



# Budget Speech

Fiscal Year 2026/27



Government of Nepal  
**Ministry of Finance**

2026

Presented by Hon'ble Finance Minister

Dr. Swarnim Wagle

in the joint meeting of the Federal Parliament



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**Right Honorable Speaker of the House of Representatives,**

**Right Honorable Chairperson of the National Assembly,**

1. I feel honored to stand before this august session, continuing the tradition of presenting the nation's estimate of income and expenditure-a system initiated nearly 75 years ago (February 4, 1952 A.D) by the first Finance Minister of modern Nepal, Shree Suvarna Shamsher. The fundamental objective of that time, "To elevate the living standard of the people," remains equally relevant today. On this occasion, I pay heartfelt tributes to the martyrs who sacrificed their lives in various movements fought for civil liberty, democratic rights, social justice, and a prosperous Nepal, while also extending my deep empathy toward the citizens who were injured during the movement.
2. The overwhelming mandate bestowed upon the current government, founded on a new political ground established from the awakening of a transformative youth power committed to accountable governance, integrity, and civic dignity, has entrusted the government with an extraordinary responsibility. As Finance Minister, I accept this role not merely as a constitutional formality, but as an obligation to transform the character of the state, the culture of governance, and the structure of our economy. I am confident that this budget will serve as a reliable policy instrument to fulfill the rightful expectations of all Nepali, both at home and abroad, who aspire to a production-oriented economy, international prestige, and technology-friendly transformation.
3. Alongside a generational shift in Nepali politics, there is an intense anticipation for transformation across all dimensions of national life. Embracing this favorability brought about by irreversible change, we are committed to establishing benchmarks of improved good governance in policies, laws, institutions, systems, processes, leadership, and intent. Building a result-oriented governance system by dismantling policy ambiguity, red-tapes, institutional capture, exploitation of state resources is the need of the day. Although the current Constitution has laid a significant foundation for breaking the cycle of social and cultural exclusion, deeper structural reforms remain essential to ensure equal access to economic opportunities.

4. The time has come to harness the opportunities and challenges arising from the specialized diversification and boundless expansion of information and communication, artificial intelligence, finance, trade and investment, collective strength of the Nepali diaspora spread across the globe and the aggressive utilization of technology. The responsibility of creating a virtuous cycle of equitable economic growth rests upon our own shoulders. On this journey, I extend a heartfelt appeal on behalf of the government to the Federal Parliament, all state agencies, civil society, and the entire Nepali people for their constructive suggestions and cooperation.
5. I have already made public the "Current Economic Status Paper, 2083" detailing the indicators of the country's current economic situation, obstacles to progress, and potential pathways to resolve them. The substantive policy direction of the government has been highlighted through the policies and programs for the upcoming fiscal year, and principles and priorities of the Appropriation Bill. Furthermore, the "Economic Survey, 2082/83", the comprehensive document of statistical illustration, has already been tabled in Parliament.
6. The country currently stands at a decisive crossroads of comprehensive economic reform. The vicious cycle of political instability has come to an end. Most macroeconomic indicators are on a path to recovery. There is adequate liquidity within the financial system along with a robust foreign exchange reserve, monumental opportunities lie ahead in clean energy production and new technologies, while our youth demographic dividend stands as a tremendous capital. Nevertheless, volatility in global supply chains, sluggish domestic market, low investment in productive sectors, and public distrust towards state institutions remain key challenges. The objective of this budget will be to transform these challenges into opportunities, thereby simultaneously elevating the service delivery capacity of the State, the confidence of the private sector, and the trust of citizens.

**Right Honorable Speaker, Right Honorable Chairperson,**

At the outset, I would like to announce some notable reforms aimed at establishing order and laying the foundation for holistic development through the budget for fiscal year 2026/27.

7. To revitalize the overall economy by providing relief to the businesses and expanding the middle class, I have undertaken a comprehensive review of tax rates.
  - (a) To reduce the tax burden, I have doubled the income tax exemption threshold to one million rupees for individuals. I have reduced the maximum individual income tax rate by ten percentage points.
  - (b) To ensure that customs duties on industrial raw materials are at least one tier lower than on finished goods, I have reduced customs rates on 273 items of raw materials. I have confined the existing eleven-tiers customs duty into seven tiers.
  - (c) I have abolished Excise duties currently levied on 360 items. I have integrated scattered taxes such as infrastructure development tax, road maintenance and improvement fee collected at customs points into Green Tax.
  - (d) I have made provisions to ensure that Section 57 of the Income Tax Act, 2001 will not be attracted in cases of involuntary disposal upon the death of a natural person and in changes in controlled entity resulting from ownership transfer of an entity.
  - (e) I have made arrangements to treat the capital gains tax levied on the sale of securities of listed companies as a final withholding tax.
  - (f) We will implement a system to provide an immediate 10% Value Added Tax (VAT) discount to consumers at the time of billing if payment is made digitally. We will make VAT refund system automated. We will introduce attractive programs such as lottery to promote billing culture in the purchase and sale of goods or services,
  - (g) We will form a high-level advisory committee to submit recommendation by studying the relevance of multiple rates in Value Added Tax.
  - (h) We have adopted a policy of making tax compliance a partnership in development, not a penalty. I have introduced a special scheme for tax exemptions and concessions to foster a conducive business environment

- by resolving long-standing tax disputes arising from legal ambiguities and taxpayers' unawareness
- (i) To resolve tax disputes pending before courts or judicial bodies, whether filed by the government or taxpayers, I have made arrangements whereby, if additional one percentage of the assessed tax amount is paid within the stipulated time limit, the case will be withdrawn and all fees, penalties, additional charges, delay fees, and interest will be waived.
8. **The existing cumbersome organizational structure of the Government of Nepal will now be agile.** Against the backdrop of federal ministries already been downsized from 22 to 18, I have adopted a policy to utilize the savings generated from downsizing the approved positions, departments and offices to make administration efficient. We will dissolve 31 entities, merge 6 entities, handover 6 entities, and restructure 18 entities. We have made provisions for dignified regular increment in the benefits and facilities of civil servants, military, police, and teachers with the objective of enabling bureaucracy to lead a decent life, and making it highly performance-driven and accountable.
9. **Cost reduction and efficiency enhancement will be another dimension of institutional reform.** To this end, we will control recurrent expenditure by maintaining unprecedented austerity and allocative efficiency. I have significantly reduced office operational expenses. I have eliminated Budget allocations for training expenses conducted outside training centers and equipment including cameras and televisions. We will discontinue the practice of providing facilities by creating separate funds. I have abolished the concessions previously granted to officials and employees of public enterprises for purchasing goods and services produced by those enterprises. I have frozen the funds allocated for entities that have been merged or dissolved until the management of liabilities and adjustment of approved positions are completed. Preliminary estimates indicate that these measures are expected to save approximately NPR 20 billion rupees.
10. Appropriate policy and legal frameworks will be formulated to promote investment, advance economic reform, and ensure smooth service- delivery. To this end, we will enact, replace, or amend dozens of acts, rules, procedures,

and directives. We will table the Some Nepal Acts Amendment Bill to the Parliament to immediately repeal 15 previously announced laws.

- (a) We will simplify the company liquidation process by amending Company Law while maintaining clarity in provisions including conflicts of interest and disclosure of information. We will conclude bilateral foreign investment protection and double taxation avoidance agreements with additional countries. We will amend the Insolvency Act, 2006 to address the financial problems of consumers and micro, small, and medium-sized enterprises as well. To promote investment, we will formulate a Limited Liability Partnership (LLP) law, which will encourage angel investors to invest in venture capital and private equity funds.
- (b) We will simplify the provisions of allowing Nepali citizens to invest abroad. We will amend the Industrial Enterprises Act so that only notification to the Department of Industry will suffice for matters including capacity expansion, ownership transfers, and capital increments. We will amend the Foreign Investment and Technology Transfer Act with the provision of notification to Nepal Rastra Bank alone will be sufficient for repatriation of investment instead of requiring prior approval. We will include hybrid instruments including convertible instruments and project-linked funding within the scope of foreign investment. We will remove the requirement of prior approval in the automated approval system for foreign investment. We will simplify the process for outward remittances concerning service fees, royalties, and technology transfer fees.
- (c) We will make legal provisions regarding credit recovery. We will soon formulate law for the protection of intellectual property rights. We will introduce provisions to facilitate credit lending based on credit rating by analyzing overall past economic activities of individuals and businesses. We will establish a separate tribunal for the swift resolution of commercial disputes. We will reform the Mediation Act.
- (d) We will amend the legal provisions regarding foreign investment approval, investment accounting, profit repatriation, and capital gain tax to make participation of Non-Resident Nepalis (NRNs) in the secondary securities market.

- (e) We will amend the National Civil Code, 2017 to allow foreign investors, international organizations, and branches of multinational companies or for residential purpose buildings not exceeding 25 percent of the total units in designated residential areas or apartments on government-specified locations in long-term lease.
  - (f) We will provide credit guarantee with 'first-loss recovery' to ascertain financial access to small and medium-sized entrepreneurs.
11. **We are committed to change the pace and rhythm of capital expenditure by initiating an aggressive series of procedural reforms.** We will work in "mission mode" for the completion of projects in stipulated time and cost by reforming procurement process, flexibility in resource management with virement, mobilizing alternative financing, and ensuring the stability of project chiefs. A sunset law related to development projects will be tabled in Parliament within the current fiscal year. We will make provisions for tracking to ensure that mobilization advances are spent exclusively on related projects. We will prepare preliminary pipeline of infrastructure projects viable for construction under the Hybrid Annuity Model within three months. We will reasonably address the hardships faced by construction business due to the rise in prices of fuel, bitumen, and other construction materials caused by conflicts in the Middle East.
12. **We will make clean cities, easy transportation, and safe roads as an integral part of a vibrant economy.** We will develop roads, transport, drinking water, sanitation, and infrastructure for economic access in an integrated manner. We will upgrade roads and bridges connecting all district headquarters over the next five years. We will reduce human casualties from accidents by improving travel safety and the quality of road.
13. **The government will remain vigilant in fostering harmony between development and the environment rather than conflict.** For this, the Environment Protection Act, 2019 and the Forests Act, 2019 will be amended. We will make arrangements so that supplementary environmental impact assessments will not be required in cases where the forest area or the number of trees to be cut, as specified in the approved Environmental Impact Assessment report, has decreased. We will significantly reduce the multiple

layers of decision-making involved in obtaining approval for forest areas and tree felling permits.

