mechanized irrigation project will be carried forward for an area of 22 thousand 400 hectares of Sarlahi and Rautahat districts. I have allocated Rs. 410 million for this. I have allocated Rs. 2 billion 220 million for integrated river basin irrigation and water resource management to expand irrigation facilities in the arable plain fields along the river banks.

113. Naumure multi-purpose project, Kaligandaki-Tinau, Sunkoshi-Kamala, Tamor-Chisyang and other multi-purpose inter-watershed water diversion projects will be gradually implemented by conducting its feasibility study.
114. A water resource conservation project will be carried forward to collect rainwater by building a dam on Bagmati's tributary river Nagmati. In order to protect water resources and make sustainable and multi-faceted use, lakes, pond protection, reservoir project construction and rehabilitation program will be conducted.
115. Additional irrigation services will be provided to a total of 15 thousand 571 hectares of land in the next fiscal year to increase agricultural production.
116. I have allocated Rs. 36 billion 810 million for water resources and irrigation.

The communication sectors

117. Full press freedom will be guaranteed, ensuring citizen's right to be informed. Arrangements will be made to communicate news of public importance in a timely, truthful, and fair manner while making the mass media sector fair, inclusive, professional, and competitive. *Krishnasena Ichchhuk* Communication Village will be established in Lumbini Province.
118. Training opportunities will be provided to enhance the capacity of media persons. The use of social media and digital platforms will be managed well in a decent manner. Advertising through digital platforms will be regulated. The advertising sector will be managed through a single-door system. I have continued the public welfare advertisement provided to the media.
119. The postal service will be restructured and developed as an e-commerce hub. The construction of the film shooting studio will be started at *Banepa in Kavre*. The construction of *Dolakha* Film City will be taken forward in public-private partnership.
120. I have allocated Rs. 7 billion 350 million to the Ministry of Communications and Information Technology.

Protection and Promotion of Culture

121. Various programs will be conducted to preserve and promote the history, culture, language, and civilization of the old settlements including *Kirtipur, Bandipur, Bungmati, Thimi, Gorkha, Janakpur, and Matihani*. in collaboration with the community,
122. Intangible cultural fields such as language, literature, philosophy, culture, art, music, drama, etc. will be developed and promoted. Copyright will be protected and regulated. International-meetings and conferences of ancient religion (*Sanatan Dharma*) and culture will be

encouraged to organize. An initiative will be taken to include the *Janki* Temple in the World Heritage List. *Simraungadh* will be specially protected.

123. *Bhanu* Literary Park consisting of the statue of all supreme creators of Nepalese language and the *Saptadham* will be established at *Chundi Ramgha in Tanahu*. A historical museum will be built in Gorkha to document the evidence from the monarchy to the republic.

124. I have allocated Rs. 11 billion 910 million to the Ministry of Culture, Tourism and Civil Aviation.

Export promotion, trade facilitation and supply management.

125. The export of *galaicha*, carpets, yarns, ready-made fabrics, cement, etc., which are identified by the Nepal Trade Integrated Strategy and are currently being exported in high quantities, will be enhanced. Products with low weight and high value will be produced and exported using domestic labour and raw materials. Branding of coffee, black cardamom, tea and Himalayan water will be performed in the first phase.

126. A logistics master plan will be developed and implemented for the integrated and strategic development of trade-related infrastructure. Nepali goods will be made competitive in the international market by developing and utilizing commercial infrastructure and technology while reducing cost of production and trade.

127. Construction of an integrated check post at Bhairahawa and a dry port at Timure in Rasuwa will be completed. Construction of a dry port will be started at Dodhara Chandni in Kanchanpur district.

128. The quality standards of imported goods and services will be set and implemented. The process for agreements with neighboring countries will be carried forward to ensure universal acceptance and uniformity in quality standards.

129. Smooth and convenient supply system will be established by removing bottlenecks in the supply chain. Market monitoring will be made effective and intensive in coordination and cooperation with province and local levels. Unwanted and illegal activities including black market, criminal syndicates and cartels will be strictly controlled.

130. I have allocated budget to protect and promote consumer rights and to establish a consumer court for the judicial treatment of the rights granted to the consumer.

131. I have allocated Rs. 9 billion 280 million for the Ministry of Industry, Commerce and Supplies.

Labour and Employment

132. Right to proper and decent labour practices will be ensured to workers. The employment opportunities will be created within the country by making the labour force skilled and professional. Good labour relations will be developed through social dialogue.
133. An integrated record of employment-related information will be developed by establishing a labour bank. Employment opportunities available in the labour market and the demand and supply of manpower will be integrated into an automated system. Labor and employment related service flow and grievance redressal will be addressed through the *Shramadhana* program.
134. Around 200,000 unemployed individuals, listed at the local level, will be provided a minimum one hundred days of employment each, by involving them in public construction and maintenance jobs under the Prime Minister's Employment Program. I have allocated Rs. 6 billion for this program.
135. Foreign employment will be made safer and systematic. Diplomatic missions will be mobilized effectively to further manage foreign employment. A campaign will be conducted for the registration of workers recorded in the destination country.
136. Bilateral labour agreements will be signed with three additional major destination countries in the next fiscal year. Workers going for foreign employment will be made skillful. Orientation training before going to foreign employment will be made gradually free of charge.
137. The scope of the benefits will be expanded, provided from the Welfare Fund for dependent families of workers of overseas employment. An arrangement will be made to provide such service from the local levels.
138. At least one hundred thousand returnees will be self-employed by conducting the *Returnee Entrepreneurship Program*, for promoting the entrepreneurship through knowledge, skills, and capital of citizens returning from foreign employment. Individuals who have received labour approvals to go abroad, will be offered loans without collateral based on direct remittance transmission assurance to their bank accounts.
139. The Training Institute will be developed as an international multi-purpose training centre to provide vocational training with residential facilities. Rs. 430 million has been allocated to provide skill-based training at least one thousand youths in each province in the next fiscal year.

140. Following the concept of integrated social security, contributors' health insurance of the fund will be arranged through the Social Security fund by establishing the interlinkage between the Social Security Fund and the Health Insurance Program.
141. The labour working in the informal sector will be gradually aligned with the social security fund by expanding the scope of the contributory social security system.
142. I have allocated Rs. 8 billion 100 million for the Ministry of Labor, Employment and Social Security.

Land Management and Cooperatives

143. Arrangements will be made for the access of landholders to the records related to land administration by digitizing it. The work related to *withholding* and *releasing* submitted by banks, financial institutions, and cooperative organizations will be carried out completely through the online system.
144. Precision on mapping and measurement work will be carried forward by establishing a new national control point network based on modern technology. The work related to mapping and measurement will be made further systematic and techno based. The survey of the remaining **village block** land will be completed. Land use planning will be formulated and implemented.
145. Five hundred thousand families will be provided with **land-holding certificates** through the Land Issues Resolving Commission to manage landless *Dalits*, *Sukumbasis*, and unorganized settlers.
146. Arrangements will be made to operate cooperatives according to the principles and policies of cooperatives amending necessary laws. A regulatory body will be established to regulate savings and credit cooperatives. Savings and credit cooperatives will be facilitated to merge.
147. Arrangements will be made to refund up to Rs. 500,000 (five hundred thousand) savings to depositors based on collateral of properties held in the names of directors of distressed co-operatives and their own family members to resolve the problems prevailing in savings and credit cooperatives.
148. I have allocated Rs. 6 billion and 820 million have been allocated for the Ministry of Land Management, Cooperation, and Poverty Alleviation.

