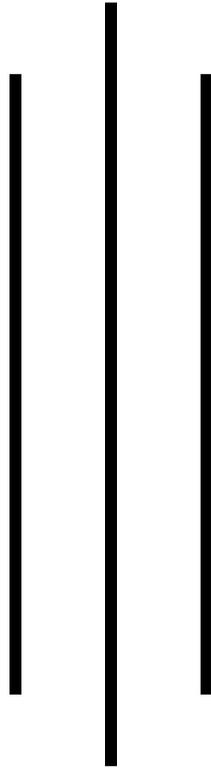




Budget Speech of Fiscal Year 2023/24



Government of Nepal
Ministry of Finance
2023

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**Presented to the Joint Session of the Federal Parliament
by Dr. Prakash Sharan Mahat, Finance Minister
on Monday, 29 May 2023**



**Fiscal Year 2023/24
Budget Speech**



**Government of Nepal
2023
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Right Honourable Speaker of the House of Representative

Right Honourable Chair of the National Assembly

1. Today, I, as the Finance Minister of the Government of Nepal, present the budget for the coming Fiscal Year 2023/24 to this joint session of the august Federal Parliament.
2. I pay my respects and a heartfelt tribute to all the known and unknown martyrs who sacrificed their lives during various political movements for the attainment of democracy and the establishment of a Federal Democratic Republic system.
3. Elections for the federal, provincial, and local levels, and the President and Vice-President, have been successfully completed for the second time following the promulgation of the Constitution of Nepal. This has generated new enthusiasm among the people and has significantly contributed to the implementation of the Constitution and the institutionalization of the Federal Democratic Republic system. I take this opportunity to congratulate all the Nepali people, including the newly elected Right Honourable President, Vice President, and all the elected representatives, and wish them a successful tenure.
4. Today marks the Republic Day of Nepal. On this special occasion, I extend my best wishes to all Nepali brothers and sisters, both inside and outside Nepal.
5. I have tailored this budget to address the emerging problems and challenges of the economy, to invigorate the economy, boost the morale of the private sector, and build a strong foundation for high, sustainable, and broad-based economic growth. I have targeted the budget and associated programs towards addressing the people's aspirations for development and prosperity and providing access to economic benefits for marginalized and backward communities across different classes, geographical regions, and genders.
6. The upcoming budget is targeted towards good governance, social justice, and prosperity. The budget is designed to promote industries with highly competitive as well as comparative advantages, to foster the development of a digital and green economy, to motivate youths to engage in economic activities within the country, to reduce poverty through entrepreneurship development, to protect public assets, and to drive effective and result-based resource mobilization.
7. I have considered the Constitution of Nepal, suggestions received from the honourable Members of Parliament, the periodic plan, sustainable development goals, priorities and common minimum program of the coalition government, policies and programs of the Government of Nepal, and the principles and priorities of the Appropriation Bill as guiding factors as guiding factors while formulating this budget. Likewise, I have also taken into account the suggestions received from the Provincial and Local levels, political parties, associations, academia, the general public, civil society, the private sector, and the media as the foundation for the budget.
8. In formulating this budget, I have understood the responsibility to address the people's aspirations and to instil hope and confidence among the people by rectifying the obstacles in

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the economy. I believe that the objectives of this budget can be realized by confronting the challenges that exist in the economy through the cooperation and solidarity among the political parties, elected representatives, public administration, institutions, private sector, civil society, non-resident Nepalis, development partners, media, and the general public.

Right Honourable Speaker

Right Honourable Chair

Let me present the current economic scenario of the Country and a brief review of the implementation of the current year's budget:

9. For the current Fiscal Year, economic growth at base prices is estimated to be 2.16 percent. The global economic downturn, alongside domestic factors, has slowed economic activities and is likely to lead to a decrease in economic growth.
10. As of mid-April of the current Fiscal Year, inflation stood at 7.76 percent. This inflation rate has been influenced by a rise in import prices and the devaluation of the Nepalese currency against the US dollar.
11. As of mid-April of the current Fiscal Year, the balance of payment registered a surplus of Rs. 180.17 billion. Foreign exchange reserves seem adequate to cover the imports of goods for 11 months and the import of goods and services for 9.4 months. Remittance inflows have increased by 24.2 percent to Rs. 903 billion.
12. The revised total government expenditure for the fiscal year 2022/23 is estimated to be Rs. 1504.99 billion, accounting for 83.90 percent of the original estimate. Of this total government expenditure, the revised current expenditure, capital expenditure, and financing are estimated to be Rs. 1043.39 billion (88.18 percent), Rs. 258.34 billion (67.91 percent), and Rs. 203.26 billion (88.29 percent), respectively.
13. The revised target for revenue collection in the current Fiscal Year is estimated to be Rs 1179.84 billion, which is 84 percent of the initial target and is 5.95 percent lower compared to the actual collection of the previous Fiscal Year. The performance of revenue collection remained weak, primarily due to import restriction policy and the economic slowdown.
14. The revised estimate for foreign grant and loan amounts to Rs. 38.46 billion and Rs. 170.54 billion, respectively. The level of foreign aid mobilization was lower than expected, primarily due to weak project implementation performance.
15. The revised estimate for internal loan mobilization in the current Fiscal Year is Rs. 256 billion. The total public debt stock as of mid-April 2023 stood at Rs. 2134.32 billion, comprised of an internal debt of Rs.1063.67 billion and foreign debt of Rs. 1070.65 billion.
16. I have already submitted the Economic Survey to this august House. The Survey contains key economic and social indicators and statistics of the current Fiscal Year, as well as the progress of the Public Enterprises.

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Right Honourable Speaker

Right Honourable Chair

Let me now present a summary of the major challenges and opportunities seen in the economy and the budget system:

17. Economic growth has remained low due to a slackening of economic activities, which resulted from structural and some policy-related reasons. The Nepali economy was on a path to recovery from the COVID-19 pandemic, but the war in Ukraine has adversely affected the supply chain. Reduced investment due to high interest rates, low levels of capital expenditure, and a decline in aggregate demand have caused further slackness in economic activities. Policies aimed at containing inflation and improving foreign exchange reserves have added to this effect. In this context, we face the challenge of achieving high, sustainable, and broad-based economic growth.
18. Although inflation is gradually moderating, it remains above the desired limit. Price rises in food, dairy products, household consumer goods, imported goods, and the depreciation of the Nepali currency against the US dollar have put pressure on consumer prices. Our challenge is to contain inflation and maintain macroeconomic stability.
19. General government expenditure is increasing. Around Rs 1,280.25 billion needs to be allocated to manage committed expenditures, such as salary, allowances, social security, fiscal transfers, administrative expenses, and increasing debt repayment liabilities. This amount is calculated to be 73.10 percent of the total budget. Therefore, resource management for development programs is under pressure as a significant share of the total budget must be allocated for essential expenditure.
20. The effectiveness of capital expenditure performance has not yet improved. There is a tendency to disperse resources without completing preparatory activities and project prioritization, resulting in weak implementation. The challenge we face is to enhance the quality of public expenditure.
21. Revenue collection progress is below target in the current Fiscal Year. I recognize the need for reform in the revenue system, control of leakages, and increased revenue mobilization by broadening the tax base. It's challenging to gradually shift the revenue structure from indirect and import-based to direct and domestic production-based revenues.
22. In Nepal, private sector investment has not increased as expected. Despite having a policy for foreign capital and technology mobilization, the inflow of foreign investment has not been realized as expected. There is a need to expand both domestic and foreign investment by creating an investment-friendly environment.
23. It's been challenging to professionalize, streamline, and make public administration result-oriented so as to effectively mobilize them in achieving the government's objectives.