14. **The fiscal pressure of the Government will be reduced through the mobilization of innovative and alternative financial instruments.** In this process, I have proposed new financial instruments to mobilize capital and attract public investment and technology from outside the government's balance sheet. The law relating to the Alternative Development Finance Fund for mobilizing private investment in infrastructure has already been passed by the House of Representatives. Offshore bonds denominated in Nepali currency will soon be issued in the international market. I have adopted policies to issue Clean Energy Bonds and Diaspora Bonds, as well as to optimize the utilization of available climate funds.
15. **At a time when foreign exchange reserves remain at a comfortable level, we have adopted a policy to mobilize a certain percentage of such reserves through a 'Sovereign Wealth Fund.'** We will establish a "*Matribhumi Kosh*" to invest in projects of strategic importance, including fuel storage facilities sufficient for at least three months and AI factories. I have made arrangements to provide hedging services at an appropriate premium from the upcoming fiscal year in order to minimize exchange rate risk in projects financed through foreign loans or investment. We will create a favorable economic environment to improve the results obtained from the first and second sovereign credit ratings. We will remove Nepal from the anti-money laundering "grey list" as early as possible.
16. **I have made arrangements to strengthen public enterprises by increasing capital in some institutions and divesting government shares in others.** I have proposed a capital increment of the Government of Nepal in Rastriya Banijya Bank. We will transform Nepal Airlines Corporation into a company and identify appropriate modalities for management reform and strategic partnership. We will issue shares of Rastriya Jeevan Beema Company and Bishal Bazar Company to the general public. We will merge Hydroelectricity Investment and Development Company Limited with a financial institution of similar objective and develop it into a specialized institution for the infrastructure sector. We will complete the Due Diligence Audit (DDA) and

arrange investment management under a public-private partnership model within the coming fiscal year for seven public enterprises, including Gorakhkali Rubber Industry.

17. **The government will have an unwavering focus on expanding information technology infrastructure.** We will retain 66 percent of the federal government's shares in Nepal Telecom and sell the remaining shares to the public by mid-January and will utilize the proceeds to develop Nepal as a 'Tech Hub'. I have made arrangements to allow outward investment for the expansion of the information technology services sector. We will introduce clear legal provisions to enable individuals to work from Nepal for foreign employers and to attract remote work opportunities. We will make arrangements to centralize the procurement of information technology software used by government agencies through a single entity. We will increase investment in the development of Digital Public Infrastructure (DPI). We will establish a Fintech Marketplace under the supervision of Nepal Rastra Bank. Dozens of government services will be integrated into the Nagarik App.
18. **We have initiated special measures to confidently usher Nepal into the era of Artificial Intelligence (AI).** We will establish the country's first 'Sovereign AI Compute Center' in Syuchatar, Kathmandu. We will purchase thousands of AI processing units and provide subsidized compute capacity to AI entrepreneurs and startups. I have proposed transforming clean hydropower energy into high-value AI compute services. I believe Nepal's abundant energy potential can be leveraged to advance artificial intelligence and lay the foundation for skilled employment, digital exports, and AI-driven economic transformation. In the upcoming fiscal year, we will invite at least fifteen Nepali researchers gaining international recognition in the field of AI to return and contribute to Nepal through prestigious fellowship opportunities. We will accord high priority to academic disciplines such as mathematics, which will play a key role in the era of AI.
19. **The long-awaited restructuring of the Nepal Electricity Authority (NEA) will be completed.** We will unbundle the NEA into three separate companies dedicated to electricity generation, transmission, and distribution and trading. We will cancel Power Purchase Agreements (PPAs) with projects that have

signed agreements but have not yet commenced construction, and will arrange to sign new PPAs based on the 'Take or Pay' mechanism. We will immediately conclude PPAs for hydropower projects with a capacity of less than 10 megawatts. We will make arrangements to enter into purchase agreements by determining the power purchase rate through a competitive bidding process during the rainy season.

- 20. We will make arrangements to allow the private sector to trade electricity in the international market.** We will also make legal arrangements for the construction of transmission lines and for electricity trading with wheeling charge. We will make an arrangement to adjust the possession rights of forest land and fees for tree felling while transferring the ownership of a hydropower project to the Government of Nepal after the permit period. To encourage private sector participation in the development of large and reservoir-based hydropower projects, we will adopt a policy to allow to sell up to forty percent of their shares to the general public in the very first year, provided the promoters commit to invest hundred percent of the proceeds into the reservoir projects.

**Right Honorable Speaker, Right Honorable Chairperson,**

- 21. We will scale up investments in the all-round regional development of rural and semi-urban areas with best potential for economic growth.** To develop these areas as 'Growth Poles and Quads', we will implement policy and integrated plan of physical infrastructure.

- (a) The Mid-Madhesh Quadrangle for agriculture and industry will be developed based on 122,000-hectare command area to be irrigated by Sunkoshi Marin Diversion Project upon the completion of the remaining works of the Postal and the East-West Highway expansion.
- (b) The Karnali Quadrangle, covering the Mid-Hill (Pushpalal) Highway, Karnali Highway, Bheri Corridor, and the Rara-Jumla-Phoksundo area, will be developed to promote medicinal herbs, hydropower, tourism, and mining activities.
- (c) We will promptly complete the Butwal-Narayangadh and Mugling-Damauli-Pokhara sections of the East-West Highway. We will develop

- ‘Gandaki Quadrangle’ centered on pilgrimage tourism and clean business activities in the region of origin of the Kali Gandaki Civilization by upgrading the Siddhartha Highway into international standards. We will develop the ‘*Shaligram Path*’ by integrating Triveni Dham, Devghat, Ruru Kshetra (Ridi), Kagbeni, Muktinath, and Damodar Kunda.
- (d) We will integrate meditation, spiritual practice, yoga, Buddhist-Vedic philosophy, and the Himalayan cultural experiences of Manang, Mustang, and Myagdi by promoting the "Nirvana Trail" based on the Lumbini-Muktinath religious and cultural route. We have aimed to link the Mid-Hill Highway with northern eco-trade destinations such as Olangchunggola, Kimathanka, Tatopani, Rasuwagadhi, Korala, and Hilsa.
  - (e) We will move forward the plan for the Koshi Corridor, covering the area from Koshi Tappu to Kanchenjunga, with a focus on biodiversity conservation and clean energy development.
  - (f) We will move forward with the development of a distinct 'Tourism Quadrangle' in Sudurpashchim, encompassing the Ramaroshan, Khaptad, Badimalika, Shaileshwari, Ugratara, and Mallikarjun areas.
- 22. We will initiate the implementation of the long-term plan of Vision Kathmandu, 2040.** For the overall urban service management of the Kathmandu Valley, we will develop integrated infrastructure including underpasses, flyovers, intersection improvements, river corridor infrastructure, park construction, waste management, utility ducts, and the undergrounding of electric cables." We will launch a special initiative to protect and expand open spaces with financial incentives in collaboration with provincial and local government. We will initiate a Smart Urban Mobility program in the Kathmandu Valley, featuring the operation of electric public buses, a network of charging stations, tracking systems, smart bus parks, and robust institutional management. We will also launch e-mobility services in Pokhara Valley soon to replace public buses with electric buses.
- 23. We will undertake intensive preparations to make *Visit Nepal Year 2085* and *Nepal Wellness Year 2027* successful.** I have made arrangements to provide physical and financial incentives for the construction and operation

of high-value tourist-oriented resorts and hotels. Source countries of tourist will be diversified by branding tourism activities under the core theme of ‘Wellness Tourism’. We will restructure the Civil Aviation Authority by separating its regulatory and operational functions within the upcoming mid-January to delist Nepal from the European Union Air Safety List.

**24. The revitalization of the agricultural sector remains a top priority of the government.** We will reform the entire ecosystem of agricultural production, processing, distribution, and marketing. We will transform agriculture into a dignified and profit-making enterprise by adopting policies of attracting commercial farmers and incentivizing agricultural productivity.

- (a) I have designed a pilot program to provide up to a 40 percent incentive grant to farmers who have invested minimum initial capital of 20 million rupees in agricultural and livestock production. This grant will be reimbursed at the rate of annual 10 percent for four consecutive years from the date production begins. We will prevent misuse of agricultural subsidies while providing support for genuine farmers in improved seeds, fertilizers, irrigation, electricity, and agricultural insurance. I have set direction to gradually phase out other subsidies by providing up to 80 percent premium subsidy in agriculture and livestock insurance.
- (b) I have made provision of resources for the completion of large and under-construction irrigation projects within this fiscal year. We will establish a Challenge Fund in the investment of the Government of Nepal thereby creating competitive provision for local governments to expand small and medium irrigation projects across the country.
- (c) I have adopted a policy to provide concessions, such as concessional loans and interest subsidies while procuring agricultural produce directly from farmers. We will provide support in production and branding to industries established in remote areas and engaged in processing organic, high-value, and intellectual property (GI)-based products.
- (d) We will restructure the agricultural service system by transforming it into a “farmer-centered service system”. We will mobilize necessary technical manpower at each local level to provide agricultural technical services and

digital agricultural information throughout the year and to expand agricultural services at farmers' doorsteps by private service providers.