Sustainable Forest Management and Environment Protection

149. The forest areas will be used commercially in a sustainable way. Fruit cultivation and livestock farming in forest areas through lease and leasehold process will be encouraged. In

collaboration with local levels and provinces, a nationwide campaign will be launched to plant community-based fruit trees along major highways, riverbanks, and canal edges.

150. High-quality seedlings will be produced to promote commercial cultivation of high-value medicinal herbs. Laboratory certification will be arranged to facilitate the trade of medicinal herbs. At least one level of processing will be made to export medicinal herbs. Research activities on high-value medicinal herbs, including 'Yarsagumba' from the Himalayan region, will be advanced.
151. Infrastructure development will be managed to reduce human-wildlife conflict, conserve biological corridors, and facilitate wildlife movement. I have allocated the necessary funds for constructing infrastructure such as electric fencing and mesh enclosures to reduce damage caused by wildlife.
152. I have allocated a budget for the purchase of equipment for forest fire control and for implementing awareness programs. Deforestation and degradation will reduce by implementing forest encroachment control and tree planting programs.
153. Programs for reducing emissions will be carried out for the continuity of the carbon trading program. Arrangements for selling reduced carbon emissions or increased carbon savings through carbon emission reduction and sustainable forest management in national or international markets will be made by the government or private sector. The fund received from carbon trading will be used to enhance the adaptive capacity of communities at the highest risk from climate change. REDD+ program will be continued by conducting forest carbon assessments at Koshi and Karnali provinces.
154. Bamboo production and plantation, water-shed conservation and recharge programs will be implemented to protect land and increase greenery in the upper-coastal areas of Chure, eroded land, and riverbank areas. I have allocated Rs.1 billion 50 million for the 'Rastrapati Chure Samrakshan' Program.
155. Collection, sales and transportation of forest products will be operated through a national single-window system. Eleven botanical gardens located in different geographical regions, will be developed as regional centres for the conservation of indigenous, rare, endangered, threatened, and crisis-prone plant species.
156. Air pollution control standards will be strictly enforced. An effective operation of air quality monitoring centres will be established to integrate obtained data with measures for air pollution control and regulation. Air quality monitoring centres will be expanded in Mustang.
157. I have allocated Rs. 15 billion 700 million for the Ministry of Forests and Environment.

Foundations of Prosperity: Qualitative Improvement in Education

158. A dignified and moral society will be developed through practical and quality education. The right of children to get basic education will be ensured. Employment opportunities will be created by expanding skill-based and technical education. Higher education will be made research oriented, innovative and professional.
159. Student enrolment, transfer and scholarship programs will be managed by linking the student ID card with vital event registration and the social security management information system. To increase the quality of early childhood education, 1,500 child development teachers will be made to participate in the boot camp.
160. Arrangements will be made to use local products in the mid-day meal program for grade one to five. I have increased the amount of mid-day meals being provided in Humla, Jumla, Mugu, Dolpa and Kalikot districts of Karnali province. Mega Kitchen will be established in one local level of seven provinces each according to the concept of integrated kitchen in the coming year. I have allocated Rs. 8 billion 390 million for the mid-day meal program, which will benefit three million students from early child education to grade five.
161. I have arranged a budget to extend the scholarship which is being provided from grade 9 to 12 to grade 6 to 12 for easy access to education of children belonging to extreme poor and marginalized groups. An additional 45 thousand students will benefit from this. I have allocated Rs. 600 million for all types of scholarships provided at the school level.
162. The educational quality of schools will be enhanced by conducting public school transformation programs. Student learning will be enhanced and educational leadership will be developed by conducting the program **Learning from Peers, Teaching to Peers**. A career counselling program will be conducted to choose the field of future study and profession according to their interest and ability right from school education. One hundred thousand students will be benefited from this program. I have allocated Rs. 870 million for the **President Educational Reform Program**.
163. The stories of different communities that reflect the originality and values and norms of Nepali society will be broadcasted in Nepali and other native languages through television, radio and social networks by making materials for children to listen, watch and read.
164. Currently existing Five Shaheed Smrti School will be operated by mainstream systems. Arrangements will be made for orphan children to study in such schools.

165. All schools will be mapped based on geography, demographic changes and school numbers. Alignment and adjustment of teachers' positions will be made in coordination with the local level.
166. Drinking water facilities and toilets will be constructed in five hundred schools prioritizing backward areas and communities. I have allocated 2 billion 500 million for the construction of one thousand disabled friendly, gender sensitive and safe classrooms.
167. Arrangements will be made to reach the **Minimum Viable Product** through start-ups by safeguarding the knowledge and intellectual property created through research and innovation. Students passing from Grade 12 will be engaged in skills and employment using the school's infrastructure in collaboration with start-up entrepreneurs. Business skills will be linked gradually with the labour market by organizing the industry-academia interface. A program will be conducted in collaboration with Tribhuvan University, private sector and local level to promote entrepreneurship.
168. Technical schools will be mapped based on labour market demand. Skilled technical human resources will be produced by identifying sectors with high demand and wages. Scholarship programs for deprived and diligent students will be conducted to increase the access of the *Dalit* community to technical higher education. I have allocated Rs. 1 billion 590 million for technical education.
169. Associated laws will be amended to ensure the sustainability of government investment in medical education scholarships by focusing on the target group. Arrangements will be made to provide subsidized educational loans through the revolving fund for higher education studies including medical education, agriculture, engineering, and information technology.
170. The quota provided to educational institutions will be reviewed by projecting required human resources in order to ensure the supply of human capital in agriculture, engineering, information technology, health services etc.
171. Shaheed Dasharath Chand University of Health Sciences located at Dhangadhi will be brought into operation. The process for establishing medical colleges in Pokhara, Bardibas, Butwal and Surkhet will be started. Feasibility studies will be carried out for establishing medical colleges in Udayapur, Morang, Parsa and Chitwan.
172. Tribhuvan University will be developed as an academic centre of excellence. University research centres will be developed as drivers of knowledge and technology transfer. A study will be carried out regarding the merger and restructuring of universities for the transformation and quality enhancement of higher education.

173. The cutting-edge knowledge, skills and technology will be exchanged among students in collaboration between Nepali universities and educational institutions and the renowned universities and educational institutions of the world. Foreign students coming to Nepal for study will be facilitated in the visa process.
174. A University Integrated Act will be formulated to maintain uniformity in the establishment, operation and management of the University. Coordination, grant management, quality assurance and accreditation, national aptitude test, standard setting, monitoring and regulation will be made effective in higher education by restructuring the University Grants Commission. I have allocated Rs. 21 billion 450 million for higher education.
175. Arrangements will be made to operate Madan Bhandari University of Science and Technology and *Vidushi Yogamaya Ayurveda*. The year 2024 (2081 BS) to 2034 (2091 BS) will be implemented as the Science Technology Decade.
176. I have allocated Rs. 203 billion 660 million for the Ministry of Education, Science and Technology.