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24. Despite the challenges mentioned above, the initiatives taken by the government have begun to reflect positively on the economy. Economic activities have expanded in the last quarter compared to the first and second quarters of the current Fiscal Year. The arrival of tourists has nearly doubled compared to the last Fiscal Year. The balance of payments is in surplus with increasing remittance inflow. The foreign currency reserve has been increasing. The interest rate of loans is gradually decreasing due to the flexibility in monetary policy, improvement in banking system liquidity, and a decrease in the average base rate. I assure you that the government is firmly determined to put the economy back on track through policy, systemic, and procedural reforms.
25. I anticipate positive spillover effects on Nepal's economy from the remarkable economic dynamism seen in the economies of neighbouring countries, including India and China.
26. Revenue collection is expected to rise with an increase in imports and expansion of economic activities after the removal of import restrictions on some items. I believe that the policies and programs proposed to improve the revenue system, along with measures taken to control revenue leakage, will improve revenue mobilization in the coming days.
27. I have proposed a reform in the budgetary system with an objective to contain regular expenditure within the desired limit and to strengthen allocative efficiency and the capacity of implementing agencies. I am hopeful that this will aid in making public expenditure effective and result-oriented.
28. I have emphasized increasing the base for high economic growth by expanding investment from government, private, and cooperative sectors, developing economic and social infrastructure, and increasing production, productivity, and employment opportunities while considering the challenges and opportunities mentioned above. I have set the objectives and priorities of this budget with an understanding of the need to minimize the gap between the 'haves' and 'have nots' through appropriate and effective mobilization of public resources and equitable distribution of resources.

The objectives of the budget for FY 2023/24 are as follows:

- a) To attain broad, sustainable, and inclusive growth by invigorating the economy.
- b) To ensure qualitative social development, along with security and justice.
- c) To boost the morale of the private sector by creating an investment-friendly environment, and to alleviate poverty by generating income and employment opportunities.
- d) To maintain macroeconomic stability.
- e) To fortify federalism and uphold good governance.
- f) To augment the effectiveness of public expenditure through budgetary reforms.

The priorities of the budget are as follows:

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- a) Development of agriculture, energy, and tourism.
- b) Promotion of investment, industrial development, and trade balance.
- c) Advancement of the social sector and enhancement of social security.
- d) Construction of high-quality physical infrastructure.
- e) Promotion of digital and green economy.
- f) Protection of the environment, climate change mitigation, and disaster management.
- g) Development of human resources and job creation.
- h) Reform of the financial sector.
- i) Strengthening of fiscal federalism and enhancement of service delivery.
- j) Reform in the public finance management system.

Right Honourable Speaker,
Right Honourable Chairman,

I have proposed the following reforms to attain the objectives of the budget:

Budget System Reform and Capital Expenditure Effectiveness

- 29. From the upcoming year, arrangements will be made to present the principles and priorities of the Appropriation Bill in the federal parliament by mid-March, once the ministry-wise budget ceiling is determined. I believe this will assist in formulating a realistic budget, founded on the guidance and suggestions received from honourable members following comprehensive discussion on the principles and priorities of the Appropriation Bill.
- 30. I have allocated the budget with priority given to large and strategically significant projects and programmes that provide early returns and benefits to the majority of people, aiming to discourage resource scattering.
- 31. I have adopted a policy to incorporate only those projects into the annual budget and programme that have completed preparatory tasks, including a detailed feasibility study and land acquisition. Arrangements will be made to sign contract agreements only for projects that have completed processes such as a detailed project report, an environmental impact assessment, land acquisition, ensured site clearance and approved a procurement plan.
- 32. The budget implementation action plan for the next fiscal year will be formulated by mid-July and subsequently executed. The action plan will be regularly monitored by the Office of the Prime Minister and Council of Ministers, the Ministry of Finance, and the National Planning Commission. The programme implementing Ministry or agency will finalise necessary procedures and directives by mid-August.
- 33. Legal arrangements will be made to ascertain the number and species of trees to be cut, as well as the required forest area, during the Environmental Impact Assessment. Provisions will be made to mandate a decision by the Ministry of Forest and Environment within 30 days following the duly submitted Environmental Impact Assessment report for approval. Related

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laws will be amended to waive the need for supplementary environmental impact assessments in cases of up to 10 percent deviation in the number of trees to be cut.

34. Necessary arrangements will be made to provide approval for the use of forest area and tree cutting after approval of the Environmental Impact Assessment Report. Similarly, arrangements will be made to issue tree-cutting orders within fifteen days after receiving such approval. I am confident that simplifying the process of forest land ownership and tree cutting approval will boost project implementation.
35. The prevailing legal provision to deposit an amount in the forest development fund will be repealed for the priority of the federal, provincial, and local levels. Legal provisions will be made to allow tree plantation in an area not less than one hectare, where land is unavailable near a national park or conservation area, in cases where forest area is used for project construction.
36. The Land Acquisition Act will be amended to simplify and expedite the land acquisition process for the project. The standard for determining land compensation will be set and implemented based on the valuation of the Land Revenue Office, the local level, and the bank for mortgage.
37. The rampant trend of providing resource assurance for multi-year contracts without actual resources will be curtailed. New standards will be formulated to maintain budget discipline by improving the existing system of seeking and approving resource assurance, addressing resource management problems. Arrangements will be made to provide resource assurance in such a way that the requested assurance doesn't exceed four times the amount allocated for the project in that fiscal year.
38. The duration of resource assurance shall be a maximum of three years for national pride projects. If the contract agreement is not signed within nine months from the date of issuance of resource assurance, the assurance will be automatically cancelled. I have cancelled the resource assurance of those projects which have not begun the bidding process and have passed the nine-month period, and for which a budget is not proposed for the next year.
39. Necessary amendments will be made to the Act and Regulations to streamline public procurement, making it simpler, transparent, and effective, by resolving the problems identified in the procurement process. E-bidding will be further streamlined and extended to all public entities.
40. Contracts must be awarded by mid-November for project implementation. The allocated amount for the programme can be withheld if the contract process does not progress within that time frame. Virement and programme amendment will not be carried out up to the first quarter of the fiscal year and during mid-June to mid-July. The trend of transferring budget allocated to projects and programmes in remote and backward areas elsewhere will be strictly discouraged.

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41. Project and Departmental heads will be made responsible for achieving the targets set for development projects and programmes. Criteria will be developed for the selection of the project head. A system will be developed to appoint the project head for the entire project period or specified period and to transfer project heads based only on performance, as frequent transfers of project heads have adversely affected implementation.
42. The construction business will be made efficient, transparent, and systematic. An information system will be developed so that the details of contract agreements and periodic progress reports throughout the country will be obtained in an integrated manner. The Public Procurement Monitoring Office will monitor the progress of contract agreements based on this system. Legal provisions will be made to take action, up to cancellation of the license, based on the report submitted by the concerned project, if serious negligence is found during the monitoring process.
43. Arrangements will be made to extract stones, gravel, and sand from quarries within the stipulated time if deemed suitable based on environmental studies, in order to facilitate the supply of construction materials.
44. Foreign aid will be mobilised in productive sectors by increasing absorption capacity. I have allocated internal loans for use in development works. Public debt will be mobilised in high-yielding sectors after carrying out a debt sustainability analysis.
45. The selection and implementation of projects will be based on mapping necessary development infrastructure, including roads, schools, and health institutions, to ensure benefit to the majority of the people.
46. The project monitoring system will be improved and made result-based. A monitoring committee will be formed under the leadership of a member of the National Planning Commission, consisting of officials from the Office of the Prime Minister and the Council of Ministers, the Ministry of Finance, and related ministries, to enhance the effectiveness of the implementation of programmes and projects with allocations exceeding one billion rupees. The implementation of the projects and programmes will be monitored by incorporating suggestions and guidelines provided by the monitoring committee into the integrated monitoring information system.

Austerity in Recurrent Expenses

47. The recommendations offered by the Public Expenditure Review Commission, 2075 will be implemented gradually. The institutions having overlapping jurisdiction with the permanent structure of the government, those which have lost their relevance and 20 entities deemed unnecessary in the changed context will be dissolved. Entities performing similar tasks will be merged. Various tourism promotion and development committees depending on their jurisdiction and suitability for operation and management from the provincial and local levels, will be transferred to the respective levels. A detailed list of entities to be abolished, merged, restructured, and transferred is included in the attached schedule. The relevant ministries

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will be required to manage the assets and liabilities of the abolished agencies by the end of November.