- (e) I have prioritized research on improved seed development, climate-adapted local varieties, agricultural biotechnology, and productivity enhancement by revitalizing agricultural research and development centers across the country.
- (f) We will soon table an Agricultural Bill in Parliament to create a legal arrangement with assurance of fair prices of agricultural produce, contracts between farmers and buyers, subsidies, and regulation.

**25. We will make forests and natural resources a foundation for green industrialization, employment generation, and import substitution by shifting away from a narrow conservation approach.** We will promote sustainable timber production, forest-based industries, processing of medicinal herbs and non-timber forest products, and green enterprises. We will review the sales price of raw timber collected during development works in order to enhance the competitiveness of domestic timber industries. We will remove procedural hassles of the permit system related to felling, collection, transportation, sales, and distribution of forest products by transforming it into a fully digital, single-window system. We will provide additional autonomy to Community Forest User Groups in production, processing, branding, and enterprise operation. We will remove inconsistencies between laws and policies related to forests, environment, industry, energy, and infrastructure. We will assess the economic value of forest carbon stock, ecosystem services, and natural capital, and incorporate them into the budget and planning system.

**26. We will implement an automated route system within the next three months to execute the concept of 'Investment Express'.** We will make arrangements of information access, compliance reporting, and risk-based inspections by integrating all services, including company and industry registration, financial services, participation in the tax system, and visa applications. We will make a legal provision ensuring that projects approved by the Investment Board are not required to obtain approval again from other agencies. We will provide investment visas for conducting investment-related studies and research on approved projects. We will make investment and profit

repatriation easier by simplifying the processes of share transfer, tax clearance, asset valuation, loan repayment, dividend distribution and liquidation.

**27. The government will remain focused on industry and industrial innovation.** Consistent with the policy of expanding high-quality industrial infrastructure, private sector will develop and operate industrial zones such as Motipur and Mayurdhap. We will give priority to women entrepreneurs in the Panchkhal Special Economic Zone. We will provide additional concessions in credit lending to women entrepreneurs. We will make arrangement of ‘Special Economic Administrative Area’ to ensure that all decision related to tax, customs, imports, exports, and investment for Special Economic Zones are made from a single location.

- (a) We will make arrangements for a rebate on electricity tariffs by reviewing electricity demand charges to enhance the competitiveness of productive industries. Industrialists will be able to use structures built on land provided in industrial areas, special economic zones, and on lease as a collateral for banking purposes.
- (b) We will provide ‘Business Revival Loans’ to industries and businesses that are unable to operate at full capacity due to lack of capital, to encourage capacity expansion and growth.

**28. We will make startup, innovation, and entrepreneurship as a strong foundation for economic transformation.** We will strengthen the start-up operating system by adapting it to improve identity, skills, markets, and financial access through profit-linked tax incentives, priority access to public procurement, digital registration, and regulatory facilitation. We will not confine start-up financing solely to a debt-based model; instead, we will arrange grants at the early stage, concessional loans for feasible enterprises, and growth capital during the expansion stage, while encouraging co-investment from the private sector and Non-Resident Nepalis. I have allocated a minimum of one percent of capital expenditure for science, technology, research, and innovation.

29. **We will implement an individual credit scoring system and operate ‘peer-to-peer (P2P) transactions with regulation.** We will introduce policy arrangements for the flow of credit at long-term fixed interest rates in the agriculture, industry, tourism, and hydropower sectors. We will establish a National Asset Management Company with special legal authority by the end of Poush, to effectively manage the increasing level of non-performing loans and non-banking assets in the banking sector.
30. **We will carry out systemic restructuring of the overall educational ecosystem.** we will scale up investments in school education to expand innovation and skill-centric education based on including national school mapping, infrastructure audits, teacher competency testing and AI and Ed-Tech readiness assessments.
- (a) We have adopted a policy of accepting parental support in educational quality improvement and infrastructure development by transforming the education system into a ‘school-centric system’. We will make the School Management Committee a means of ensuring quality education. We will launch a ‘Clean Toilet Campaign’ in all educational institutions. We will restructure higher education as a center for research, innovation, knowledge production, and national capacity building.
  - (b) We will significantly increase the currently allocated quotas in various fields of higher education such as medicine, nursing, and information technology by reviewing it within the current fiscal year.
  - (c) We will expand a demand-based skill system directly linked to industry and labor market. We will formally recognize the skills of migrant, informal-sector, and experienced workers, by implementing the National Qualifications Framework and the recognition of early learning. The paid internship system will be institutionalized.
31. **This budget has aimed to achieve a policy leap in health services.** We have set a long-term goal for establishing primary healthcare institutions equipped with skilled healthcare personnel, laboratories, essential medicines, digital health systems, and effective referral services as first point of service. We will enable Nepal Aushadhi Limited to produce at least 25 types of essential

medicines that are provided free of cost by the Government. We will develop the Tribhuvan University Teaching Hospital, the National Academy of Medical Sciences, and the Patan Academy of Health Sciences into internationally recognized academic institutions capable of providing education to foreign students as well. Under a public-public partnership model, major government hospitals in all seven provinces will be transformed into teaching hospitals and specialized health service centers in phases. We will mobilize available Investable resources of the Employees Provident Fund, Citizen Investment Trust, and Social Security Fund to expand health infrastructure, medical education, and the expansion of specialized services.

32. **We will comprehensively restructure the health insurance program.** We will adopt single-payment by integrating scattered social health protection programs and health-related liabilities. We expect to bring 90 percent of Nepalis under universal health insurance coverage and significantly reduce personal medical expenditures within the next three years. We will minimize loss of life resulting from road crashes and emergency trauma by formulating a National Trauma Policy.
33. **We will ensure round-the-clock supply of clean drinking water through a smart distribution system within the next five years.** We will provide Safe and clean drinking water services to 65 percent of citizens within the next three years and to 100 percent within five years. We will strengthen regulatory system to ensure the supply quality, tariff structure, and service accountability of water delivery. We will review the existing tariff structure to ensure sustainable drinking water services in the Kathmandu Valley. We will create a single structure through the merger of the Kathmandu Valley Water Supply Management Board, Kathmandu Upatyaka Khanepani Limited, the Project Implementation Directorate, and the Water Supply and Sanitation Service Tariff Fixation Commission.
34. **We will make social security system more equitable and targeted.** We will launch a national campaign “Capable renounce, vulnerable connect” to encourage economically capable citizens to voluntarily denounce social security allowances. We will honor such contributions as examples of intergenerational justice and national solidarity. I have doubled the child

nutrition allowance to Rs. 1,000 per month provided to Dalit children across the country. I have continued the nutrition allowance provided to children in 25 districts, mainly across Madhesh, Karnali, and Sudurpashchim provinces, which have high poverty and lag behind in the Human Development Index.

- 35. We will make provision for mandatory enrollment of workers and employers in the labor registry.** This will determine service standards including insurance, accommodation, and digital grievance management offered by licensed agencies that supply construction, agricultural, hospitality, transport, and industrial workers, in addition to security guards and domestic workers. We will make written agreements, minimum wage, insurance, workplace safety standards, and salary payments through banking channel mandatory in labor sector. We will make the mandatory compensation and insurance claim system in workplace accidents more effective. A legal framework will be developed by mid-January for the swift resolution of labor disputes through the Labor Tribunal, and breach of contract, wage theft, and labor exploitation will be treated as economic offenses. We will launch a special campaign to enroll workers in the informal and unorganized sectors into the social security system.
- 36. We will strengthen regulatory capacity, technology-friendly transaction systems, and investor protection mechanism to make capital market dignified and investor-friendly.** We will initiate the restructuring of the Nepal Stock Exchange and introduce instruments such as intra-day trading, short selling, and derivatives in a phased manner. We will adopt a policy of zero tolerance against undesirable capital market activities such as market cornering and insider trading. We will make arrangements for listed companies in Nepal's securities market to issue Global Depository Receipts and be listed on foreign securities markets, complying with specified procedures.
- 37. We will utilize the skills, capital, and networks of the diaspora by expanding soft power.** We will undertake legal, technical, and administrative infrastructure preparations to secure the voting rights of Nepali citizens residing abroad by integrating them into the democratic process. We will table a new bill in Parliament to implement an investor-friendly immigration management by comprehensively reforming the visa system. Despite Nepal

currently meeting the minimum criteria for graduation from the United Nations' Least Developed Country status, we have decided to pursue graduation on the foundation of an intensive socio-economic national renaissance process over the next two years. We desire that such graduation be irreversible.

38. **We will build a strong foundation of transparency and accountability within the political system.** To institutionalize healthy democratic competition, we will initiate a broad political dialogue on providing state funding to nationally recognized political parties based on the votes secured by them in the latest general elections. Provisions will be made for such grants to be audited by the Auditor General.
39. **We will make evidence-based policy formulation, implementation, and monitoring effective.** We will integrate statistical systems, including the Education Review Office, agricultural statistics systems, and the Consumer Price Index framework currently under Nepal Rastra Bank, into the National Statistics Office. Similarly, we will place the Policy Research Institute under the National Planning Commission and make it competent for shaping the government's long-term vision and policy formulation.

**Right Honorable Speaker, Right Honorable Chairperson,**

I will now present the sector-wise programs and allocations.