Health and Population

177. Basic and emergency health services will be made accessible and qualitative. Supply of essential equipment, medicines and skilled human resources to health institutions will be ensured.
178. A basic health care center will be operated in every ward to provide basic health care service. Five, ten and fifteen-bed Basic Hospitals that have been completed will be operated after deciding the Procedure. Hospitals under construction will be completed. For this purpose, I have allocated Rs. 15 billion 410 million.
179. I have allocated Rs. 3 billion to subsidize treatment for poor citizens suffering from heart disease, cancer, kidney disease, Alzheimer's, Parkinson's, spinal injury, head injury, and sickle cell anaemia. Each ailing person will receive 100 thousand for their treatment.
180. I have allocated Rs. 1 billion 430 million to provide 98 types of medicines, vaccines and reproductive health materials free of charge from Basic Health Service Centers and Basic Hospitals. I have allocated Rs. 3 billion 60 million for Mother Protection and Maternal and Newborn Care Program.
181. The Geriatric Ward will be operated in the federal hospitals to provide effective healthcare services to the senior citizens. I have made provision to deposit into the bank accounts, being provided five thousand rupees per month per person for the treatment for cancer, spinal and

- paralysis, kidney transplantation, and dialysis services. For this purpose, I have allocated Rs. 2 billion.
182. Fetus and newborn baby examination services will be conducted to identify congenital malformations or conditions of abnormal nature in the *Paropakar Maternity and Women's Hospital*. The capacity of human resources to be involved in the identification, diagnosis, treatment and rehabilitation of children with autism, intellectual and physical disabilities and the developmental status of child mental problems will be enhanced.
183. Intensive care units will be expanded for intensive treatment of burns at Bir Hospital. The infrastructure of Kirtipur Burn Hospital will be developed. Bheri Hospital will be developed as a sickle cell anaemia treatment centre. Arrangements will be made to operate the newly constructed trauma centre in coordination with nearby health institutions.
184. The capacity of Mental Hospital, Patan will be enhanced to provide for the expansion of services related to treatment of suicidal case and mental health. Liver transplant services will be expanded at Patan Academy of Health Sciences.
185. The capacity of Karnali, Pokhara, Patan, Rapti, and B.P. Koirala Institute of Health Sciences, as well as Koshi, Narayani, Bharatpur, Bheri, Dadeldhura, and Gajendra Narayan Singh Hospitals, will be upgraded to 500 beds. I have allocated the necessary budget for infrastructure development at Ramraja Prasad Singh Institute of Health Sciences.
186. I have allocated necessary budget for infrastructure development and equipment of Suresh Wagle Memorial Cancer Centre, Manmohan Cardiothoracic Vascular and Transplant Centre, Tribhuvan University Teaching Hospital, Shaheed Gangalal National Heart Centre, Paropakar Maternity and Women's Hospital, B.P. Koirala Cancer Hospital, GP Koirala National Respiratory Treatment Center and Bhaktapur Cancer Hospital.
187. Nursing Educational programs in government hospitals with a capacity of one hundred beds or more and MBBS programs in federal hospitals with a capacity of three hundred beds or more will be introduced gradually. I have allocated the necessary budget to initiate MBBS programs at the National Academy of Medical Sciences, Bharatpur Hospital, Pokhara Academy of Health Sciences, and Rapti Academy of Health Sciences in the next fiscal year.
188. *Ayurveda*, Naturopathy, *Yoga*, Homeopathy, *Yunani*, Acupuncture, *Sowa Rigpa* and other alternative treatment methods will be expanded. *Nagarik Aarogya* health program will be expanded to community level. The construction of the National Ayurveda Yoga and Panchakarma Center building construction at Budhanilkanth in Kathmandu will be completed and put into operation. *Singhadurbar Vaidyakhana* will be restructured and expanded its capacity. Basic Ayurvedic medicine production will be promoted. Regulation related to

quality and price of health services, drug production and distribution for the government, community and private sector will be strengthened. I have allocated Rs. 240 Million for alternative treatment methods.

189. I have allocated funds for the establishment and construction of infrastructure of Sita Dahal Memorial College of Naturopathy and *Yogic Science College* in Kathmandu University.

190. The health insurance program will be expanded to ensure the access to health services for the general public. Duplication between health-related social security programs and health insurance will be eliminated. I have allocated Rs. 7 billion 500 million for the health insurance program.

191. The existing population policy will be revised and implemented. The demographic dividends will be utilised for the prosperity and development of the nation.

192. I have allocated Rs. 86 billion 240 million for the Ministry of Health and Population.

Water Supply and Sanitation

193. Water supply and sanitation services will be expanded by 2030 to ensure everyone has access to clean drinking water. **“One House, One Tap”** campaign will be continued in coordination and cooperation with the province and local levels.

194. The process for relocation of the intake will be initiated to ensure operation of the Melamchi Water Supply Project sustainably. The capacity of the water treatment plant at Sundarijal will be expanded. Drinking water will be distributed after testing of the 645 kilometres of pipelines from the Melamchi Water Supply Project to Swayambhu, Tahachal, Baluwatar, Vishalnagar, Panipokhari, Mandikatar, and Chabahil areas. The water supply distribution network will be extended outside the ring road in Kathmandu Valley. I have allocated Rs. 500 million for the Melamchi Water Supply Project.

195. Feasibility study will be carried out in eight districts of Madhesh province for the bulk water distribution system from Sunkoshi-Marin and Sunkoshi-Kamala, Chitwan from Narayani river, Nepalgunj and Kohalpur from Bheri Babai. The construction of drinking water projects with reservoirs will be carried out at Mahadev river in Bhaktapur and Kanke Deurali in Gulmi.

196. Dhobighat treatment centre with a capacity of 37 million liters of wastewater treatment will be brought into operation. The construction of the wastewater treatment plant will begin in Dhobighat, Balkumari and Sallaghari. Construction of Water supply and sewerage will start in Halesi of Khotang and Khandwari of Sankhuwasabha. Water supply, sanitation, and

hygiene improvement programs will be carried out in Madhesh, Karnali, and Sudurpaschim provinces. I have allocated the necessary budget for this.

197. Additional 4,94,000 individuals will be benefited from the expansion of drinking water facilities in the next fiscal year. I have allocated Rs 26 billion 630 million for the Ministry of Water Supply.

Youth and Sports

198. The Youth Mobilization for Nation-Building Program will be implemented to enhance the capacity of youths and utilize their inherent talents in public service delivery and productive sectors. Youths, graduated from universities and seeking employment will be provided workplace training in collaboration with various public and private sectors, including industries, businesses, agriculture and livestock farms, hotels, tourism, and construction sectors under this program and this initiative aims to ensure employment for at least one hundred thousand youths. I have allocated Rs. 3 billion for this program.

199. Fellowships will be provided to one thousand youths in the fields of health, education, tourism, agriculture, and information technology. The private sector will also be encouraged to support such fellowships. Easy and accessible credit facilities will be made available to promote entrepreneurship among youths.