48. All allowances, including the incentive allowance and extra hour allowance, will be abolished in the upcoming fiscal year due to treasury pressure. Purchases of new vehicles, furniture, and furnishings will be discontinued. No new buildings will be constructed in the next fiscal year, except for essentials. Austerity will be observed regarding fuel, office supplies, and other administrative costs. Foreign visits will be discouraged, with the exception of mandatory government representation.
49. Officials who receive vehicle facilities will be provided with cash for fuel, based on approved criteria. To curb escalating expenses incurred by government vehicles, a system will be initiated that offers lump sum cash to officials entitled to government vehicle facilities, as opposed to providing the vehicles themselves.
50. In all government services, regulatory agencies, and public institutions, there will be no creation of new structures or posts in the coming fiscal year. Existing public administration structures and procedures will be reviewed and streamlined. Relevant ministries and agencies must complete organisational and management surveys within November of the next fiscal year.
51. A provision has been arranged stating that a separate entity cannot be created for tasks executed by the regular government structure, and consulting services cannot be engaged, nor service contracts beyond the approved posts be taken.
52. Items such as old and unused vehicles in government agencies will be auctioned off within six months.

Economic Reforms and Promotion of the Private Sector

53. An economic reform programme aimed at structural transformation of the economy will be initiated. This programme's focus will be on reducing the cost of doing business through competitiveness development, efficiency enhancement, institutional strengthening, and increasing domestic and foreign investment. It will also focus on the development of green economy, information technology, innovation, fourth-generation industrialisation, and digital economy promotion. These reforms aim to make the private sector the driving force of economic development.
54. A business-friendly environment will be created to boost private sector morale and attract domestic and foreign capital and technology. I have proposed sectoral policy and procedural reforms to enhance production and productivity through investment expansion.
55. A digital economy will be promoted for the country's economic transformation. To this end, the development of communication infrastructure, establishment of digital banks, promotion of the IT industry, and the use of internet, mobile applications, and other networks in economic activities will be encouraged. This approach is expected to lower the cost of

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financial transactions, save time, enhance efficiency, foster transparency and good governance, and improve competitiveness.

56. To reach the goal of development and prosperity, a unified understanding and policy consistency among the three levels of government are crucial. Hence, I trust that the proposed policies will be adopted by the provincial and local levels to enhance the project and budget system and encourage frugality in spending.
57. While immediate and complete resolution of the challenges and problems observed in the country's economy and budget system is not feasible, sincere efforts towards reforms have begun. Efforts to curb the trend of scattering resources on smaller projects without prioritisation have been made, but not entirely successful due to limited resources and increasing demands and expectations. In the next fiscal year, the rationale and needs of programmes and projects will be intensely reviewed, and the budget system will be further reformed and restructured.
58. I am confident that the aforementioned policy and structural reforms will enhance the effectiveness of budget allocation and make the economy more vibrant.

Rt. Hon. Speaker,
Rt. Hon. Chairman,

59. May I now present the fiscal transfers according to Article 60 of the Constitution of Nepal?
60. I have arranged for revenue sharing and grant transfers to make funds available for the execution of jurisdictions at Federal, Provincial and Local levels, in accordance with the constitutional provision. Legal provisions have been established for the transfer of conditional, matching and special grants, based on work-progress.
61. A conditional grant has been assigned to execute programs for alternative auxiliary highways with an allocation of up to 2.5 million rupees from the respective provinces, and programs for intensive urban development and settlement development from the respective local levels.
62. A total of Rs. 146.02 billion has been arranged for fiscal transfer, including Rs. 58.67 billion to Provinces and Rs. 87.35 billion to the local level under the fiscal equalisation grant.
63. Under the conditional grant, allocations have been made of Rs. 35.72 billion to the province and Rs. 191.89 billion to localities, totalling Rs. 227.61 billion.
64. Under the complementary grant, the province will receive Rs. 6.22 billion and the local level Rs. 7.05 billion, totalling Rs. 13.27 billion. Under a special grant, I have allocated Rs. 4.46 billion and Rs. 8.73 billion to provinces and local levels.
65. I have estimated that a total of Rs. 173.92 billion will be transferred under revenue sharing.

Right Honourable Speaker,
Right Honourable Chairman,

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I now seek permission to present the primary sectoral programmes and budget allocations for the upcoming fiscal year.

Production, Employment and Innovation

66. A national production and employment promotion program will be executed at all local levels with the slogan "**Basis of a self-reliant economy: Production and Employment at Home**", aimed at cultivating a self-reliant economy by increasing production and employment opportunities based on local economic potential. This program will primarily focus on the commercialisation of agriculture, promotion of micro and small industries, and the development of the information technology and tourism sectors. Enterprises using barren and unused land will be encouraged. The guidelines for this programme, which will be executed in coordination and cooperation with the local level, will be formulated by mid-August. I have allocated Rs. 7 billion for this program.
67. Domestic production and consumption will be encouraged through the **Prime Minister's Nepali Production and Consumption Enhancement Program**. Micro, Cottage, Small, and medium scale industries based on indigenous raw materials will receive assistance for processing, technology upgradation, storage and marketing. Industries with high internal consumption such as agriculture, ready-made garments, pharmaceuticals, and footwear will be encouraged. Arrangements will be made to use domestically produced goods in government agencies. I have allocated Rs. 500 million for this program.
68. A policy will be adopted to spend at least one percent of the government's total capital budget on research, innovation and invention. I have allocated Rs. one billion for establishment of a separate fund for research, innovation and invention. Necessary legislation will be formulated to operate the fund. Various government agency programs focused on research, invention, and innovation will be linked to it. Provinces and local levels will be encouraged to contribute to this fund. A separate unit will be established in the Ministry of Education, Science and Technology to coordinate and facilitate work related to innovation, invention and research.
69. A start-up ecosystem will be developed to promote innovation and entrepreneurship in the country. An incubation centre will be operated in Kathmandu to cultivate entrepreneurial thinking and culture and transform this thinking into businesses. Venture capital and private equity funds will be encouraged to invest in start-up businesses. Foreign investment flowing through foreign investment companies will be encouraged and mobilised for innovation and entrepreneurship development. To encourage start-ups, I have allocated Rs. 1.25 billion.

Promotion of Internal and Foreign Investment

70. There will be a provision that, from now on, no fees or charges will be levied on company registration and capital increment. A legal provision will be made to open a company with even a disclosing minimum authorised capital of Rs. One hundred. The process will be made simple and transparent, enabling companies to register and cancel online. The process of

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obtaining visas for investors and skilled manpower in foreign-invested industries will be made simple and flexible.

71. Services such as industry registration, investment approval and others will be made available online from a single window. Legal arrangements related to leases and handovers will be reviewed to facilitate the easy availability of land required for the establishment of production and export-oriented industries.
72. A national portal will be prepared to ensure all necessary information is available for investors. This portal will include all information including investment areas, opportunities, legal and policy arrangements, incentive arrangements, investment return provisions and procedures.
73. Necessary laws will be amended to adopt a flexible labour policy for information technology and innovation-based industries. Grants will be provided through the Technology Development Fund to encourage the use of clean energy and green technology in the industry.
74. Legal and policy stability will be maintained for foreign investment. The foreign direct investment approval process will be simplified and automated. The minimum threshold of foreign investment will be reviewed and set on sector-to-sector basis.
75. Threshold on foreign investment in information technology industry will be removed. The foreign exchange facility to the extent of 10 percent of foreign currency income will be granted to the industries operating for the purpose of exporting information technology services to establish contact offices in third countries and to purchase software or programs and install equipment.
76. Arrangements will be made so as to get approval through an automatic route when making investments in industries that are open to foreign investment except for the industries that require permission according to existing law. Reinvestment of income earned from foreign investment will not require approval. The time limit for bringing in foreign investment will be reviewed and made practical.
77. To mobilise private capital in infrastructure projects, legal arrangements will be made regarding the establishment of an infrastructure fund with the participation of domestic and foreign investors. The private sector will be attracted by providing viability gap funding for projects of national importance. A legal arrangement will be made so that large infrastructure projects of national importance can be constructed under public-private partnerships using the hybrid annuity model.
78. The capacity of the Investment Board will be enhanced to promote foreign investment. An investment conference will be organised in 2023/24 to attract foreign investment in areas of comparative advantage. Proposals for foreign investment will be invited after completion of preparatory work and identification of possible large projects such as expressways, tunnels, and reservoir hydropower.