**40. Road Infrastructure**

- (a) In the upcoming fiscal year, approximately one thousand kilometers of roads will be blacktopped, and 275 road bridges will be constructed.
- (b) We will complete the work of upgrading the one thousand twenty-eight-kilometer-long East-West Highway into a four-lane highway within five years. Within this fiscal year, the upgrading of the Kamala-Kanchanpur and Narayangadh-Butwal road sections will be completed. In the upcoming year, we will upgrade 80 kilometers of roads under the Kakarbhitta-Laukahi, Kamala-Bagmati, and Butwal-Gorusinghe and Dhankhola-Lamahi sections. We will commence upgrading of the Bagmati-Pathlaiya, Narayangadh-Hetauda, and Gorusinghe-Chandrauta

- sections. We will conclude the feasibility studies for upgrading the Pakali-Kanchanpur, Chandrauta-Dhankhola, and Kohalpur-Gaddachauki road sections. I have allocated Rs.37.46 billion for the East-West Highway.
- (c) In the upcoming year, we will complete construction of 40 bridges and 5.4 kilometers of tunnel along the Kathmandu Terai-Madhesh Fast Track. We will begin the construction of link road for the Fast Track. I have allocated Rs. 17.64 billion for this expressway.
  - (d) We will complete the construction of the Postal Highway within the next three years. Under this, we will begin widening the highway through densely populated areas and complete the construction of 8 road bridges. I have allocated Rs.4.65 billion for this highway.
  - (e) I have allocated Rs. 1 billion for upgrading the Surkhet-Jumla-Gamgadhi road under the Karnali Highway.
  - (f) We will complete the construction of the Pushpalal Mid-Hill Highway within the next three years. I have allocated Rs. 2.16 billion to upgrade 65 kilometers of roads and complete 5 bridges under this highway.
  - (g) I have allocated Rs.1.46 billion to blacktop 25 kilometers of roads and construct bridges under the Madan Bhandari Highway.
  - (h) We will complete bridges under construction along major highways and strategic roads within the next three years. We will complete the construction and upgrading of 40 large bridges along national highways. I have allocated Rs.9.87 billion for national highway and strategic road bridges, bridges of special importance, and local road bridges.
  - (i) Under the Prithvi Highway, the construction of the four-lane road from Aanbukhaireni of Tanahun to Pokhara will be completed soon. We will commence the construction works of the Mugling-Aanbukhaireni section. A 40 kilometers road under the Nagdhunga-Mugling section will be upgraded. We will operationalize the Nagdhunga Tunnel Road from upcoming July. I have allocated Rs. 6.55 billion for these road sections.
  - (j) We will blacktop and gravel 31 kilometers of the Karnali Corridor. Similarly, 21 kilometers of Kaligandaki Corridor will be blacktopped. We

- will blacktop 15 kilometers of the northern segment of the Koshi Corridor. I have allocated Rs. 6.25 billion for these three corridors.
- (k) I have allocated Rs. 1.35 billion to upgrade the Galchhi-Syaphrubesi-Rasuwegadhi road section.
  - (l) We will begin the construction of Butwal-Pokhara section of the Siddhartha Highway as an expressway. The Siddhababa Tunnel will be completed within the upcoming fiscal year.
  - (m) I have accorded special priority to open track of Darchula-Tinkar section of the Mahakali Corridor. Upgrading works on the Mechi, Arun, Tamor, Bheri, Seti Corridors, and the Khutiya-Dipayal road, will be expedited.
  - (n) We will commence widening of the Kalanki-Basundhara section under the Kathmandu Ring Road expansion. We will finalize the design of the Basundhara-Chabahil-Koteshwor section.
  - (o) We will carry out a detailed feasibility study for the Tokha-Chhahare Tunnel Road. We will conduct a feasibility study for a tunnel road connecting Mulsam in Jajarkot to Topla in Jumla to ease life in the Karnali. We will carry out study related to the tunnel constructions of the Khurkot-Chiyabari, Thankot-Chitlang, Majhimtar-Shaktikhor, and Chisapani-Babai.
  - (p) I have allocated Rs. 2.46 billion for road safety continuing installation and maintenance of traffic signals at major road intersections, intersection improvements, road markings, crash barriers and dividers.
  - (q) We will initiate railway track construction from Bardibas to the starting point of the Kathmandu-Terai Madhesh Fast Track. I have allocated budget to complete the remaining works of the ongoing Bathnaha-Biratnagar and the Janakpur-Jayanagar-Bardibas railway.
  - (r) From next year, we will make major urban roads including Kathmandu Valley free of dust and pothole by conducting regular repair and maintenance. I have allocated Rs. 28.52 billion to conduct a nationwide road repair and maintenance campaign.

- (s) We will construct climate-adaptive structures at high-risk points along highways. I have allocated Rs. 3.17 billion to resume services by clearing highways disruptions caused by landslides immediately.
- (t) We will make necessary arrangement for operating modern Blue Bus Service equipped with CCTV cameras to ensure the safe travel of women.

#### **41. Urban Development**

- (a) I have allocated Rs. 1.83 billion to continue land development and infrastructure construction aimed at establishing identity-based towns in 12 locations along the Mid-Hill Highway.
- (b) I have allocated Rs. 4.19 billion for integrated waste management, sewage-free river initiatives, and the promotion of greenery along river corridors in major cities of the country.
- (c) We will prioritize the retrofitting and reconstruction of government buildings damaged during the Gen-Z revolution. I have allocated necessary resources to complete the reconstruction of private residence and government buildings damaged by earthquakes in districts including Jajarkot and Rukum West.
- d) We will advance the Local Level Center Access Improvement Program to connect local level centers that are not yet connected to the road network with all-weather roads linking them to national highways or nearby provincial capitals.
- (e) I have allocated Rs. 5.14 billion for the construction of suspension bridges to enhance citizens' access to basic transportation services, ensuring that walking distance does not exceed 30 minutes.
- (f) We will construct and sell 100 buildings to the general public in Mechinagar Municipality of Jhapa in the first phase under residential projects of Rastriya Awas Company Limited.

I have allocated Rs. 286.48 billion for the development of roads and urban infrastructure.

**Right Honorable Speaker, Right Honorable Chairperson,**

## 42. Clean Drinking Water

- (a) We will develop community-level drinking water systems equipped with deep tube wells to achieve a sustainable solution of acute shortage of drinking water during the dry season in the Terai/Madhesh region. We will launch Arsenic-Free Terai campaign. I have allocated Rs. 2.50 billion for the completion of 280 incomplete drinking water projects across the Terai/Madhesh region.
- (b) In the upcoming fiscal year, we will complete the study for diverting water flow from the Yangri and Larke rivers into the Melamchi. We will initiate the expansion of pipe network across locations including Kirtipur, Madhyapur Thimi, Jorpati, Pepsicola, Nagarjun, and Mahalaxmi. I have allocated Rs. 7.26 billion for this project.
- (c) We will manage electricity, sewage, and drinking water in urban areas in an integrated manner. I have allocated Rs. 2.34 billion to implement drinking water, drainage construction, and treatment programs across major cities including Damak, Dharan, Itahari, Birgunj, and Hetauda.
- (d) We will test water regularly and will conduct QR-code-based monitoring with establishment of nationwide water testing laboratories and utilizing advanced filtration technologies.
- (e) We will complete the construction of wastewater treatment plants with a capacity of 72.7 million liters per day at Sallaghari, Kodku, Dhobighat, Gokarna and Hanumanghat in Kathmandu Valley. I have allocated Rs. 3.46 billion for this work.
- (f) Outside the Kathmandu Valley, we will operationalize sewage treatment plants at Khandbari, Belauri, Town Bazar, Barpak, and Trishuli Bazar.

I have allocated Rs. 37.17 billion for drinking water and sanitation.

## 43. Clean Energy Development

- (a) In the upcoming fiscal year, the total installed capacity will reach 5,535 megawatts, with 1,040 megawatts added to the national grid, comprising 670 megawatts from hydroelectric projects and 370 megawatts from solar projects.

- (b) We will complete the construction of 40 MW Rahughat Hydroelectric Project within this fiscal year. We will expedite the construction works of Tanahun Storage-type Hydropower Project, Upper Modi A, Upper Modi, Upper Trishuli-3B, and Budhiganga projects.
- (c) We will initiate the tender process upon completion of financial closure for the 1,061 MW Upper Arun, 828 MW Uttarganga, 210 MW Chainpur Seti, 99 MW Tamakoshi-5, and 77 MW Ghunsa Khola projects. We will initiate the study process for the 417 MW Nalgad, 490 MW Arun-4, and 281 MW Naumure projects. We will initiate the tender process for the construction of the 439 MW Betan Karnali Hydroelectric Project, with investment from the Employees Provident Fund, including its depositors.
- (d) We will advance the construction works of 1200 MW Budhigandaki Storage-type Hydroelectric Project under high-powered authority model. We will initiate the tender process upon completion of financial closure for the 670 MW Dudh Koshi Storage-type Project.
- (e) We will facilitate to develop the construction of approximately 3000 MW capacity projects initiated through the Investment Board Nepal, including the 900 MW Arun-III and the 669 MW Lower Arun projects.
- (f) I have allocated Rs. 70 billion for the completion of transmission lines and substations. The construction of the Hetauda-Dhalkebar-Inaruwa 400 KV transmission line will be completed within the current fiscal year. We will expedite the construction works of 400 KV New Khimti-Barhabise-Kathmandu and the Hetauda-Ratmate-Lapsiphedi-New Damauli-New Butwal transmission lines.
- (g) Regarding cross-border, we will accelerate the construction works of Butwal-Gorakhpur and Inaruwa-Purniya transmission lines. We will start the construction of the Dhalkebar-Muzaffarpur-Sitamadhi, Lamki-Dododhara-Bareli, Lamhi-Lucknow, Nijgadh-Motihari, and Chilime Hub-Kerung transmission lines upon completion of the feasibility study.
- (h) We will expedite the construction of the Karnali Corridor national transmission line. We will accelerate the electrification across local levels in the Karnali region that are not yet in the national grid.

- (i) We will implement the 2.5 MW capacity Green Hydrogen Plant in Hetauda as a pilot project to initiate the commercial production of green hydrogen. We will start a 100 MW Battery Energy Storage System in Kathmandu Valley to address the electricity scarcity in peak hour of dry season. I have managed necessary budget for advancing green hydrogen production works.

I have allocated Rs. 85.54 billion for energy generation, transmission and distribution line construction.