200. Opportunities for sports will be created for everyone. Female participation in sports will be increased, and basic sports training will be expanded. National teams will be formed to participate in the Olympics and Asian Games competitions. Athletes of national teams who has enhanced the nation's prestige by achieving outstanding results in sports competitions will be encouraged.

201. Eighty sports competitions of national-level will be organized in the next fiscal year. Typical and traditional Nepali sports such as *Baghchal*, *Dandibiyo*, and horse riding will be promoted. An international competition for e-sports, associated with modern technology, will be organized. I have allocated Rs. 600 million for organizing the 10th National Sports Competition in Surkhet.

202. *The construction of Mulpani Cricket Stadium in Kathmandu and the Girijaprasad Koirala Stadium in Biratnagar will be undertaken as a national pride project. The ongoing construction of the Gautam Buddha Stadium in Bharatpur will proceed in collaboration with province, and local levels. Upgradation of Kirtipur Cricket Stadium and constructing the Fapla Cricket Stadium will be expedited. I have allocated Rs. 1 billion 300 million for the development of sports infrastructure.*

203. Sports training will be provided to teachers for promoting sports in schools. Age-specific sports competitions for children will be organized, and talented children will be provided with sports scholarships.
204. Sports economy will be fostered by enhancing private sector involvement in the construction, operation, and management of sports-infrastructure. Corporate social responsibility programs of private organizations, associations, and companies will be linked to the sports sector.
205. I have allocated Rs. 3 billion 500 million for the Ministry of Youth and Sports.

Women, Children and Senior Citizens

206. An environment of equality and respect will be created in all sectors by controlling violence, exploitation and discrimination against women. The next fiscal year will be observed as **the year of Investment in Women**.
207. As part of the President's Women Upliftment Program, the free air rescue service for pregnant women facing life-threatening situations during childbirth in rural and remote areas will be enhanced. Economic empowerment initiatives will be strengthened through the restructuring of the Presidential Women's Empowerment Program. I have allocated the necessary amount to support the President's Women Entrepreneurs Samunnati Award.
208. I have allocated Rs.100 million for providing employment-oriented education and skills to develop entrepreneurship to daughters in coordination and collaboration with the province and local levels through the **Prime Minister Daughter Self-Reliance Program**. A National Youth Women's Conference will be held next year to discuss and interact regarding the needs, challenges and opportunities of young women at the national level.
209. Emergency child rescue and rehabilitation programs will be carried out at province and local levels for the rescue and protection of children. Health insurance for all children of the Children Rehabilitation Homes will be provided and the physical infrastructure of such homes will be strengthened.
210. ***Hamro Ba Aama, Hamro Jimmewari (Our Parents, our Responsibility)*** campaign will be initiated. *Jestha Nagarik Milan Kendra* (Senior Citizen Assembling Center) will be expanded at the local levels. Well-facilitated old age homes will be established in all seven provinces.
211. Public service will be made disabled friendly gradually. Rehabilitation programs for persons with disabilities will be conducted in public private partnership modality. Individuals belonging to the extremely weak and disabled category of families having national facility ID cards will be incorporated in health insurance.

212. Awareness and empowerment program will be conducted for the gender and sexual minority community to lead a dignified life.
213. Vocational and skill training programs will be provided to ensure the economic empowerment of *Mukta Kamalari Dalit*, unprivileged and oppressed Class Upliftment and Development Authority will be institutionalized to guarantee the constitutional rights of the *Dalit* community by integrating the empowering institutions for *Dalits*. I have allocated Rs. 200 million to create jobs and conduct livelihood programs by modernising the *Dalit* community's native skills, knowledge, and profession.
214. Social Welfare Council will be restructured. The cooperation received through international non-governmental organisations will be mobilised in the areas of national needs and priorities. Arrangements will be made for intensive monitoring of programs supported by non-governmental organisations.
215. I have allocated Rs. 1 billion 600 million for the Ministry of Women, Children and Senior Citizens.

Social Security

216. National identity cards will be provided to all Nepali citizens gradually. The National Identity Card will be linked gradually to access services and facilities provided by the State. Passports, social security, personal event registration, and permanent account numbers will be linked to the national identity card. Land management, vehicle registration, and renewal, driver's license, banking, pension management, and health insurance will be linked to the national identity card successively.
217. I have continued the social security allowance for target groups including senior citizens. I have allocated Rs. 116 billion for this purpose.

Transport Infrastructure

218. The road infrastructure will be made safe, of good quality, sustainable and reliable. The road expansion to four lanes on Narayanghat-Butwal road section and Kamala-Kanchanpur road section under the East-West Highway will be completed within the next fiscal year. The upgradation work of Kakarbhitta-Laukahi, Kamala-Dhalkebar-Pathalaiya, Pathalaiya-Narayanghat, Butwal-Gorusinghe, and Bhalubang-Lamahi road sections will be started. I have allocated Rs. 29 billion 880 million for the expansion of the East-West highway.
219. The tunnel construction at Mahadevtar, Dhedre, and Lendanda under the Kathmandu-Terai Madhesh Expressway Project will be completed in the next fiscal year. The construction of

- 57 bridges will be expedited. I have allocated Rs. 22 billion 540 million for the Kathmandu-Terai Madhesh Expressway Project.
220. The construction of 75 km of paved road and 10 bridges, including the under-construction Katunje-Aarughat road section, under the Mid-hill Pushpalal Highway will be completed. I have allocated Rs. 3 billion 680 million for the Mid-hill Pushpalal Highway. I have allocated Rs. 3 billion 300 million to complete the construction of 75 km of paved roads and 10 bridges under the Postal (*Hulaki*) Highway.
221. The construction of the Koshi, Kaligandaki, and Karnali corridors will be accelerated. An additional 50 km at the Gaindakot-Ramdi-Maldhunga section and Maldhunga-Beni-Jomsom-Korola section of the Kaligandaki Corridor, along with an additional 30 km of the Koshi Corridor, will be paved. 5 bridges will be constructed and 50 km of road will be upgraded under the Karnali Corridor. I have allocated Rs. 4 billion 430 million for the North-South corridor.
222. I have allocated Rs. 3 billion 600 million for the remaining construction of the Madan Bhandari Highway. The expansion and upgradation of road networks, including the Ratna Highway, Karnali Highway, and Siddhartha Highway will be expedited. Additionally, 40 km on the Nagdhunga-Naubise-Mugling section will be upgraded. The paving on the Abhukhaireni-Pokhara section will be completed, and expansion of the Mugling-Abhukhaireni section will be commenced. I have allocated Rs. 9 billion 570 million for this.
223. Paving of 20 km on the Holeri-Darbot section, gravelling of 20 km on the Darbot-Ghartigaun-Duikholi section, and paving on the Ghorahi-Holeri section under the *Shahid Marg* (Martyr's Way) will be commenced. I have allocated Rs. 1 billion 250 million for these projects. Bheri Corridor, Tamor Corridor, Mahakali Corridor, Seti Highway, and Saljhandi-Sandhikharka-Dhorpatan roads will be upgraded. I have allocated Rs. 3 billion 860 million to the corridors.
224. Upgrading the Galchhi to Syaphrubesi road section of the cross-border trade route will be completed. Syaphrubesi-Rasuwegadi road upgrade will be started. I have allocated Rs. 1 billion 800 million for this purpose.
225. A feasibility study and investment modality for the Pod-way transport system of Bimalnagar on the Prithivi Highway to Ligligkot-Bhachek-Barpak-Bungkot-Gorkhabazar-Manakamana-Benighat in Gurkha will be concluded, and construction will be started.
226. The construction of 150 bridges on national highways and strategic roads will be completed. The construction of the Signature Bridge on the Narayani and the Tinau rivers will be initiated. I have allocated Rs. 2 billion 460 million for these programs.