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79. The necessary legal infrastructure will be prepared to mobilise long-term capital from the international financial market. Investible capital will be raised through innovative financial instruments, such as local currency-based green bonds and energy bonds, to invest in large and reservoir-based hydropower projects, transmission lines and other infrastructure.
80. Facilitation will be provided for the private sector to obtain loans including from foreign financial institutions. Foreign capital will be mobilised in areas of increasing production and productivity using alternative and innovative tools including blended finance.
81. To improve the investment environment, the country credit rating process will be carried forward. Hedging services will be provided to foreign investors to minimise foreign exchange risk by designating hedging agency.
82. The security of foreign investment will be guaranteed. The procedure for repatriation of dividends by foreign investors will be simplified. The process of bilateral investment promotion and protection agreements and double taxation avoidance agreements will be initiated after identifying the countries where foreign investment can flow. The trust of foreign investors will be gained by incorporating the established principles of the international tax system into the national tax law.
83. **'Make in Nepal' and 'Made in Nepal'** campaigns, promoted by the private sector, will be encouraged to promote and expand indigenous production. Capital, technology, experience and skills of non-resident Nepalis will be prioritised for national development.

Transformation of the Agricultural Sector

84. Emphasis will be placed on increasing the production and productivity of the agricultural sector, which serves as the main foundation of the national economy. Appropriate arrangements will be made for modernisation and commercialisation of the agricultural sector, along with for storage and marketing of agricultural produce. The program will accord high priority to food and nutrition security.
85. Agricultural subsidies will be linked to production under the slogan **'Production in Place, Subsidy in Hand'**. All agricultural subsidies will be tied to production except those provided for purchase of seeds, chemical fertilisers, insurance, and for mechanisation. To ensure a systematic and transparent grant system, new standards and procedures will be formulated and implemented by mid-August. I anticipate that this will address the common complaint that agricultural subsidies are not being utilised and will help increase production by benefitting real farmers. I believe that even provincial and local levels will adopt an agricultural subsidy system tied to production.
86. The Prime Minister's Agriculture Modernisation project will implement 16 super zones and 177 zones for technology expansion, mechanisation, intern deployment, and learning and earning programmes. The program will be executed in 660 blocks operating at the provincial level and 1,053 pocket areas operating at the local level. I have allocated Rs. 3.22 billion for the Prime Minister's Agriculture Modernisation Project.

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87. Gradual efforts will be made to ensure the country's self-sufficiency in quality seed supply. The private sector will be encouraged to engage in national research and development of quality seeds. If farmers purchase high-quality and high-yielding seeds from producers, 50% of the cost will be subsidised through the relevant local level. For this, I have allocated Rs. 400 million.
88. Under the slogan "**Let's be proud of Indigenous**", the cultivation of traditional, natural, and nutritious indigenous food crops will be protected and expanded. Marsi Paddy of Jumla, Ginger of Palpa and Salyan, Coffee of Gulmi, and Potatoes of Mustang will be branded and marketed. Indigenous crop production, including marsi, kaguno, millet, phapar, barley, latte, and beans in various places in the Karnali province, will be purchased through the Food and Trade Company.
89. I have allocated Rs. 30 billion to provide subsidies to farmers for chemical fertilisers. The procurement process for chemical fertilisers will be improved to ensure timely supply. The supply and distribution process of fertilisers will be made systematic and transparent. A detailed project report will be prepared to establish a chemical fertiliser factory within the country, and the work will be carried out through a Public-Private Partnership facilitated by the Investment Board.
90. With the slogan, "**Technical services on spot, support to production**", I have allocated Rs. 470 million to ensure the availability of agricultural and livestock husbandry technicians at every local level. I believe that this will enable farmers to access technical services in their fields.
91. To achieve self-sufficiency in rice and potato production, the cultivation of rice and potatoes will be extended to one hundred local levels. Production-based grants will be provided to promote the development of hybrid rice and the expansion of spring paddy cultivation.
92. A program will be implemented to promote organic agriculture production and usage. Arrangements will be made to provide production-based grants to farmers engaged in organic and conventional farming. The market for organic agricultural products will be promoted through certification, branding, and the encouragement of exports. Support will be provided to encourage the production of compost and vermicompost at the community level.
93. A program will be implemented to promote organic farming without the use of pesticides and chemical fertilisers. Government agricultural farms will initiate organic farming as a model. I believe that this initiative will help preserve soil fertility, restore depleted soil nutrients, and ensure the availability of healthy agricultural products at lower production costs.
94. Conditional grants will be provided for establishing and upgrading state-level laboratories for soil testing, manpower management, and capacity development. The use of organic fertilisers and agri-lime will be encouraged to control soil acidity in arable land.

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95. Successful farmers in agriculture, horticulture, vegetables, and animal husbandry will be encouraged to share and transfer their experience and knowledge to inspire individuals interested in agricultural entrepreneurship. Agricultural knowledge centres will identify these farmers, classify them as mentor farmers, and mobilise them as agricultural extension agents. In coordination with provincial governments, the Presidential Outstanding Farmers Award will be given to honour and motivate the agriculture profession.
96. Priority will be given to promoting sugarcane production and species development. To enhance sugarcane production, Rs. 800 million have been allocated to subsidise production costs for farmers.
97. The forage development and nutrient improvement program will be implemented in one hundred local levels for cultivating various forage species, including Jai, Nepiyar, Mendula, and Versim, under the campaign of "Let's develop nutritious forage and increase livestock production." Forage seed production programs will be implemented through local levels. Regulatory arrangements for animal feed quality measurement and price regulation will be made effective.
98. To attract youth and develop their entrepreneurial skills in agriculture and livestock business, the "Youth Start-up Program" will be implemented in collaboration with local levels. An amount of Rs. 1.20 billion has been allocated for this purpose. The program for the development of small-scale farmer enterprises will be gradually expanded to all local levels by promoting financial access and fostering entrepreneurship among youth in the agricultural sector.
99. Land pooling will be encouraged for agricultural farming, and legal frameworks will be developed for contract farming. Barren lands will be utilised for contract and collective farming by developing standards in coordination with local levels. I have allocated Rs. 300 million for this.
100. I have allocated Rs. 950 million in the next fiscal year for subsidies on premiums for crop and livestock insurance for over 200,000 farmers.
101. Measures, including fences, will be adopted in collaboration with provincial and local levels to prevent and minimise damage caused by wild animals such as elephants, monkeys, boars, and Nilgai.
102. Budget has been allocated for the construction of structures, including agricultural markets, cold storage facilities, and food storage houses in collaboration with local levels. Budget has been allocated for the completion of fruit and vegetable markets in Chobhar. The construction of infrastructure for agri-products export markets will be initiated. Budget has been allocated for the completion of construction projects for agriculture wholesale markets, including Rangeli in Morang, Banganga in Kapilvastu, Kageshori Manohara and Budhanilkantha in Kathmandu, and Bardibas in Mohattari.

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103. Minimum Support Prices for major crops, including rice and wheat, will be determined before harvesting to ensure that farmers receive fair prices for their products. The supply chain for agricultural produce, from production to the market, will be reformed to ensure that farmers receive fair prices.
104. Agricultural cooperatives will be promoted to expand the collection, storage, and market access of agricultural produce. Tax exemptions on the purchase of agricultural produce transport and support for the construction of collection centres will be provided to such cooperatives.
105. Feasibility studies will be conducted for the cultivation of cannabis for medicinal purposes.
106. The laboratory service of Rapid Pesticide Residue tests will be expanded to five additional locations: Dharan, Sindhuli, Dhanusha, Kavrepalanchok, and Surkhet. The range of tests for possible pesticide residues in food items will be expanded. Gradual upgrades to an international level will be implemented for food technology, animal feed, and livestock disease research laboratories.
107. Vaccination campaigns will be conducted to control livestock epidemics. Necessary budget has been allocated for the domestic production of approximately 56 million doses of vaccines for various diseases. Around 500,000 doses of semen from improved breeds of cows, buffaloes, and goats will be produced, and artificial insemination services will be expanded to all local levels in the upcoming fiscal year to increase production and productivity through the improvement of livestock breeds.
108. The Nepal Agricultural Research Council will develop new varieties and technologies in rice, apples, millet, maize, barley, sunflower, and ginger.
109. The roles and responsibilities of the federal, provincial, and local levels in agricultural development will be clearly defined when formulating the Federal Agriculture Act. I believe this will further manage the conservation of arable land, commercialisation of agriculture, market management, and regulation activities, while enhancing coordination between different levels of government.
110. I have allocated a budget of Rs. 58.98 billion for the Ministry of Agriculture and Livestock Development.