#### **44. Irrigation Infrastructure Development**

- (a) We will extend the irrigation facilities for additional 15800 hectares of agricultural land in the upcoming fiscal year. This will bring the proportion of irrigated agricultural land to 64 percent. Under river control, we will construct 70 km of embankments, and reclaim 210 hectares of land.
- (b) In upcoming fiscal year, we will provide the irrigation facility to 1066 hectares of land under the Babai Irrigation Project. Rehabilitation works for the Rajapur Irrigation Project will be advanced. We will complete the headworks construction of Bheri Babai Diversion Project. I have allocated Rs. 5.63 billion for these projects.
- (c) We will extend the additional irrigation facility to 5000 hectares of land towards east and west of Banke under the Sikta Irrigation Project. I have allocated Rs. 2.55 billion for this purpose.
- (d) We will initiate the process of re-tender for the construction of the dam and powerhouse of the Sunkoshi Marin Diversion Project to complete within 4 years. For this, I have allocated Rs. 2.98 billion.
- (e) I have allocated Rs 530 million for extending irrigation facility to 122000 hectares of agricultural land of Bara, Rautahat, Sarlahi, Mahottari and Dhanusha districts by utilizing additional water from Sunkoshi Marin Diversion Project through upgrading Bagmati Irrigation Project.
- (f) We will expand the command area of the Mahakali Irrigation Project. We will develop the Infrastructure of Lamki section of Rani-Jamara-Kulariya Irrigation Project. I have allocated Rs. 5.13 billion for these projects.

- (g) I have allocated Rs. 1.21 billion to provide additional irrigation facilities in 2380 hectares of land through the Greater Dang Valley Irrigation Project and the Praganna-Badkapath Irrigation Project.
- (h) We will complete the necessary preparatory work to provide irrigation in Kapilvastu from Naumure Multipurpose Irrigation Project.
- (i) We will undertake repair, maintenance and rehabilitation of the Banganga Irrigation Project. I have allocated budget for the rehabilitation of the Narayani Irrigation Project.
- (j) I have allocated Rs. 440 million for the repair, maintenance and rehabilitation of irrigation systems including Sunsari-Morang, Chandra Nahar, Kamala, Narayani, Gandak and the Koshi Pump.
- (k) I have allocated Rs. 1.83 billion to provide groundwater irrigation facilities to 3980 hectares of agricultural land in the Terai/Madhesh where surface irrigation facilities are not available. Likewise, I have arranged necessary budget to provide ground irrigation facilities using smart technology in Sarlahi and Dhanusa districts.
- (l) I have allocated Rs. 800 million to provide reliable irrigation facilities through lift irrigation systems on agricultural Taar in hilly and mountainous regions.
- (m) We will expand irrigation facilities to an additional 2230 hectares of land through lift irrigation projects in hilly Taars in the upcoming year.
- (n) I have allocated budget for the management works of large and medium rivers, including the Mahakali, Karnali, Narayani and Koshi.

#### **45. Information and Communication**

- (a) We will table the Telecommunications Authority Bill in the parliament. We will expand access to high-quality telecommunication services while accelerating the adoption of latest technologies. Quality telephone services and network will be expanded across Karnali and Sudurpashchim provinces.

- (b) We will establish an integrated security printing institution by merging various structures established for government printing.
- (c) We will encourage expanding business activities through social media platforms registered in Nepal.
- (d) I have allocated Rs. 330 million for public welfare advertisement through print and electronic media.

I have allocated 5.93 billion for the information and communication sector.

**Right Honorable Speaker, Right Honorable Chairperson,**

#### **46. Sports**

- (a) By integrating sports infrastructure with youth development and the local economy, we will upgrade at least ten football stadiums with a minimum capacity of 8000 spectators with floodlight systems, within the next three years. We will construct modern cricket stadiums across eight major cities within five years.
- (b) We will construct Indoor multipurpose stadiums with a minimum capacity of 2000 spectators in Biratnagar, Lahan, Kathmandu, Pokhara, Butwal, Surkhet, and Phapla of Dhangadhi within the next three years.
- (c) We will review the designs and determine the investment modalities for the construction of the Mulpani Cricket Stadium and Academy, the Girija Prasad Koirala Cricket Stadium, and the Phapla Cricket Stadium in Kailali
- (d) We will arrange for providing training with residential facilities by selecting students from basic school level, having special interest and aptitude in sports.
- (e) We will manage lifelong free medical treatment to international medal-winning athletes to ensure dignified post- retirement life.
- (f) I have allocated budget to conduct the Tenth National Games in Surkhet and to construct the necessary infrastructure for the proposed Eleventh National Games in Madhesh Province.

For the sports sector, I have allocated Rs. 4.03 billion.

#### 47. Quality Education

- (a) I have allocated Rs. 1 billion to conduct infrastructure requirement mapping for community schools across the country.
- (b) We will implement the programs in four faculty of medical education including MBBS at Shahid Dashrath Chand Health Sciences University in Geta, Sudurpaschim Province from the academic session 2026/27.
- (c) I have allocated Rs. 8.60 billion for scholarships to targeted students from the school level to the higher education.
- (d) We will promote the study of music, arts and literature nationwide. We will support to establish a Guthi Research Institute and Ethnomusicology Center within the premises of the Tripureshwar Mahadev Temple registered under the Rajguthi records.
- (e) We will formulate the policy and encourage prestigious international universities to operate campuses in Nepal. We will initiate academic exchange programs between domestic and foreign professors.
- (f) We will arrange the legal provision to operate universities under a cost-sharing model by providing them academic, administrative and financial autonomy.
- (g) We will provide study opportunity to youth engaged in foreign employment through the open university.
- (h) We will implement student-teacher exchange programs for students studying in grade 5 to 8 of community schools across various provinces.
- (j) To ensure access to basic education for communities lagging behind in the Human Development Index, we will operate residential schools. We will commence this program from the Chepang community of Chitwan district.

For the education sector, I have allocated Rs. 218.30 billion.

#### 48. Accessible Healthcare Service

- (a) I have allocated Rs. 101.95 billion to the health sector to ensure access to and utilization of quality basic health services for all citizens. Out of this, I have allocated Rs. 15 billion budgets for the Health Insurance Program.
- (b) I have allocated Rs. 13.15 billion for health-related social security programs, including medical treatment for impoverished citizens, the Maternal Safety Program and free medicines.
- (c) We will review the basic health services package based on the changing nature and burden of diseases, as well as cost-effectiveness.
- (d) We will complete the construction of 336 primary hospitals that are currently underway within the next three years. We will construct primary hospitals at suitable locations of one local level in each province with low Human Development Index and will undertake construction of hospitals that have not yet started only after scientific mapping. I have allocated Rs. 5.90 billion for the operation and infrastructure development of primary hospitals.
- (e) We will establish “National Health Accreditation Authority” to measure, certify and accredit the quality of healthcare institutions and their services.
- (f) We will ensure the specialized healthcare services in remote areas including Karnali and Sudurpaschim through expanding telemedicine services and video consultations.
- (g) We will establish burn treatment units in federal specialized hospitals. We will enhance the capacity of Bir Hospital and Kirtipur Hospital for intensive burn treatment.
- (h) We will start the construction of Kidney Disease Treatment Center and Trauma Center in Madhesh Province.
- (i) I have made an arrangement of free treatment of childhood cancer in government hospitals.
- (j) We will encourage the health institutions established through civic initiatives that have earned international recognition for delivering exemplary and affordable healthcare services. Under this, I have allocated budget for upgrading Dhulikhel Community Hospital and the Kathmandu

- Institute of Child Health. I have provided tax concessions to the Tilganga Institute of Ophthalmology to encourage the production of lenses.
- (k) We will expand the treatment services for high-altitude sickness. We will deploy rapid response teams in affected areas for pandemic control and response.
  - (l) We will establish “Food and Drug Administration” to ensure the quality and regulation of medicines, diagnostic reagents, and other health-related food products manufactured or supplied within the country.
  - (m) We will implement One Citizen, One Digital Profile System in all health institutions for real time monitoring.
  - (n) We will operate “Sulabh Pharmacy” in all healthcare institutions in collaboration with community, cooperative and private sectors. We will upgrade the National Medicine Laboratory.
  - (o) I have allocated Rs. 320 million for capital grants to procure and install PET Scan and a Cyclotron machine at the B.P. Koirala Memorial Cancer Hospital.
  - (p) We will connect ayurveda and alternative medicine sector to health tourism by operating the National Ayurveda Panchakarma and Yoga Service Center, Budhanilkantha, the National Ayurveda Research and Training Center, Kirtipur, and the Ayurveda Hospital with natural and alternative medicine systems in Pokhara.
  - (q) We will initiate the infrastructure development works of Narayani Hospital, Gajendra Narayan Singh Hospital and the Ram Raja Prasad Singh Academy of Health Sciences in Madhesh Province. We will launch air ambulance services in the remote areas of Karnali Province.
  - (r) I have doubled the night duty allowance of nursing staff. I have increased the transportation allowance provided to Female Health Volunteers by 50 percent.

**Right Honorable Speaker, Right Honorable Chairperson,**

**49. Women, Children, Gender Affairs, and Social Security**

- (a) We will scale up Dalit-centric investments in an integrated manner, including the preservation of traditional skills, income generation, and technological upgradation for the Dalit community. I have allocated Rs. 3 billion to provide nutrition support for children of the Dalit community under five years of age across the country.
- (b) The martyrs of the Gen Z Movement have been honored and dignified financial assistance for their families has been assured. We will implement free medical treatment, monthly allowances based on the severity of injuries, and entrepreneurship development programs for those injured during the movement.
- (c) We will continue to develop physical infrastructure, digital technologies, websites, and software developed by government offices accessible to persons with all types of disabilities.
- (d) We will be gradually establishing Disability Rehabilitation Centers in all provinces.
- (e) We will operate a model residential school with adequate infrastructure targeting the children with autism.
- (f) We will bring gig workers within the ambit of formal labor and social security systems.
- (g) I have allocated Rs. 120 billion for social security to protect citizens from possible vulnerabilities during different stages of the life cycle.
- (h) We will formulate an integrated bill related to the elimination of gender-based violence.
- (i) We will undertake family reunification and social rehabilitation for street children and senior citizens, in coordination with provincial and local governments. We will declare Nepal a nation free of street children.
- (j) We will conduct a nationwide campaign against untouchability and discrimination to develop equitable, civilized, and cultured society. We will launch a social transformation campaign at all three tiers to eliminate social evils such as child labor, gender-based violence, sexual abuse, menstrual seclusion, menstrual discrimination, and child marriage.