227. Transport service will be commenced by completing the Sisnekhola-Nagdhunga tunnel. Major tunnel digging of the Siddhababa Tunnel will be completed. Transportation will be resumed by completing the flyover construction at Gwarko Chowk. The construction of the Koteshwor intersection will be started. I have allocated Rs. 5 billion 630 million for the construction of tunnels, flyovers, and intersections.
228. I have allocated Rs. 6 billion 540 million for the repair and maintenance of 250 km of national highways and 7,800 km roads of other highways.
229. A road safety audit will be provisioned during the design and construction phases to reduce road accidents and safe national road networks. Crash barriers will be installed on curves and narrow roads identifying accident-prone areas. Smart traffic lights will be installed at 44 busy intersections in Kathmandu Valley.
230. Land acquisition for the Bijalpura-Bardibas section under the Jaynagar-Bardibas Railway and the Bathnaha-Biratnagar section will be completed. The ongoing construction on the Bardibas-Chocha section of the East-West Electric Railway will be completed. A feasibility study for the Kerung-Kathmandu Railway will be completed. I have allocated Rs. 3 billion 880 million for railway development.
231. The construction of waterways in the Sunkoshi and the Narayani Rivers will be started. A terminal will be constructed to facilitate the safe and easy boarding and disembarking of passengers on boats operating in the Narayani River.
232. Public transport services will be made easily available, safe, reliable, and accessible by implementing the digital system in transport management. A sustainable and environment-friendly transport system will be developed.
233. Necessary arrangements will be made to increase the amount provided for the treatment of persons injured in road accidents and the compensation given to the families of those killed in road accidents.
234. I have allocated Rs. 150 billion 530 million for the Ministry of Physical Infrastructure and Transport.

Housing and Urban Development

235. I have concentrated investment in urban infrastructure for economically dynamic, environmentally clean, safe, well-managed, and resilient cities and settlements. I have allocated Rs. 27 billion for intensive urban programs and settlement development programs for planned urban development.

236. I have allocated Rs. 2 billion 120 million to complete the construction of the Federal Parliament building in the next fiscal year.
237. A total of 54,392 houses with straw, and thatched roofs will be replaced with zinc sheets or other permanent materials through the implementation of the Safe Citizen Housing Program in the next year. Under the *Janata Awas Program*, unorganized and slums inhabited by poor, helpless, and marginalized communities will be upgraded to organized settlements. I have allocated Rs. 800 million for these programs.
238. I have allocated Rs. 10 billion for the Urban Governance Capacity Development Program conducted in the municipalities to develop infrastructure, generate employment, and enhance capacity.
239. Urban infrastructure will be built in small and new towns around the Postal (*Hulaki*) Highway. An integrated urban infrastructure will be developed in Lumbini, a major religious and tourist site, and municipalities in the Lumbini corridor, as well as in Pokhara and Janakpur. I have allocated Rs. 4 billion 130 million for the development of integrated urban infrastructure.
240. I have allocated fund for a feasibility study to develop typical cities in provincial capitals. I have allocated Rs. 1 billion 210 million for the construction of the infrastructure of the administrative centre of Nawalparasi Bardaghat Susta East and Rukum East District Headquarters.
241. Land will be developed in the municipalities of Kathmandu Valley including Godavari, Tarakeshwar, Lalitpur, Nagarjuna, Changunarayan, and Bhaktapur. I have allocated budget to advance the new city construction work in the North East region of Kathmandu. A master plan will be formulated to shape the Bheri Ganga valley of Surkhet a modern city of the hilly area. The construction of Nakkhu Corridor and Dhobi Khola Corridor will be continued. Silgadhi of Doti will be developed as a cultural city.
242. A total of 50,000 disaster-resistant and reasonably priced housing units will be developed by developing land in Kathmandu valley and other potential locations with the participation of the public and private sector. In the first phase, the program will be conducted in new cities proposed by the Kathmandu Valley Development Authority. In the second phase, housing units will be developed outside the Kathmandu Valley depending on its feasibility.
243. Remittance receiving families who are willing to build houses will be linked to the systematic settlement development program. In coordination with the local level, at least 10 families will be encouraged to build a single or group housing in one place using remittance.

244. Simraungadh of Bara, Thori of Parsa, Lomanthang of Mustang, Dho Valley of Upper Dolpa, Limi Valley of Humla and Chandni Dodhara of Kanchanpur will be developed as an economic and tourist centre by developing a new model settlement.
245. In collaboration with the local level, the construction will be carried forward for the sky-way and **pod-way** transport system in Dhobikhola, Bagmati, and Bishnumati corridors of Kathmandu valley after a feasibility study.
246. In collaboration with the local level for urban beautification and cleanliness, the promotion of greenery and the construction of parks along the river banks of the city will be carried out as a campaign. **One Ward One Park** will be constructed in cooperation with the community by identifying and protecting open areas in dense settlements. Urban infrastructure will be developed in cofinancing by restructuring the Urban Development Fund.
247. To ensure minimum flow in the Bagmati river during dry season, a water recharge centre will be constructed and the watershed will be protected in the surrounding area of Kathmandu Valley. The Bagmati River cleaning campaign will be continued with the vision of honouring the Bagmati River system and upliftment of civilization. I have allocated Rs. 2 billion 720 million for the Bagmati Civilization Project.
248. I have allocated Rs. 92 billion 630 million for the Ministry of Urban Development.

Climate Change and Disaster Management

249. Climate change adaptation and mitigation programs will be implemented. Disaster management and climate adaptation programs will be executed in an integrated approach. The President Climate Change Management Program will be implemented to address the impacts of climate change in an integrated and balanced manner.
250. The Campaign of *Save Himalaya: Save Humanity* will be continued through dialogues in national and international forums on the impacts of climate change in the Himalayan and mountainous regions.
251. Climate-resilient infrastructure will be built while constructing physical infrastructure. Climate adaptation and energy efficiency will be enhanced during building construction carried out by the federation, province, and local levels. Appropriate technologies will be used to mitigate and adapt the impacts of climate change in the agriculture sector.

Peace Process and Transitional Justice

252. The remaining work related to the peace process and transitional justice will be completed. I have allocated Rs. 1 billion to establish a peace fund for compensation, financial assistance,

and rehabilitation to the families affected by the conflict. I have continued to provide the subsistence allowance for persons injured and disabled in armed conflicts, people's movements, and other movements.