Forestry and Environment

111. Environmental balance will be maintained through the management of forests, biodiversity, and water resources. The sustainable utilization of forest resources and the development of forest-based enterprises will contribute to the national economy. Protected areas and community forests will be developed as eco-tourism destinations.
112. The Chure Conservation Master Plan will be implemented with the participation of the federal, provincial, and local levels under the President Chure Conservation Program. Activities such as bamboo plantation, recharge ponds, trenches, and landslide control will

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be carried out to conserve water and soil. A budget of Rs. 1.05 billion has been allocated for the President Chure Conservation Program.

113. Budget has been allocated for the protection of trenches and lakes, the conservation of wetlands, and the operation of water recharge programs in large watershed areas such as Koshi, Gandaki, Karnali, and Mahakali for the sustainable management of soil and water resources.
114. Programs will be launched to develop agroforestry by cultivating medicinal plants, fruits and vegetables, forage crops, and others in barren, fallow, Ailani, Parti, and degraded forest areas, linking forests with people's lives and prosperity. Thirty million saplings will be planted in collaboration with the provinces in the coming year.
115. Budget has been allocated for quality sapling production and the development of pocket areas in prospective areas of the Karnali and Sudurpaschim provinces to promote the commercial cultivation of medicinal plants. Export will be promoted through the processing of medicinal plants and the certification of their essence extracts.
116. Infrastructure, including electric fences, will be constructed in national parks, forests, and buffer zones to develop bio-routes, manage grassland and wetland areas, manage wildlife habitats, and minimize damage caused by wildlife. Livelihood improvement programs will be implemented to improve the livelihoods of residents in buffer zones. The construction work of Parsa Natural Zoo will be advanced after completing all preparatory work.
117. The distribution process of relief for damage caused by wildlife will be made convenient and simple. All employees working in parks and protected areas will be insured against accidents. Programs will be implemented for the conservation of endangered and rare wildlife.
118. Budget has been allocated for the procurement of materials and the operation of training programs to control the risk of wildfires in collaboration with the provinces.
119. Sustainable forest management programs will be implemented in coordination and collaboration with the federal, provincial, and local levels. Thirty million cubic feet of timber will be supplied through national, community, and private forest management with the preparation of certain standards in the upcoming fiscal year. This will help to substitute the import of timber and furniture.
120. Private sectors will be encouraged to produce bio-pellets and briquettes using leaf litter and invasive species found in forest areas. I believe, this will not only contribute to increased renewable energy production but also reduce coal consumption.
121. Air quality monitoring centres will be expanded in Ilam, Mustang, Dang, and Achham. The use of biodegradable or cotton bags instead of plastic bags will be encouraged. Promotional activities for environmental conservation will be implemented.
122. I have allocated a budget of Rs. 15.56 billion for the Ministry of Forests and Environment.

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Land Management and Cooperatives

123. Land administration-related work will be made information and communication technology-based with the slogan of "**Good Governance in Land Administration.**" An online land information technology system will be implemented in the upcoming fiscal year in all Survey Offices and Land Management and Revenue Offices. Necessary arrangements will be made to enable service recipients to access services such as trace maps, hypothecation, and withholding electronically.
124. Survey offices and land revenue offices will be gradually integrated to deliver services through a one-window system, making land administration more efficient and organized. The use of modern LiDAR technology for survey mapping will continue. Land administration-related laws will be amended to enable the local level to deliver basic land management and survey-related services.
125. The identification, dataset collection, verification, and mapping of landless Dalits, squatters, and unorganized settlers will be completed. Land ownership certificates will be distributed to 25,000 landless individuals in 110 local levels through the Land Commission in the upcoming fiscal year.
126. Land ownership certificates will be provided after surveying the village block land that has not yet been surveyed and registering the self-residing land that has not yet been registered in the absence of legal evidence. Surveys of rural block areas will be completed in the upcoming fiscal year.
127. Arrangements will be made to classify land for agriculture and other purposes on a scientific basis. The classification of land will be made transparent and pragmatic by supporting and facilitating the local level in the formulation and implementation of land use plans.
128. The prohibition on parcel division of land that has been in place for some time will be waived. I believe, this will expand transactions in the real estate sector.
129. Scientific evaluation systems based on geographic information will be implemented through metropolitan and sub-metropolitan municipalities to ensure fair, organized, and transparent buying and selling prices of houses and land in the upcoming fiscal year.
130. An integrated registry will be established for the protection and management of government, public, community, and trust lands throughout the country. Public land will be protected in coordination with the local level and local administration.
131. Distribution of State facility identity cards will be completed in the next year. These identification cards will be used as a basis for providing government facilities. The "Bisheshwor with Poor" program will be continued.
132. Saving in cooperatives will be encouraged to be invested in areas of entrepreneurship development and job creation. Support will be provided to cooperative institutions involved in cottage and small industries for production, storage, and marketing.

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133. The services of savings and credit cooperatives will be made effective by centralizing their operations in a specific geographical area. A specialized regulatory authority will be established and operationalized to regulate and supervise cooperative organizations involved in savings and credit transactions. I believe it will enhance transparency and good governance in the cooperative sector.
134. I have allocated a budget of Rs. 7.24 billion to the Ministry of Land Management, Cooperatives, and Poverty Alleviation.

Industrial Development

135. Industrialization will be accelerated by internalizing the slogan of "**Production and Employment: Basis of Prosperity.**" Production and productivity will be increased through industrial promotion, infrastructure and human resource development, and maintaining good industrial relations. Domestic and foreign capital and technology will be attracted to the industrial sector.
136. The infrastructure development of industrial zones, special economic zones, and industrial villages declared by the government will be accelerated. The construction work of Nawuasta and Motipur industrial areas will commence. After completing the environmental impact assessment, tree cutting, and other preparatory work, the private sector will be encouraged to develop and operate the Shaktikhor Industrial area in Chitwan and Mayurdhap industrial area in Makwanpur through public-private partnerships. The infrastructure of 10 operational industrial zones will be improved and upgraded. I have allocated Rs. 330 million for infrastructure development and operation in the industrial sector.
137. The remaining works of the Simra Special Economic Zone will be completed and brought into operation. The Bhairahawa Special Economic Zone will operate at full capacity. Infrastructure development work in the Panchkhal Special Economic Zone will be completed. I have allocated Rs. 540 million for the infrastructure development in special economic zones.
138. The land lease rates will be revised to attract the private sector to establish industries in Special Economic Zones. Legal arrangements will be made to enable industries that export at least 30 percent of their products to operate in the special economic zone. Tax incentives will be provided to such industries based on the volume of exports. Management contracts will be arranged for the private sector interested in operating the SEZs.
139. The corridor from Pathlaiya, Simra, Gandak to Birganj will be developed as the Bara Parsa Industrial Corridor.
140. The work in industrial villages under construction in 113 different local levels will be expedited. Once construction is completed, the industrial villages will be handed over to the local level and brought into operation. The industrial village under construction in Panchkhal, Kavre, will be named the Women Enterprise Village to encourage women

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entrepreneurs to run industries. I have allocated Rs. 410 million for the development of industrial villages.

141. I have allocated Rs. 460 million to continue the construction of access roads and transmission lines leading to large industries such as cement, iron, steel, and star hotels.
142. Concessional loans will be provided for machinery replacement, technology improvement, and infrastructure construction to enhance the competitiveness of traditionally run industries. Traditional skills will be documented, and training will be conducted to transfer these skills to the new generation.
143. Concessional loans will be provided and market promotion programs will be conducted to promote micro, cottage, and small-scale industries based on local raw materials. Subsidy will be provided for the upgrading of technology and the application of new technologies in industries such as textiles, hand-made paper, and handicrafts. I have allocated Rs. 1.02 billion for the Small Enterprise Development Program.
144. To increase the domestic consumption of cement, the technique of concrete pavement based on specific criteria will be adopted during the construction of roads. I believe, it ensures durable and high-quality roads and reduce the import of bitumen.
145. I have continued the job-based training program, initiated based on market demand, to produce skilled human resources. Under this program, industrialists will be required to take on trainee workers, teach them skills according to their needs, and provide employment for a minimum of eighteen months. I have allocated the necessary budget for the government to cover the minimum wages of trainee workers recruited in this manner for three months.
146. I have allocated budget to conduct entrepreneurship development programs on cost sharing basis with academic institutions, including Tribhuvan University, to promote the production of industrial human resources and entrepreneurship.
147. Excavation work will begin after completing the detailed survey, preparation of a detailed project report, and environmental feasibility study of the Dhaubadi iron mine.
148. Exploration and mining of petroleum products in Dailekh, iron in Nawalparasi and Parbat, granite, slatestone, and ceramics in Makwanpur, limestone in Arghakhanchi, and dolomite in Dhading will be carried out to promote the mining industry in Nepal.
149. Technology support, awareness, and training programs will be conducted to internalize the concept of fourth-generation industrialization. Industries will be encouraged and facilitated to implement the fourth-generation industrial concept.
150. To protect and develop industrial intellectual property, laws related to intellectual property will be formulated, incorporating subjects such as technical know-how and franchise formulas.