- (k) We will implement social integration programs for the dignified livelihood of sexual and gender minority communities.
- (l) We will implement livelihood improvement programs at the local level for the development of women's entrepreneurship.
- (m) I have allocated Rs. 310 million for the infrastructure and management of juvenile correction homes.
- (n) I have allocated funds for air lifting of pregnant and postpartum women, and newborns facing life-threatening complications in remote areas.

I have allocated Rs. 2.27 billion for the women, children, gender, and sexual minorities.

#### **50. Agricultural Development and Land Management**

- (a) I have allocated Rs. 32.46 billion for the procurement of chemical fertilizers by increasing allocation of current fiscal year. We will make arrangements of easy distribution of chemical fertilizers during the peak seasons for major food crops by formulating a supply calendar.
- (b) I have allocated Rs. 2.07 billion for the National Agricultural Modernization Program.
- (c) We will commence the distribution of identity cards by completing the farmer identification process in the upcoming fiscal year. We will establish Land Banks at the local level and encourage the private sector to undertake agro-pooling to utilize uncultivated government lands, barren lands, including arable reclaimed riverbanks.
- (d) We will establish mango processing centers in Siraha and Saptari, and a tomato processing center in Sarlahi. We will proceed with the establishment of cold storage facilities and operationalization of fruit-zones, including apples, walnuts, and other fruits in Karnali.
- (e) We will encourage the operation of agriculture and livestock firms by converting unutilized private arable land into shares in commercial agricultural companies.

- (f) I have allocated Rs. 360 million to be transferred as conditional grants to local levels for the promotion of organic fertilizer and green manure.
- (g) We will permit the operation of a green urea fertilizer industry under a corporate company model in collaboration with the Nepal Electricity Authority and the private sector. To promote green urea production by the private sector, we will make arrangements for the buy-back guarantee agreements, and supply of electricity at concessional rates.
- (h) I have allocated Rs. 2.19 billion for subsidies on premium provided under agricultural insurance.
- (i) To provide financial access and manage cash flows for farmers, we will make arrangements for warehouse receipt financing based on the certification of agricultural product storage.
- (j) We will domestically produce the vaccines required for the control of livestock diseases and epidemics with the participation of the private sector. I have allocated Rs. 240 million for the control of diseases including Foot-and-Mouth Disease.
- (k) We will establish an animal quarantine at the Hilsa border point in Humla.
- (l) We will launch integrated land administration services in thirty-five municipalities. We will make property freezing, release, buying, selling, and revenue payment processes fully online to ease real estate transactions by issuing Landowner Identification Numbers.
- (m) We will make arrangements for the management of landless Dalits and squatters, and unplanned settlers within the next fiscal year.

I have allocated Rs. 46.92 billion for the agriculture and livestock development.

## **51. Forest, Environment, and Climate Adaptation**

- (a) I have allocated approximately Rs. 1 billion for activities including water source conservation, pond construction, landslide control, and embankment construction to make the water cycle sustainable in Chure and Terai/Madhesh regions.

- (b) We will start purchasing herbs and non-timber forest products by fixing the minimum support price. We will establish herb processing center in Karnali.
- (c) We will implement a result-based REDD+ program to reduce emissions by giving priority to local communities in the benefit-sharing from carbon emission reductions.
- (d) We will make arrangement for the private sector to access the concessional capital from International Climate Funds.
- (e) We will exchange real-time information to control forest fires using drones and satellite. We will operate human-wildlife coexistence programs in risk zones.
- (f) We will upgrade air quality monitoring stations in major cities and Central Environmental Laboratory.

I have allocated Rs. 12.31 billion for the forest, environment, and climate sector.

## **52. Culture and Tourism**

- (a) We will develop comprehensive infrastructure in the historical sites of Tilaurakot, Devdaha, Kapilvastu, and Ramgram. I have allocated Rs. 830 million for the Greater Lumbini Development Program.
- (b) We will develop and brand Janakpur as a wedding destination. I have allocated funds for the upgradation of Ram Janaki Path and Ram Janaki Parikrama Sadak.
- (c) We will emphasize infrastructure development to promote hill stations in hilly areas with significant tourism potential. We will make reliable arrangements for the safety and emergency rescue of mountaineers and trekkers.
- (d) We will introduce a special project for the conservation of at least two dozen historical Buddhist monasteries that are over two hundred years old and located in high-mountain districts, including Mustang and Manang.

- (e) We will take an initiative to include Tilaurakot of Kapilvastu, Janakpurdham of Dhanusha, and Gokarneshwor of Kathmandu in the World Heritage List.
- (f) We will promote the Khaptad-Badimalika-Shuklaphanta, Kakrebihar-Panchakoshi-Rara, Thakurdwara-Swargadwari-Ruru Kshetra, Devghat-Muktinath-Tilicho, Kalinchowk-Jugal-Gosaikunda, Sakhada-Dhanushadham-Gadhimai, and Halesi-Chatara-Pathibhara provincial tourism corridors.
- (g) We will develop The Great Himalayan Trail including other trekking routes as strategic trekking routes. We will develop high-hill eco-tourism trekking route (the Danphe Route) connecting Khaptad, Ramaroshan, Badimalika, Budhinanda, Rara, Swargadwari, and Muktinath.
- (h) We will develop Api Himal, Dhaulagiri Himal, Sikles-Kahupuche-Manang, and Tinjure-Pathibhara trekking routes. We will develop Kaski-Lipani-Thumsikot-Bhachok-Lamtri route (via the Prince Charles Route up to Karapu), as well as along the Vyas-Chhabdi Barahi-Bandipur-Chhimkeshwari-Labdi-Devghat route on a pilot basis in mid-hill areas of Gandaki Province that are suitable for cycle trails.
- (i) We will extend the museum located at Kirtipur to preserve the culture of indigenous communities. We will operate model home stay in Madhesh, Karnali, and Sudurpashchim provinces targeting dense Dalit settlements to promote the traditional indigenous skills, arts, and occupations of the Dalit community.
- (j) We will undertake specialized marketing of unnamed mountains above six thousand meters for mountaineering by giving them indigenous nomenclature.

### 53. Civil Aviation

- (a) I have allocated Rs. 1.53 billion to upgrade Tribhuvan International Airport. We will ascertain construction modality of the Nijgadh International Airport within six months.

- (b) We will collaborate with the private sector for the operational management of Gautam Buddha International Airport and Pokhara Regional International Airport.
- (c) We will operate night flights by expanding Bharatpur airport. We will expand Surkhet Airport in coordination with the provincial government. We will upgrade Talcha Airport in Mugu and Tarigaun Airport in Dang.

I have allocated Rs. 7.34 billion for the culture and tourism sector and Rs. 2.93 billion for the civil aviation sector.

#### **54. Labor and Foreign Employment**

- (a) We will operationalize a "Remittance-Investment Matching Fund" to channelize remittances from consumption to productive use by encouraging reverse migration. We will implement returnee migrant program to leverage the knowledge, skills, and expertise of returnee from foreign employment.
- (b) We will make youth skillful by conducting various short-term and workplace-based thematic training programs.
- (c) We will review labor agreements and enter into agreements with new labor destination countries to make foreign employment safer and more dignified. I have allocated the necessary budget to rescue Nepali citizens stranded abroad and to ensure the smooth repatriation of the bodies of deceased workers to Nepal.
- (d) We will make provision of Foreign Employment only after learning skills. We will make foreign employment dignified, transparent, and automated by arranging collateral-free loans and installment-based payment systems from employers. We will promote zero-cost foreign employment by making service fees employee-friendly.
- (e) We will implement a receipt-based lottery program to encourage remittance inflows through formal banking channels.
- (f) We will start necessary programs to provide nutritious food at subsidized rates to support the livelihoods and basic health of informal sector workers.

I have allocated Rs. 3.63 billion for the labor and employment sector.

## 55. Industrial Development

- (a) We will operate the Employment-Linked Production Zone as a model for the development and expansion of labor-intensive industries with export potential including agro-processing, tourism services, and light manufacturing.
- (b) We will make legal provisions for the corporate social responsibility of industrial enterprises.
- (c) We will operate sewerage systems with treatment plants in industrial Zones and industrial corridors by using clean energy-based technologies in collaboration with the government and the private sector.
- (d) We will extend concessional credit facilities to industrial enterprises to replace traditional boilers with electric boilers. I have allocated Rs. 220 million for the transition of one hundred industries to electric or bio-briquette based boilers.
- (e) I have allocated Rs. 650 million for industrial infrastructure development.
- (f) We will review the licenses related to mining. We will establish essential geological laboratories and exploration testing for the exploration of new mines up to Phase II studies.
- (g) We will construct smooth access, power supply, and transmission lines connecting mining zones, large-scale industries, and private industrial zones that consume more than five megawatts of electricity. I have allocated Rs. 500 million for the design with specialized standards, construction, and maintenance of industrial and mining access roads operating heavy vehicles.
- (h) We will establish a Mines and Minerals Authority for the overall regulation and management of the mining, production, supply, and utilization of minerals and construction materials.
- (i) We will expedite the necessary process for the commercial production of petroleum in Dailekh. We will operate Dhaubadi Iron Industry through a

public private partnership model by reducing the Government of Nepal's shareholdings.

- (j) We will make the arrangement for the extraction, processing, and supply of aggregates by identifying environmentally suitable locations.