Law and Justice

253. By ensuring the rule of law, the protection of human rights will be given top priority. Information technology will be used to make the justice system prompt, efficient, predictable, and accessible. The capacity of judicial manpower will be developed. The free legal aid program will be extended to all districts.

254. Institutional strengthening will be carried out to make the criminal investigation, prosecution, and defence system more scientific and objective. Bilateral treaties will be carried forward with different countries on mutual legal assistance and extradition.

National Security

255. The National Security Policy will be implemented effectively to keep national unity intact while protecting the country's sovereignty, independence, geographical integrity, nationality, and independence.

256. The Nepali Army will be made techno-friendly, efficient, and professional. I have allocated Rs. 1 billion 500 million for the Bunker to Barrack program. *Rastriya Sewa Dal* (National Cadet Corps) training will be extended to the local level.

257. I have allocated Rs. 59 billion 870 million for the Ministry of Defence.

Law Enforcement and Crime Control

258. Security will be guaranteed to the people by maintaining peace and security in the country. Nepal Police, Armed Police Force, and National Investigation Department will be strengthened and made efficient and professional. A study will be conducted to review the retirement age of security personnel.

259. The immigration system will be modernized by digitizing it. An e-visa through online system will be implemented.

260. The prison will be developed as a reform centre. Following the concept of open jail, prisoners will be linked to employment in micro, domestic, and small enterprises. The probation and parole system will be implemented to reduce the number of prisoners. Nuwakot prison, being constructed with a capacity of 1,370 people, will be in operation.

261. Proceeds of crime will be properly managed by updating the integrated central records of seizure, control and confiscation.
262. International border security system will be strengthened and made effective. A program will be implemented to increase the participation and ownership of local citizens in border security.
263. Disaster management will be carried out on a priority basis. A program to enhance the capacity of citizen's participation in rescue and relief operations will be conducted.
264. I have allocated Rs. 199 billion 240 million for the Ministry of Home Affairs.

International Relations

265. Independent and balanced international relations based on equal sovereignty, mutual benefit, and respect will be established while promoting Nepal's independence, sovereignty, territorial integrity, national security, unity and Nepali interests.
266. Nepal's presence in international, multilateral, and regional forums will be strengthened. Citizens remaining in **risk situations** in different countries will be rescued and protected.
267. Economic diplomacy will be made effective and result-oriented in mobilizing foreign investment, trade and tourism promotion, and development cooperation.
268. I have allocated Rs. 6 billion 770 million for the Ministry of Foreign Affairs.

Economic Planning and Statistics

269. A sample census and survey program will be conducted to change the base year of national accounting statistics. An integrated national statistical system will be developed by updating the national statistical data. Preparatory work will be completed before the second economic census in 2025.
270. Emphasis will be given to pragmatic studies and research for the formulation of facts and evidence based public policy. National policy related to study and research will be formulated and implemented. An arrangement will be made to deposit such reports in the National Planning Commission in an integrated way.
271. Investments will be increased in the institutions involved in research and development. I have arranged to set aside 1% (one percent) of the annual capital budget for research and development. In the next fiscal year, a research and development fund of Rs. 1 billion will be established.

Financial Strengthening and Access

272. The financial sector will be further strengthened and made more competitive to mobilize resources for balanced and sustainable economic development. Awareness programs including customer protection, responsibilities towards banks and financial institutions of clients, and credit management will be conducted to enhance public trust in banks and financial institutions.
273. Branch of a bank will be opened in Saipal Rural Municipality of Bajhang where banking services are currently unavailable. Digital banking, branchless banking and mobile banking services will be used widely to provide banking services in remote and rural areas.
274. *Sovereign Wealth Fund* will be established to mobilize remittance in productive sectors. This fund will be used as a special-purpose vehicle to supplement investment in public infrastructure.
275. Interest subsidy procedure will be reviewed for effective use of interest subsidy being provided to various sectors. I have allocated Rs. 11 billion for subsidized loans.
276. Laws related to the financial sector will be harmonized with international standards. Regulatory bodies will be strengthened and made more effective in terms of regulation and oversight capabilities. Nepal Rastra Bank Act and the Foreign Exchange Regulation Act will be amended. Institutional capacity of Securities Board of Nepal and Nepal Insurance Authority will be enhanced.
277. Local levels will be encouraged to collaborate with financial institutions for social banking. Low-income groups and marginalized communities will be linked to micro insurance gradually.
278. Institutional capacity of the Securities Board of Nepal will be strengthened to protect the investment and interests of investors. Structural reform will be made to Nepal Stock Exchange Limited, CDS and Clearing Limited. Legal and institutional arrangements will be made to operationalize the commodity exchange market. Companies with capital exceeding a certain amount will be made mandatory to list on the stock market.

Money Laundering

279. A risk-based assessment system will be adopted for effective control of financial crimes. Sectoral risk assessment, regulation, supervision, investigation, and prosecution will be made effective. Arrangements will be made for intensive supervision of high-risk transactions of casinos, precious metals, cooperatives, real estate, remittances, and banking sectors.

Strengthening Federalism

280. As a priority remaining laws will be formulated for full-fledged implementation of federalism. The revised functional unbundling consolidated report of power and concurrent power of federal, province, and local levels will be implemented to end the duplication of authority and jurisdiction areas. Based on practice and experiences, indicators and basis for revenue sharing and fiscal transfer will be revised to make them more substantive, equitable, and realistic.

Public Enterprises

281. Assets entitled to the public enterprises will be preserved by locating the area and boundaries of its land. Legal arrangements will be made to operate public enterprises through a holding company in an integrated manner. Public enterprises will be transformed into public limited companies based on its feasibility. Sick industries with the potential to contribute to production and employment will be operated in partnership with the private sector. Facilitation will be provided for the re-operation of sick industries of the private sector.

282. Currently closed public enterprises including Biratnagar Jute Mill, Hetauda Textile Industry, Gorakhkali Rubber Industry will be operated under public-private partnerships.

283. Strategic partners will be involved in the management and operation of Nepal Airlines Corporation. The assets of public institutions will be monetized. Regulatory capacity will be strengthened by restructuring of the Civil Aviation Authority of Nepal.

Development Cooperation Mobilization

284. New development cooperation policy will be formulated based on evolving international perspectives and acquired experience. An arrangement will be made to mobilize development cooperation blending with commercial, private, non-governmental funds, grants, and concessional loans applying a blended financing mechanism.

285. A Project Readiness Filter will be applied to enhance the absorptive capacity of development cooperation. Provision will be made to include a project implementation action plan at the time of the project agreement.

286. Access to climate and adaptation fund and facilities will be increased by developing qualitative and competitive projects. Development cooperation will be mobilized by accessing all climate funds and facilities including Loss and Damage fund in accordance with the principles of right based approach of climate justice.

287.

Governance Reform

288. The Federal Civil Service bill will be passed by the ongoing session of the parliament and implemented. Security and the protection of the service, predictable transfer and promotion system will be ensured to boost the morale of civil service employees and motivate them.
289. Service delivery will be further strengthened in public sectors through maximum utilization of information technology. Public services will be made faceless, paperless, and contactless to enhance quality standards through e-governance
290. *Friday with Service Recipient Program* will be conducted to get feedback of performed tasks, promptly response to grievances and increase efficiency through regular dialogue between service recipients and providers.
291. Zero tolerance policy towards corruption will be adopted. Corruption will be controlled with an integrated approach applying promotional, preventive, and curative measures by identifying highly risk-prone areas of corruption.