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Export Promotion and Trade Facilitation

151. Export will be promoted by increasing the competitiveness of export potential goods and services. Trade infrastructure will be developed and upgraded to facilitate international trade. Bilateral and multilateral mechanisms related to international trade and transit will be activated and made more effective.
152. The construction of the integrated check post in Nepalgunj will be completed and operationalized. The construction of the integrated check post in Bhairahawa and the dry port in Timure, Rasuwa, will be expedited. Warehouses and parking lots will be constructed at the Birgunj and Biratnagar integrated check posts. The construction of a dry port in Dodhara Chandani, Kanchanpur district, will be initiated. I have allocated the necessary funds for the construction and operation of business infrastructures, including integrated check posts, dry ports, the construction of container yards, and the upgrading of laboratories.
153. Programs will be implemented to promote the production and export of items identified in the Nepal Trade Integrated Strategy. I have allocated the necessary funds for the promotion of agricultural products such as cardamom, ginger, jute, tea, and medicinal herbs; forest products such as herbs and aromatic plants, Lokta products, resin, and turpentine; large industries such as steel, yarn, textiles, footwear, and readymade garments; and domestic and small-scale industries such as carpets, jewellery, and Pashmina.
154. New export destinations will be identified. Country-specific and commodity-specific strategies will be formulated to promote exports. Encouragement will be given to register collective trademarks in the destination countries for exported goods. The private sector will be encouraged to increase the production of emerging goods and services with export potential, including information technology, cement, chhurpi, honey, etc.
155. Programs will be conducted to enhance the export of agricultural products, including tea, through technology, equipment, and organic certification schemes. A budget has been allocated to establish a laboratory for testing export agricultural products, including tea and coffee.
156. Necessary facilitation will be provided to export mineral water and processed water from the Himalayan region of Nepal by branding it as "**Water from the Himalaya.**"
157. Guidelines will be prepared to regulate the extraction of stones and gravels from environmentally suitable locations, ensuring compliance with standards to prevent negative environmental impacts.
158. I have allocated Rs. 900 million to continue the cash subsidy provided for the export of various 36 types of goods. Cash subsidies for exports will be disbursed every three months.
159. After Nepal's graduation from the LDC status in 2026, the current trade concessions will not be continued. Sectoral programs will be formulated to address the challenges and opportunities arising from this transition. Initiatives will be taken to encourage exports and

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negotiate concessions through bilateral negotiations with other nations, including the European Union and the United States.

160. Legal arrangements will be made to promote and regulate trade for Nepali goods and services through e-commerce. Products from micro, domestic, and small industries will be marketed through digital haat bazar.
161. Quality standards will be prepared and implemented to regulate the import of goods related to human, animal, and plant health and safety.

Supply Arrangements

162. The production, storage, and distribution systems will be improved to ensure easy and uninterrupted supply of essential commodities throughout the country, including remote and rural areas. Fair competition in the market will be maintained by eliminating syndicates, cartels, artificial scarcity, and the black market. The quality of basic services, including education, health, drinking water, communication, and transportation, will be ensured.
163. Market monitoring and regulation will be strengthened to protect consumer rights by empowering relevant agencies. A system will be developed to obtain updated information on the production, inventory, and supply of essential food items across the country. Cooperative organizations will be encouraged to operate shops that sell and distribute food items at concessional prices.
164. Arrangements will be made to stockpile 8,000 metric tons of food in the SAARC Food Security Reserve and 25,000 metric tons in the National Food Security Reserve throughout the year.
165. The storage capacity for petroleum products will be increased to meet the demand for at least three months. The construction of an aviation fuel storage facility in Pokhara and two additional fuel storage facilities in Amlekhganj will be completed.
166. Transportation subsidies for the supply of food grains and salt to remote and mountainous districts will be continued.
167. The construction of modern warehouses in each province will be initiated through cost partnership to simplify and facilitate the supply system. I have allocated budget for the maintenance of existing warehouses of the Food Supply and Trading Company.
168. I have allocated Rs. 9.46 billion for the Ministry of Industry, Commerce, and Supply.

Labour and Employment

169. The focus will be on creating decent employment opportunities under the campaign slogan "**Respect of Labour, Nation's Campaign.**" Measures will be taken to enhance productivity by establishing good labour relations and protecting the rights and interests of workers. Foreign employment will be made safe, dignified, and well-organized.

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170. The Prime Minister's Employment Program will be restructured with the aim of creating productive employment and improving labour market outcomes. Unemployed individuals registered under this program will be provided with minimum employment opportunities and workplace-based training implemented at the local level. Employment service centres will be upgraded to provide comprehensive services including labour, skill, and entrepreneurship development at the local level. I have allocated Rs. 5.94 billion for the Prime Minister's Employment Program.
171. Policies will be adopted to produce skilled manpower based on labour market demand. The existing training organizations will be restructured and integrated to form the National Vocational Skills Development Foundation. Arrangements will be made to provide professional skill training at the local level in coordination and cooperation with the private sector.
172. Labour court services will be expanded to ensure access to justice for workers. The provision of labour audits in both government and private institutions will be strengthened and made effective.
173. I have made arrangements for labour permit and renewal services to be provided at the local level, eliminating the need for individuals to travel to Kathmandu for labour approval and renewal for foreign employment.
174. New and attractive destination countries for foreign employment opportunities will be identified and utilized. Labour agreements with various countries will be reviewed to ensure minimum wages, social security, dignified employment, insurance, and timely grievance redressal for workers. Workers will be encouraged to acquire skills that meet the needs of the destination countries, enabling them to earn higher wages.
175. Programs will be implemented to develop entrepreneurship and provide employment opportunities for returnee migrant workers under the slogan "**Rest of the Life in homeland.**" Skill development training and professional counselling services will be provided at the local level for individuals below the poverty line and returnee migrant workers, helping them establish micro-enterprises.
176. Prompt measures will be taken to rescue citizens stranded abroad due to foreign employment. Relief, compensation, scholarships, and other welfare services will be provided to the families of workers at the local level who have been injured or have died during foreign employment.
177. The scope of contributory social security will be expanded. Funds from the social security system will be invested in productive and infrastructure sectors to ensure the sustainability and effectiveness of the social security fund. These funds will be used for workers' health treatment, children's education and family insurance, business operations, and vocational skills training.
178. I have allocated Rs. 8.08 billion for the Ministry of Labour, Employment, and Social Security.