## 56. Commerce and Supply

- (a) We will provide additional incentives to Nepali products that have already established brands in the global market by exporting in significant quantities.
- (b) We will implement the Trade and Industrial Logistics Master Plan to facilitate trade and investment. I have allocated Rs. 1.18 billion for production-based incentive programs by preparing the National Productivity Enhancement Master Plan.
- (c) We will operationalize the Integrated Check Post (ICP) in Bhairahawa by swiftly completing the construction. We will complete construction of the Integrated Check Post at Chandani Dodhara within two years.
- (d) We will formulate Product-specific export strategy to increase export of high value low volume goods and product identified by the Nepal Trade Integration Strategy including Galaicha, carpets, yarn, readymade garments, and cement.
- (e) We will conduct necessary study regarding the adoption of futures-contract to stabilize fuel prices. We will encourage the installation of EV charging stations with minimum infrastructure at petrol pumps.
- (f) We will guarantee the purchase of ethanol at a fixed price through an agreement between Nepal Oil Corporation and domestic ethanol-producing industries.
- (g) We will eliminate all forms of syndicate, cartel, black marketing, profiteering, and unfair competition by strengthening regulatory bodies.

I have allocated Rs. 8.31 billion for the industry, commerce, and supply sectors

**Right Honorable Speaker, Right Honorable Chairperson,**

## **57. Startup and Innovation**

- (a) We will establish the Nepal Enterprise Facility as a platform to integrate startups, small, and medium enterprises into the national enterprise ecosystem. Through this platform, we will advance policy frameworks for enterprises, identify and access of innovative financial instruments, support networks with incubation, and drive the domestic entrepreneurship campaign in an integrated manner.
- (b) We will provide startup facility to one thousand young entrepreneurs who wish to engage in agriculture and livestock-based enterprises.
- (c) I have allocated the necessary budget for the implementation of research, innovation, and entrepreneurship enhancement programs to provide research opportunities within the country for young scientists.
- (d) I have allocated a budget for the establishment of an observatory center at the Everest Base Camp to promote astro-tourism.

I have allocated Rs. 4 billion for the science, technology, and innovation, and Rs. 500 million for the Nepal Enterprise Facility.

**Right Honorable Speaker, Right Honorable Chairperson,**

## **58. Soft Power and Diaspora**

- (a) We will leverage our soft power to catalyze economic prosperity by strengthening balanced international relations based on mutual benefit, national dignity, and sovereign interests. We will expand Nepal's international presence, credibility and influence through the integrated utilization of economic diplomacy, cultural identity, technology, and tourism.
- (b) We will robustly strengthen Nepal's role in the United Nations and other multilateral and regional forums. we will advance strong diplomacy for regional proximity.
- (c) We will expand Nepal's soft power by strategically promoting Nepal as the birthplace of Lord Buddha, the highest peak Mount Everest, the Himalayan

range, yoga and meditation, cultural diversity, image of a peace-loving country, and a contributor to international UN peace missions.

- (d) We will strengthen Nepal's economic diplomacy by empowering diplomatic missions abroad to promote export capacity bilateral trade, investment, and tourism.
- (e) We will materialize the slogan of "Once a Nepali, Always a Nepali" by timely amending constitutional provision of "Non-Resident Nepali Citizenship" guaranteed by the Constitution. We will mainstream non-resident Nepali in the Nation building process by granting them all types of economic, social, and cultural rights.

## 59. Banking Sector

- (a) We will amend the Banks and Financial Institutions Act and the Banking Offence and Punishment Act in line with contemporary requirements.
- (b) I have allocated funds for the indigent and small farmers to implement credit and livestock programs through the Small Farmers Development Microfinance Financial Institution.
- (c) We will mobilize funds held in dormant accounts of banks and financial institutions for productive use in accordance with legal provision ensuring that such funds remain available to rightful claimants upon request.
- (d) We will make national and international payment aggregators and the National Payment Switch effective by enabling commercial banks and payment service providers to enter an agreement with international payment networks. We will make legal and institutional provision for the regulation of payment aggregators.
- (e) We will conduct loan quality assessment from third-party to enhance the effectiveness of concessional loans. We will also include the families of martyrs and injured persons of the Gen-Z Movement as beneficiaries of the program.
- (f) We will make arrangements to allow the purchase and sale of electrical appliances such as washing machines, refrigerators, and vacuum cleaners

on hire-purchase basis for domestic use in order to increase electricity consumption and control pollution.

## **60. Insurance, Securities, and Cooperatives**

- (a) We will make arrangements requiring that at least 20 percent of the insured amount issued by Nepali insurance companies be reinsured with the Nepal Reinsurance Company.
- (b) We will make arrangements for the Nepal Reinsurance Company to lead and operate a collective insurance fund for long-term insurance. In order to reduce risk, we will make arrangements for a certain portion of reinsurance to be placed with foreign reinsurance companies.
- (c) The third party insured amount, which has not been increased for a long time, will be increased to Rs. 1 million. We will make provision for the installation of accident-detection devices in vehicles to reduce road accidents. We will make insurance mandatory, including for accidents, fatal illnesses, and transportation.
- (d) We will make arrangements that guarantee programs operated by the Employees Provident Fund, Citizen Investment Trust, Deposit and Credit Guarantee Fund, Health Insurance Board, and Social Security Fund are reinsured through Nepal Reinsurance Company.
- (e) We will make insurance mandatory while approving building construction maps in urban areas.
- (f) We will submit a separate bill to Parliament on securities market management, offences, and penalties. We will formulate a Trustees Bill to regulate financial trustee.
- (g) We will strengthen the role of the National Cooperative Regulatory Authority in the monitoring and regulation of cooperative institutions primarily involved in savings and credit transactions.
- (h) The refund process for depositors of problematic cooperatives will be continued through an Integrated Depositor Protection Fund, established as a revolving fund, to be reimbursed through cooperative savings and the sale of cooperative assets.

## 61. Good Governance

- (a) We will eliminate policy corruption by formulating laws related to conflict of interest.
- (b) We will make recovery, confiscation, receipt, and management of criminal proceeds more effective by integrating the concerned agencies into an integrated information system.
- (c) We will install necessary equipment and construct physical infrastructure to expand multi-specialty services from the Civil Service Hospital.
- (d) We will develop The Hello Sarkar mechanism as a platform for government-citizen dialogue. We will implement digital timecard in the government office.
- (e) We will strengthen the public service delivery system, including land revenue, transportation, passport, vital registration, and social security management, by using the National Identity Card as the basic means of identification for public service delivery.
- (f) The evolving dynamics of economic diplomacy, we will close the Nepali embassies in Denmark, Brazil, and South Africa, and the Consulate General in Chengdu and San Francisco, and the embassy branch office in Visakhapatnam.
- (g) Constitutional bodies will be made adequately resourced to strengthen their performance.
- (h) Observing that the salaries of civil servants have not been increased for the past four years, while the inflation rate based on the Consumer Price Index (CPI) has risen by 17.3 percent during this period, I have recognized the need to review remuneration and benefits to ensure a dignified livelihood. While continuing the current dearness allowance received by employees, I have increased the basic salary scale by 10 percent. To initiate a performance-based remuneration system, I have provisioned a monthly incentive allowance equivalent to 10 percent of the new salary scale. This will result in a net increase of approximately 21 percent in the current remuneration, with the minimum remuneration ranging from

approximately Rs. 40,000 to over Rs. 100,000, including grade and increment. The new salary scale will come into effect from 17 July 2026.

## **62. Rule of Law and National Security**

- (a) We will expand the Electronic Court Management System through the optimal use of information technology to make the judicial system more agile and effective. We will implement free legal aid programs for underprivileged citizens and those in remote areas.
- (b) The remaining tasks related to the peace process and transitional justice will be brought to a conclusion as soon as possible.
- (c) We will review the National Security Policy, 2018.
- (d) I have allocated Rs. 2 billion for the continuation of the housing upgrade program of Nepal Army personnel.
- (e) We will integrate historical forts and fortresses with tourism by preserving them.
- (f) We will emphasize the use of technology to make the investigation and prosecution process of the Nepal Police effective. We will increase investment in forensic science laboratories, the use of artificial intelligence in investigations, and physical infrastructure development.
- (g) We will conduct a study on the existing gap between the retirement service period and the pension eligibility period of the Nepal Police and Armed Police Force.
- (h) We will develop the Armed Police Force, Nepal as a dedicated, professional force for international border security.
- (i) Prisons will be transformed into correctional home by strengthening their capacity, expanding infrastructure, and introducing the concept of open prisons.
- (j) We will enhance the capacity of human resource and volunteer engaged in disaster response. We will expand risk transfer instruments, including insurance for post-disaster compensation, relief, and reconstruction.

### 63. Fiscal Federalism

- (a) We will review the functional unbundling to eliminate the duplication of authority, responsibility, and performance among the Federal, Provincial, and Local levels. We will resolve the existing disputes over double taxation among the three levels through clarity in jurisdiction and legal reforms.
- (b) We will establish a Governance Innovation Challenge Fund to strengthen federalism and reform local services.

### **Right Honorable Speaker, Right Honorable Chairperson,**

Now, I present the estimates for allocation and resource management to implement the aforementioned sector-wise policies and programs.

64. **For the upcoming fiscal year, I have allocated Rs. 2,124.34 billion for total expenditure.** Out of the total allocation, current expenditure accounts for Rs. 1,270.58 billion or 59.8 percent of the total allocation; capital expenditure accounts for Rs. 431.10 billion or 20.3 percent; and financial management accounts for Rs. 422.64 billion or 19.9 percent. This expenditure estimation is 25.2 percent higher than the revised estimation of the current fiscal year.

65. Out of the sources to finance the estimated expenditure for the upcoming fiscal year, Rs. 1,405.31 billion will be covered by revenue and Rs. 61.74 billion will be met through foreign grants, leaving a deficit of Rs. 657.29 billion. To fulfill this deficit, we will mobilize Rs. 247.28 billion from foreign loans. The remaining deficit of Rs. 410 billion, after mobilizing revenue and foreign assistance, will be financed through domestic borrowing. Since Rs. 245.89 billion is allocated for the repayment of principal on existing domestic borrowing, net internal debt mobilization will be Rs. 164.11 billion only.