Public Expenditure and Project Management

292. Public expenditure will be made result oriented by applying cost efficiency. Office operation expenses, rent, electricity, fuel, water, and communication fee will be managed prudently based on the nature of the office and human resources. The current trend of loading regular types of expenditure in program expenses by ministries and agencies will be discouraged. Necessary human resources required for the project execution will be deployed from the civil service.
293. Federal offices will be merged or dissolved based on their relevancy and necessity. A standard related to building structure, size and internal decoration will be prepared and implemented considering the service delivery, human resources, scope of work and workload including others.
294. Necessary arrangements will be made to represent the Government in international fora through foreign missions working in respective countries and jurisdictions. Other foreign trips will be discouraged except the representation to be made mandatorily by the Government of Nepal.
295. Public Financial Management Reform Strategy will be prepared and implemented based on the third report of Public Expenditure and Financial Accountability Assessment.
296. A strategy for utilization of Medium and long-term instruments will be adopted following the restructuring of internal debt. A provision will be made to raise investments through project-

specific bonds. A provision of direct payment through escrow account will be made for the loan mobilized through Government of Nepal to public enterprises.

297. Coordination and collaboration with provinces and local levels will be made effective for the easy availability of construction materials.
298. Separate procurement standards for goods and service will be formulated considering its nature to make public procurement process more simple, transparent, and cost-effective. The arrangement will be made to have an agreement by negotiating with the lowest bidder without changing the condition of contract in case all the bidder submitted the bid amount above the estimated cost.
299. An arrangement will be made to procure listed goods and services directly through negotiation by developing e-market portal. Public procurement laws will be amended incorporating matters such as selecting suitable proposals through reverse auctions in the procurement information system up to the specified value limit that is not required qualification evaluation.
300. Institutional strengthening of the Public Procurement Monitoring Office will be carried out. The standard bidding document for procurement of public construction and consultancy services will be revised. An arrangement will be made to receive details of contractors and consultants in an integrated manner by strengthening the electronic procurement system. Provisions will be made for construction companies involved in contract management to be rated by a third party, and this rating will be used as a basis for evaluation
301. A standard guideline will be formulated and implemented, ensuring the project managers will be selected based on internal competition, and they will not be transferred during the project period unless they fail to achieve the minimum score specified in the performance contract agreement to complete the projects on time through effective implementation.
302. An integrated act regarding the implementation of development projects will be formulated. Engagement of stakeholders and communities in project implementation will be enhanced. Arrangements will be made for work to be carried out in two shifts for national priority projects. Provisions will be made to reward employees and contractors who complete projects ahead of the scheduled time.
303. Budget implementation action plan for the next fiscal year should be prepared by mid-July 2024 and the necessary procedures, standards and guidelines should be prepared by mid-August 2024.
- 304.

Right Honourables,

Now, let me present the budget appropriation and resource management estimates for the implementation of the aforementioned sectoral policies and programs.

305. I have apportioned total expenditure of Rs. 1 trillion 860 billion 300 million for the next fiscal year. Out of total allocation, Rs. 1 trillion 140 billion 660 million i.e. 61.31 percent, is allocated for recurrent expenditures, Rs. 352 billion 350 million i.e. 18.94%, is for capital expenditures, and Rs. 367 billion 280 million i.e. 19.74%, is for financing. This estimated expenditure is 6.2% higher than the current fiscal year's budget and 21.56% higher than the revised estimates. Out of total allocation, Rs. 408 billion 870 million has been allocated for fiscal transfers to provinces and local levels.

306. Of the total estimated financing sources for next fiscal year, Rs. 1 trillion 260 billion 300 million will be financed through revenue mobilization and Rs. 52 billion 330 million from foreign grants, resulting in a deficit of Rs. 547 billion 670 million. To cover this deficit, Rs. 217 billion 670 million will be raised from foreign loans. The remaining amount of Rs. 330 billion will be mobilized from domestic borrowings.

Right Honourables,

Now, let me present the revenue policy and programs for the Fiscal Year 2024/25.

307. I have proposed a revenue policy in view of contributing to economic growth by improving the revenue system through an investment and economic activities friendly tax system. I have formulated the revenue policy and programs for the next fiscal year with the aim of equitable taxes on new business models and economic activities through digital transactions, drafting and updating revenue-related laws in line with best international practices to safeguard the revenue base, and aligning the revenue system with the country's Gross National Income. The objectives of the revenue policy are as follows:

- (a) Expand economic activities, promote investment, and prioritize and support domestic production and entrepreneurship through reform in the revenue system
- (b) Develop a sustainable, transparent, and equitable revenue system by broadening taxes and protecting the base.
- (c) Increase tax compliance and broaden the tax base through taxpayer education and awareness programs.
- (d) Strengthen inter-agency coordination to control revenue leakage.
- (e) Enhance the efficiency and professionalism of the revenue administration.

Now, I present the programs related to revenue for the next fiscal year:

Concessions, Trade Facilitation and Investment Promotion

308. I have reduced the import duty and excise duty levied on raw materials of industries including pharmaceuticals, induction stoves, yarns, helmets, incense sticks, sanitary pads, cashews, and groundnut processing, leaf spring industries by increasing at least one level of import duty on finished goods compared to duties on raw materials imported by industries in order to give priority and protect domestic industries.
309. I have raised import duties and excise duties on certain manufactured goods to protect the domestic industry. I have made provision to make the industrialists responsible by provisioning the requirements of the recommendations of various agencies to obtain concessions on importing raw materials for industries.
310. I have reduced the income tax on interest payments on loans taken from foreign banks and financial institutions to attract foreign capital.
311. The model of Double Taxation Avoidance Agreement will be developed to increase the flow of investment from potential countries. Based on this model, negotiations will be initiated with potential countries to reach an agreement.
312. New Custom Act will be formulated to facilitate trade and promote investment in accordance with the commitments and agreements made at the international and regional levels.
313. I have made provision to exempt dividend tax for the information technology industry on its profit capitalization.
314. I have made provision for tax concession on change of control when capital has been increased for capacity expansion of business. I believe that start-ups, venture capital, and private equity funds will benefit mostly from this provision.
315. I have reduced the customs duty from fifteen percent to one percent on steel milk cans used by animal husbandry firms and industries producing more than 1,000 liters of milk per day.
316. I have increased the limit of export value from US \$10,000 to US \$25,000 on the condition that the exporter submits the documents of foreign exchange receipt later, in case he cannot submit such documents immediately. I believe this provision will especially benefit the small and medium-sized export-based enterprise. I have removed the duties levied on export pellets made from waste materials, including *banmara*, leaf potting.

317. A study will be carried out to address the grievances of taxpayers on the disputes related to tax assessment and other tax related issues in the context of increasing grievances on tax assessment.

318. I have arranged to provide rebates at the customs point, instead of the existing provision of refunding the value-added tax for scooters imported by individuals with disabilities.