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Culture, Tourism, and Civil Aviation

179. The country will be developed as a safe and attractive tourist destination. The contribution of the tourism sector to the national economy will be increased focussing on tourism promotion and infrastructure development. Cultural heritage sites will be protected and developed as tourist areas. Aviation services will be made safe and qualitative.
180. Nepal's natural, religious, historical, and cultural heritage, including tourist sites and services, will be extensively promoted at the international level. The years 2023-2032 will be celebrated as the Decade of Tourism, aiming to improve the quality of tourist services in line with the Nepali culture of "**Atithi Devo Bhava**" (Guest is God). The target is to increase the number of foreign tourists visiting Nepal to one million in 2023.
181. A campaign with the slogan "**Visit Nepal, Know Nepal**" will be conducted to promote domestic tourism. Local festivals, cultures, jatras, and tourist destinations will be promoted, and the expansion of inter-provincial aviation services will be encouraged.
182. The construction of the Great Himalayan Trail, connecting Taplejung in the East to Darchula in the West, will be accelerated to promote adventure tourism and sightseeing in the beautiful Himalayan region. A trekking trail will be constructed from Pokhara to Manang. Tourist trails will be developed to connect the historical and cultural aspects of Rolpa, Rukum, and Dolpa districts with tourism.
183. The comprehensive master plan for the Pashupati area will be implemented. The remaining work on the Lumbini Master Plan will be continued. Hindu cultural circuits will be developed, incorporating important religious places such as Janakpurdham, Pashupatinath, Swargadwari, Muktinath, and Buddhist cultural circuits will be developed incorporating Lumbini and other important Buddhist religious places. The Kirant Cultural Circuit will be established, covering places like Lurumba, Mundrum Trail, Halesi-Tuwachung, and Khuwalung.
184. Halesi Tuwachung area of Khotang, Mithila area of Madhesh Pradesh and Badimalika area of Bajura will be developed as 'Open Cultural Museum'. The establishment of a Living Museum in Gorkha reflecting the culture and lifestyle of indigenous people will be proceeded.
185. The exploration, excavation and preservation of historical and archaeological sites will be continued. The Himalayan Monasteries Protection Program will be conducted to protect the centuries old culturally important monasteries in the himalayan region.
186. The reconstruction of 25 cultural heritage sites damaged by the earthquake, including Bhaktapur Durbar Square, Hanumandhoka, and Saat Tale Durbar of Nuwakot, will be completed. The reconstruction of monasteries in Dhading, Nuwakot, Rasuwa, Sindhupalchowk, and Dolakha districts will also continue.
187. Religious, cultural, and historical places with high tourism potential will be developed. Conservation, infrastructure development, and beautification projects such Pathivara,

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Halesi, Tuwachung, Gadimadi, Chinnamasta, Dolakha Bhimsen, Dupteswor Mahadev, Muktinath, Devghat Trivenidham, Swargadwari, Resunga, Dangisaran, Chatreshowri Bhagawati, Chandannath, Panchakoshi, Badimalika, Ghatalthan, Khaptad, and Madika temple as will be undertaken. A budget of Rs. 2.13 billion has been allocated for the identification and infrastructure development of new tourism destinations and other tourism-related infrastructure.

188. Heritage sites, forts, and sites of historical and archaeological significance related to the unification of Nepal, including Sindhuligadhi, will be preserved, protected and promoted.
189. The private sector will be encouraged to promote and develop adventure tourism and cinema-tourism. One hill station each in Koshi, Lumbini and Far-Western province will be developed in the coming fiscal year so as to develop the hilly cities near the border as hill stations for tourism promotion. Hiking and hill tourism will be promoted in potential places, including Kathmandu.
190. Infrastructure, such as tourism rest places, green parks, and wildlife observation sanctuaries, will be constructed, managed, and maintained to promote eco-tourism. The construction and maintenance of a 621-kilometer tourist route within protected areas will be carried out. Efforts will be made to develop the northern belt of Parbat, Myagdi, and Baglung regions as eco-tourism and Magar-Culture tourism areas.
191. The private sector will be encouraged to build cable cars in important potential tourism areas, including Khaptad. A one-door system will be implemented to streamline the process of obtaining tourism permits for activities such as trekking and mountaineering.
192. Airports in Biratnagar, Bharatpur, Nepalgunj, and Dhangadi will be upgraded and developed as regional airport. Airports in Chaurhajari (Rukum), Tarigaun (Dang), Sagarmatha (Udayapur), and Khalanga (Jumla) will be upgraded. Air transport facilities will be made simple and more accessible by providing concessions to the airlines operating in remote areas.
193. The Civil Aviation Authority of Nepal will be restructured, separating regulatory and service provider agencies. Emphasis will be given to aviation safety, improving infrastructure quality, and enhancing service delivery while strengthening the regulatory role.
194. Arrangements will be made for regular international flights from Gautam Buddha and Pokhara International airports. Ground handling charges for international airlines operating at these airports will be subsidized. The physical infrastructure and passenger services at Tribhuvan International Airport will be improved. Direct flights will be operated from Gautam Buddha International Airport to countries such as Thailand, Sri Lanka, China, India, and other destinations, connecting Buddhist travellers directly to Lumbini.
195. Budget has been allocated for the pre-feasibility work of the Nijgadh International Airport project, including environmental impact assessment, settlement relocation, compensation

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distribution, and land protection. The construction of this airport will be initiated after finalizing the investment modality.

196. Nepal Airlines Corporation will undergo restructuring to implement managerial reforms. Procedures for flight service agreements will be initiated with potential countries to expand air connectivity.
197. I have allocated Rs. 11.96 billion for the Ministry of Culture, Tourism, and Civil Aviation.

Ministry of Education, Science and Technology

198. An educated and dignified society will be developed by improving the access of the general public to quality education. Education will be made useful for life, modern, science and technology-based, professional, and research-oriented. Investment and quality will be enhanced in vocational education.
199. Early childhood development centres will be mapped and redistributed to organize and make child education accessible, which serves as the foundation for primary education.
200. I have allocated budget to provide applied agricultural learning by expanding the program that aims to **bring, teach, and retain children** in school. Boarding scholarships will be provided for students from remote and mountainous regions. The program to teach basic education in the mother tongue will be continued.
201. I will continue the scholarship program that is currently being provided to underprivileged, marginalized, Dalit, and other students, as well as the scholarship program for female students across the country. I have allocated Rs. 3.02 billion for school-level, technical, and higher education. Approximately 2.6 million students will benefit from this in the upcoming year. I have continued the scholarship provided to Musahar, Dom, and Chamar students for higher education in medicine.
202. I have allocated Rs. 8.45 billion to continue the implementation of the mid-day meal programs in public schools. Measures will be taken to prohibit junk food and provide nutritious meals prepared from local and regional agricultural products during the mid-day meal. Around 3.2 million students will benefit from this.
203. I have allocated Rs. 1.42 billion to continue the distribution of free sanitary pads for girl students at the school level. Around one million girl students will benefit from this.
204. Traditional education systems such as Gurukul, Madarasa, and Gumba, which are not affiliated with the formal education system, will be integrated into the formal education system. Sign language and braille textbooks will be provided free of charge.
205. Local levels will be encouraged to select the head teacher through open competition. Programs such as teaching observation, model teaching, and refreshment programs will be conducted by reconstructing school resource centres in a new form to improve the quality of education.

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206. Free textbooks will be provided to all students in public schools, and syllabus and electronic copies of textbooks will be made available in schools before the beginning of the academic year. I have allocated Rs. 3.58 billion for this program.
207. Teachers who acquire basic-level educational qualifications will be adjusted and promoted to higher-level vacant posts. Arrangements will be made for performance contracts for public-school teachers with the local level and to link these contracts with career development. A legal arrangement will be made to allow individuals studying all subjects to participate in the Teaching License Paper Examination.
208. The posts of teachers will be reviewed based on subject and student ratios. I have allocated Rs. 3.69 billion to provide teachers for English, Mathematics, and Science subjects in primary and secondary schools where posts are not approved.
209. Conditional grants will be provided to local levels for physical infrastructure development expenditure based on student, school, and teacher ratios under the President's Educational Reform Program. Local levels will be encouraged to merge schools based on criteria such as student numbers and geographical location.
210. Feasibility studies and preparatory work will be carried out to build model residential community schools in Dhankuta, Bardibas, Tansen, Surkhet, and Dadeldhura through educational Guthi. These schools will adopt the operational modality of Budanilkantha School in Kathmandu and Gandaki Boarding School in Pokhara.
211. The remaining post-earthquake reconstruction of school buildings will be completed in the coming year. I have allocated the budget for the reconstruction of Tri Chandra College, a historical institution. The reconstruction of 38 campuses damaged by the earthquake, including Mahendra Ratna Campus, will also be carried out.
212. Access to technical and vocational education will be expanded at all local levels. Technical schools under the Council for Technical Education and Vocational Training will be transferred to be operated by the provincial government. The Council for Technical Education and Vocational Training will focus on skills testing, technical education curriculum development, quality, and standard setting.
213. Students who have obtained higher education in technical subjects through scholarships will be mobilized to serve for two years compulsorily at community education institutions or at the local level.
214. Arrangements will be made to test and certify the skills acquired by human resources within the country and abroad based on self-declaration. A Technical Instructor License System will be implemented to enhance the efficiency of technical instructors. Skills testing and certification for 50,000 individuals will be conducted through the Council of Technical Education and Vocational Training in the upcoming year.
215. The University Grant Commission will be restructured and reformed, focusing on the regulation of higher education, quality assurance and accreditation, national qualification

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testing and standard setting, and educational qualification recognition and equivalence. Arrangements will be made to provide grants to universities based on criteria such as academic results, teaching and learning activities, and resource mobilization. Universities will be strictly monitored by the University Grant Commission to ensure they follow their annual academic calendar.