**Now, I present the details of fiscal transfer in accordance with Article 60 of the Constitution of Nepal:**

### 66. Fiscal Transfers

- (a) In accordance with the recommendations of the National Natural Resources and Fiscal Commission, I have made a provision to transfer fiscal equalization grants of Rs. 61.50 billion and Rs. 90.20 billion for the provincial and local levels respectively for the upcoming Fiscal Year

2026/27. I have made an arrangement of complementary grants of Rs. 4.60 billion and Rs. 8.93 billion to the provincial and local levels respectively for implementation of infrastructure projects. In addition, I have allocated a special- grants of Rs. 3.82 billion and Rs. 9.40 billion to the provincial and local levels respectively. Furthermore, I have allocated a conditional grant of Rs. 39.72 billion and Rs. 206.08 billion to the provincial and local levels respectively for executing the projects of Federal Government.

- (b) It is estimated that a total of Rs. 175 billion will be transferred to Provincial and Local Levels through the Revenue Sharing.
- (c) I have projected that more than Rs. 600 billion will be mobilized at the provincial and local levels through revenue sharing (including royalties) and fiscal transfers in upcoming fiscal year.

**Right Honorable Speaker, Right Honorable Chairperson,**

Now, I present the Revenue Policies and Programs for the FY 2026/27.

67. I have set the following objectives to expand economic activities through developing a business-friendly tax policies, simple and clear tax laws, voluntary tax compliance and efficient tax administration:

- (a) To develop formal economy through integrating all economic transactions into digital platform.
- (b) To develop an automated, technology-friendly, and motivated tax administration with integrity.
- (c) To increase revenue through voluntary tax compliance.
- (d) To mobilize non-tax revenue on the basis of cost-recovery and ability-to-pay.

**68. Investment Promotion and Protection**

- (a) I have provided a 50 percent tax rebate on income generated from the export of services from the information technology industry to develop it as a new economic engine of the nation.

- (b) I have provisioned full exemption on sweat equity amount received by manpower engaged in the information technology sector in the computation of taxable income.
- (c) I have levied an ‘Domestic Production Promotion Fee’ on selected imported items in Nepal.
- (d) I have provisioned income tax exemption on interest earned from lending in Nepal by development finance institutions, wholly owned by foreign governments, operating on a non-profit basis.
- (e) I have made provision for full income tax exemption for an initial period of ten years for those who establish cinema halls outside metropolitan and sub-metropolitan cities.
- (f) In the changed context, we will review the sensitive list under the South Asian Free Trade Agreement (SAFTA).

#### **69. Voluntary Compliance and Broadening Tax Base**

- (a) I have made a provision to levy an equity fee at a minimum rate on education and health services provided by the private sector to support the construction of educational and health infrastructure and expansion of the services in remote areas.
- (b) I have made a provision to levy Value Added Tax at a concessional rate on electricity consumption above 50 units per month sold to final consumers.
- (c) I have made provision to levy customs duty on electric vehicles on an ad valorem basis, replacing the existing duty structure based on peak power capacity. I have levied a Clean Infrastructure Investment Fee at customs entry points for domestic production, construction of charging stations, and battery management of these vehicles.
- (d) Quality spirit production and maturation processes will be incentivized for export promotion of Nepali liquor brands. I have also made provision to bring microbreweries within excise duty net by registering them as liquor industries from the upcoming fiscal year.

- (e) I have increased the excise duty on cigarettes approximately upto ten percent, as well as the excise duty applicable to alcohol and beer.
- (f) We will formulate an umbrella law to make non-tax revenue mobilization effective.

#### **70. Modernization, Transparency, and Simplification of Revenue Administration**

- (a) We will abolish the Revenue Investigation Department and make arrangements for its functions to be performed by line agencies.
- (b) We will mandatorily integrate all businesses with an annual turnover exceeding Rs. 100 million and issuing electronic invoices, in the Central Billing Monitoring System. We will encourage small businesses to receive payment through electronic means.
- (c) I have set tax audit period at three years. We will develop an e-assessment system with artificial intelligence for risk-based tax investigation and audit.
- (d) I have made arrangements to introduce a digital excise ticket. We will initiate an electronic track-and-trace system to control excise duty leakage. The physical control-based excise administration will be gradually transitioned into a risk-based, self-removal system.
- (e) We will develop paperless, faceless, and contactless revenue administration. We will make provision to automate the service delivery including tax return filing, payment, and refund.
- (f) We will make provision of incentive allowance based on performance indicators in the revenue administration to boost morale of employees and increase revenue mobilization.
- (g) Levying multiple tax including export, scrap fees at more than one local level will not be allowed while transporting goods from one place to another. We will make arrangements to disclose the Permanent Account Number while paying taxes of provincial and local governments.

#### **71. Trade Facilitation and Customs Procedure Reform**

- (a) We will make arrangements for customs clearance through the Blue Lane by identifying Authorized Business Persons for the recognition of compliant businesses and trade facilitation.
- (b) We will make transaction-value based online customs clearance system further robust, transparent and realistic. We will restructure the Post-Clearance Audit office.
- (c) I have made arrangement for temporary import declaration of vehicles and payment of associated fees online at all major customs offices to facilitate tourists entering Nepal via land routes.
- (d) We will make automatic system for declaration of goods brought for wedding purpose, deposits of security and refund of such deposit upon return after the wedding ceremony to promote wedding tourism.
- (e) We will introduce a simplified system to enable tourists to bring in convertible foreign currency up to the limits prescribed by law.

## **72. Revenue Leakage Control**

- (a) We will control smuggling in border areas through technology-friendly vigilance and joint market monitoring.
- (b) We will further expand agreements with inter-country customs administrations to enable information-sharing prior to arrival of goods.

## **73. Tax Concessions, Exemptions, and Facilities**

- (a) I have exempted customs duty on raw materials imported by industries within Nepal that manufacture artificial limbs and assistive devices for persons with disabilities
- (b) I have made arrangements to allow a deduction of up to NPR 10,000 of insurance premiums on residential buildings for income tax purposes.
- (c) I have made provision for exemption from capital gain tax on land acquisition for the implementation of development projects up to the amount to the government valuation fixed for land and property registration.

- (d) I have made a provision of full income tax exemption to agro-processing industries for the first ten years of operation, and VAT exemption on the import of machinery and equipment, including cold storage, packaging, and testing laboratories
- (e) Compliant taxpayers will be accorded high recognition, along with facilities, and simplified procedures.

**Right Honorable Speaker, Right Honorable Chairperson,**

- 74. I have presented herewith the actual expenditure for the Fiscal Year 2024/25, the revised estimates for the current Fiscal Year 2025/26, and the expenditure estimates alongside resource allocation for the upcoming Fiscal Year 2026/27c. I have mentioned the statement of estimated income and expenditure in the schedule. I have also submitted herewith a Statements of technical assistance from Development Partners and Other agencies and statement of assistance channeled through international non-governmental organizations.
- 75. In conclusion, this budget is a new vision and resolve for state affairs, a clear roadmap for economic transformation, and the starting point for implementing political contracts with the citizens. Presented with the goals of ensuring good governance, uplifting the middle class, generating productive employment, building a competitive economy, and establishing the foundation for a dignified life, this budget seeks to redefine the role of the state not only as a controller and regulator but also as a creator of opportunities. By advancing energy, agriculture, forestry, industry, tourism, information technology, and human capital as the drivers of economic prosperity for the coming decade, this budget initiates a new phase of structural reform in our economy.
- 76. Through this budget, a foundation has been laid to establish system in governance, reinstate the confidence of the private sector, and make the public service delivery mechanism technology-friendly and accountable as well as to foster a new virtuous economic cycle based on production, innovation, and entrepreneurship. The tax system has been made simple, equitable, and production-oriented. Public expenditure has been made economic and results-oriented.

77. As a result of these reformative and transformative programs, I am confident that an economic growth rate of 7 percent will be achieved and inflation will remain within 6 percent in the upcoming fiscal year. Monetary policy will be issued by Nepal Rastra Bank so as to support the implementation of the policy reforms and programs announced in the budget. I believe that the honest execution of these programs-focused on good governance, integrity, and equitable prosperity-will transform Nepal into a well-governed, prosperous, and dignified nation within the next five years, thereby achieving most of the targets of the Sixteenth Plan and the Sustainable Development Goals.
78. I express my heartfelt gratitude to the Right Honorable President, the Right Honorable Prime Minister, the Right Honorable Speaker, the Right Honorable Chairperson, and the leadership of political parties for their guidance during the formulation of this budget. I also extend my sincere thanks to the Honorable Members of Parliament, the private sector, workers, farmers, youth, development partners, civil servants, the expert community, the media, and all Nepali brothers and sisters for providing constructive suggestions, factual analysis, and collaborative support during the budget formulation process.
79. I believe that nation-building is not the sole responsibility of the government; rather, it is a shared resolve, a collective determination, a common effort, and a holistic campaign among the state, the private sector, and civil society. A budget is neither merely a technical presentation of numerical figures, nor is it just a 'political-economic' document. It is a credible roadmap for development, designed to reform and refine the nation by a government, entrusted with the responsibility of governance, and believed in by the people from the bottom of their hearts and with deep trust. If this document fails to connect with the hearts of the citizens, its letters and numbers, no matter how correct, will remain lifeless. The goodwill, support, and cooperation of the citizens are the indestructible capital of the government, and this government will remain perpetually determined to protect and enhance it.
80. I make a heartfelt appeal to all political parties, the private sector, workers, farmers, youth, entrepreneurs, non-resident Nepalis, and all citizens to join hands with a shared spirit of courteous dialogue, collaboration, meaningful

participation, and national unity in this journey of nation-building led by this budget.

**Thank you.**