Reform in Tax System

319. I have presented a separate new Customs Tariff Bill by covering the issues of determining and adjusting customs tariff rates. I expect this will enhance simplification and effectiveness of customs administration operations.

320. Domestic Revenue Operation Strategy will be formulated and implemented. Customs administration will be reformed according to the sixth phase of the customs reform and modernization plan. The criteria will be formulated and implemented with certain qualifications and work experience required while posting as the departmental head of Revenue Administration.

321. The recommendations of the High-Level Advisory Committee on Tax System Reform will be gradually implemented.

322. A tax expenditure system will be adopted to reflect the foregone revenue from tax exemptions in government's financial reports. An arrangement will be made to provide tax exemption through tax refunds or allocation of a counterpart fund instead of providing tax exemption to the project while signing a new agreement on development cooperation.

323. An arrangement will be made to issue the tax invoice mandatorily through an electronic system in a gradual way for all taxpayers registered for value added tax. All taxpayers with an annual turnover of more than Rs.250 million will be integrated into the central invoice monitoring system.

324. To attract consumers in the billing system, 10 percent of the value added tax paid through the digital system will be refunded to the consumers effectively from the upcoming month of mid-July by resolving the issues faced while implementing this provision.

325. An arrangement will be made mandatory for all government organizations to obtain a Permanent Account Number and submit return of tax deduction at source through electronic system. Information system will be developed to facilitate the taxpayer's registration in an integrated manner and enhance cooperation in collecting tax returns in coordination and collaboration with local levels.

326. Inland Revenue Office and Taxpayer Service Office will be expanded and upgraded according to the number of taxpayers and nature of transactions. Organizational reform of the customs administration will be carried out. Post clearance audit will be made effective by restructuring the Customs Post Clearance Audit Office.
327. Performance-based management system will be adopted in revenue administration. Appropriate incentives will be provisioned to maintain the professionalism and morale of the employees working in revenue administration.
328. An automated system will be expanded and implemented to ensure accuracy between financial information submitted in banks and financial institutions and information provided in the tax reporting system. A system will be developed in which the taxpayers can get a tax clearance certificate with a QR code in case the taxpayer has submitted the details to be submitted and there are no tax dues. I have made a legal provision where payments for commercial transactions can be made electronically or via QR code to the business account.
329. Guidelines on transfer pricing will be formulated for the prevention and reduction of tax evasion caused by practices such as tax base erosion and profit shifting and fragmentation of income.
330. E-assessment and faceless audit will be introduced to make tax audit and investigation fair, transparent and updated. An intelligence unit will be set up in the revenue administration and a system will be developed for obtaining, classifying, integrating and analysing information.

Broadening of Tax Base and Scope

331. I have repealed the provision of value added tax exemptions on certain goods and services by reducing the list of exempted goods and services from value added tax in order to develop a transparent tax system and expand the tax base.
332. I have repealed the value added tax on vegetables and fruits including potato, onion, apple. I am confident that this will help to protect domestic products. I have increased the excise duty on alcohol, beer, tobacco, and cigarettes.
333. I have increased the existing threshold for registration in value added tax to Rs. 3 million in mixed transactions of goods and services.
334. I have revised the definition of **Resident** for income tax purpose to include the economic presence of a person without physical presence. This will lay the groundwork for preventing tax erosion to the increasing use of international digital platforms.

335. I have levied a green tax on import of petroleum products and coal in accordance with international commitments to reduce carbon emissions.

336. The rate of non-tax will be increased timely. Non-tax revenue will be made cost-effective.

Utilisation of Information Technology

337. In order to streamline the working process of tax administration and ease tax compliance, the service delivery will be made simple, convenient, transparent, and reliable on the basis of business process re-engineering. System audit will be carried out regularly to make the data stored in the tax information system reliable and effective.

338. The information system used by the taxpayer and tax administration will be updated and interlinked to enable submitting all returns also through API which are being submitted through the taxpayer portal.

339. Artificial intelligence will be utilized in revenue administration for making its services paperless, faceless, and contactless and analysing the tax-related information. Collaboration with UNCTAD will be made for the development of information technology-based customs systems.

340. The Customs Office will be made well-equipped with the latest technology by installing equipment including metal detectors, X-rays, baggage and vehicle scanners. Business cost and time of taxpayers will be reduced by implementing the Nepal National Single Window system effectively through an integrated system. The digital signature of customs officers will be implemented in the customs declaration form.

Control of Revenue Leakage

341. The agencies concerned with revenue leakage control will be made functional and mobilized in a coordinated manner. Border management will be made effective by strengthening coordination between national and international agencies working at the border. Joint patrolling operations and random checks and intelligence operations (*Suraki*) will be made effective to control smuggling in import and export.

342. Integrated Taxpayer Information System will be developed by maintaining interoperability among the Central Billing Monitoring System, Automated System for Customs Data, Vehicle & Consignment Tracking System, and Land Records Information Management System.

343. A robust, factual, and realistic customs valuation system will be developed based on the information collected by regular market surveys for the evaluation of imported goods.

Right Honourable Speaker,

Right Honourable Chairperson,

344. I have presented the actual expenditure for the fiscal year 2022/23, the revised estimate for the fiscal year 2023/24, and the expenditure estimate for the fiscal year 2024/25 with headings and sources. I have presented the estimated income-expenditure details in the annexes. I have also presented a statement on technical assistance to be received from international development partners, and assistance to be mobilized from international non-governmental organizations.

345. With the execution of the presented budget, a new phase of the economic reform program will be implemented. I expect the obstacles seen for a long time in the mobilization of capital expenditure will be resolved and the public finance system will become more agile and the effectiveness of public expenditure will increase. I expect that through the implementation of the revenue-related policies and programs proposed in the budget, the revenue base and scope will be expanded, economic activities and investment-friendly tax system will be established, and internal revenue mobilization will be strengthened.

346. I am confident that the implementation of this budget will speed up economic activities and achieve sustainable, broad and inclusive economic growth through increased production and employment generation.

347. I anticipate achieving an economic growth rate of 6 percent in the next fiscal year through the implementation of policies and programs proposed in the budget. It is estimated that inflation will remain at 5.5 percent. Monetary policy will be formulated by Nepal Rastra Bank to support in the implementation of policies and programs provisioned in the budget.

348. I would like to express my profound gratitude to the Right Honourable President, Right Honourable Vice President, Right Honourable Prime Minister, Right Honourable Chief Justice, Right Honourable Speaker, Right Honourable Chairperson, Honourable Ministers, and senior leaders of political parties who guided in formulating the budget. I express my sincere gratitude for the suggestions received from honourable members during the discussion on the principles and priorities of the Appropriation Bill. I extend my heartfelt thanks to the thematic committees of the august house, political parties, taxpayers, experts in various fields, private sector, government employees, development partners, media, civil society and all stakeholders who provided invaluable suggestions during the budget preparation.

347. I expect to receive constructive support from all concerned in the implementation of this Budget, which has been formulated with the objective of instilling confidence and hope among the common people and making the economy dynamic by facing the challenges observed in the economic and social sectors.

Thank you!