216. Madan Bhandari Science and Technology University and Yogmaya Ayurvedic University will be established and operated. The process of drafting a law regarding Nepal University will be initiated.
217. I have allocated funds to advance the construction of medical colleges in Butwal, Lumbini Province, Bardibas, Madhesh Province, and Surkhet, Karnali Province. The operationalization of these medical colleges will be initiated in collaboration with the respective provincial hospitals. I have allocated the budget required for the operation of the medical college in Dadeladhura.
218. Keshar Library, National Library, and Dilliraman Kalyani Regmi Memorial Library will be strengthened, and efforts will be made to digitize books. Provinces and local levels will be encouraged to establish, operate, and manage community libraries.
219. Budget has been allocated for the capacity development of research and development institutions such as CEDA, CERID, and CNAS under Tribhuvan University to make higher education research-oriented.
220. A Federal Education Act will be drafted to manage school education, higher education, technical and vocational education, skills development training, and the national education framework in accordance with constitutional provisions.
221. Research, innovative thinking and proactiveness will be developed in subjects including science and technology, engineering, the arts, and mathematics starting from the school level.
222. Necessary preparations will be made to establish a regulatory body for the safe use, management, regulation, and monitoring of radioactive materials. Necessary legal arrangements will be made for the safe use, regulation, and management of chemical substances.
223. I have allocated a budget of Rs. 197.29 billion for the Ministry of Education, Science, and Technology.

Ministry of Health and Population

224. Basic health services will be made accessible and of high quality with the slogan "**Quality Health Care: Citizens' Right.**" Citizens' access to specialized healthcare will be enhanced, and a healthy lifestyle will be promoted through health education and awareness.

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225. I have prioritized the prevention, control, and treatment of infectious diseases, including COVID-19. Budget has been allocated to increase awareness about pandemics, ensure compliance with health standards, guarantee vaccination, and provide treatment services through coordinated program implementation.
226. A campaign to "search for and destroy the larvae and habitats of mosquitoes transmitting dengue disease" will be implemented for the prevention and control of dengue disease during the pre-monsoon, monsoon, and post-monsoon periods. The necessary funds have been allocated for the prevention of dengue, malaria, kala-azar, encephalitis, and other seasonal and insect-borne diseases.
227. Sukraraj Tropical and Infectious Disease Hospital will be upgraded to a 300-bed hospital. The construction of Provincial Communicable Disease Hospitals in Pokhara, Surkhet, Doti, and Bharatpur will be completed, and they will be operational in the upcoming year. I have allocated Rs. 460 million for the construction and expansion of Communicable Disease Hospitals.
228. I have allocated Rs. 1.15 billion for the "Tuberculosis Free Nepal Campaign" to identify patients and provide free distribution of medicine.
229. I have allocated Rs. 1.28 billion to provide 98 types of medicines, vaccines, and basic health services free of charge from primary health service centres in 6,743 wards throughout the country. Priority will be given to the purchase of domestically produced medicines under this program.
230. Priority will be given to the construction and operation of basic hospitals in locations convenient to the majority of the population. I have allocated Rs. 8 billion for the construction of ongoing 5, 10, and 15-bed hospitals in 322 local levels. I have allocated Rs. 820 million to purchase health equipment for 100 hospitals that are set to be completed next year.
231. Special programs will be conducted to save the lives of mothers and new-borns in areas with high infant and maternal mortality rates. The safe maternal and neonatal as well as the safer motherhood program will continue.
232. I have continued the provision of Rs. 5,000 monthly medical expense allowances to individuals who have undergone kidney transplantation, are undergoing dialysis, have been diagnosed with cancer, or have spinal paralysis.
233. I have allocated Rs. 2.50 billion to continue grants for the treatment of heart disease, kidney disease, cancer, Parkinson's disease, Alzheimer's disease, spinal injuries, head injuries, and sickle cell anaemia to poor citizens, allocating. Arrangements will be made to provide kidney transplantation services at all federal hospitals.
234. Free early detection and treatment services for cervical and breast cancer in women will be gradually expanded. The HPV vaccination program for cervical cancer prevention targeted

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for 9- to 14-year-old girls will be expanded. Infertility treatment services will be gradually expanded to all federal hospitals.

235. The capacity of the Shahid Dharmabhakta National Transplant Center will be enhanced. Budget has been allocated to operationalize a modern blood bank at the Shahid Gangalal National Heart Centre. The necessary budget has been allocated to purchase a PET scan and a cyclotron production machine for Bharatpur Cancer Hospital.
236. Geriatric wards will be made effective to provide services to senior citizens in government hospitals. Arrangements will be made for the screening and treatment of age-related diseases, dementia, and Alzheimer's disease annually, in coordination with the nearest specialized hospital.
237. Budget has been allocated for the continuation of the AIDS, sexually transmitted diseases, and leprosy control program.
238. I have continued Health insurance and social security programs to ensure minimum primary health services for all citizens. The health insurance program will be implemented through government, community, and cooperative hospitals. Guidelines will be prepared within the current fiscal year to avoid duplications between health-related social security programs and health insurance. These social security programs will gradually be brought under the scope of health insurance. The health insurance program will be restructured to ensure sustainability.
239. A milk bank for neonates will be operationalized at the Paropakar Maternity and Women's Hospital. Budget has been allocated for equipment and necessary infrastructure development at B.P. Koirala Memorial Cancer Hospital, G.P. Koirala National Center for Respiratory Diseases, Sushil Koirala Prakhar Cancer Hospital, Manmohan Cardiothoracic Vascular and Transplant Center, Suresh Wagle Memorial Cancer Hospital, Ramraja Prasad Singh Academy of Health Sciences, and Bhaktapur Cancer Hospital.
240. The necessary budget has been allocated to develop a fully equipped burn centre by upgrading the burn unit of Bir Hospital in Kathmandu.
241. The Civil Service Hospital will be upgraded and developed as a super-specialty hospital. Arrangements will be made, in coordination with provincial hospitals, to expand its services to the provincial level so that civil servants can access and receive treatment services at the provincial level.
242. Geta Medical College will be operated as the Shahid Dashrath Chand Institute of Health Sciences. Budget has been allocated for infrastructure construction, equipment purchase, and manpower management to upgrade Geta Hospital to a 100-bed hospital.
243. Budget has been allocated for the development of physical infrastructure to expand the services of the Rapti Academy of Health Sciences. The process of establishing a 100-bed satellite hospital in Rakam, Aathbis Municipality, Dailekh under the Karnali Institute of Health Sciences will be initiated.

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244. The capacity of the Mental Hospital in Patan will be expanded, and inpatient services for mental patients will be operationalized in all federal hospitals.
245. Budget has been allocated for the capacity expansion of the National Trauma Center. Primary trauma care centres will be established and operationalized in coordination with the nearest government hospitals in Lamki, Kailali; Saljhandi, Rupandehi; Bardaghat, Nawalparasi West; Gaidakot, Nawalpur; Bhiman, Sindhuli; and Belkhu, Dhading.
246. The standards of existing public health laboratories in federal hospitals will be upgraded. Budget has been allocated for the construction of the building of the National Public Health Laboratory and the purchase of equipment, test kits, chemicals, reagents, and other materials.
247. I have allocated Rs. 240 million for the **implementation of "One doctor/health worker-One health institution"** program to encourage doctors and health workers in all government federal hospitals.
248. Alternative treatment methods such as Ayurvedic, Homeopathic, Unani, Acupuncture, Amchi, and Naturopathy will be promoted and encouraged. Budget has been allocated to complete the construction work of the National Ayurved Panchakarma and Yoga Centre in Budhanilkantha.
249. Citizens will be encouraged to follow a healthy lifestyle, with an emphasis on physical exercise, yoga, a hygienic and balanced diet, and the extension of health services. Budget has been allocated to construct open yoga and gymnasium centres and purchase equipment.
250. An Integrated Health Sciences Institutes Act will be formulated to ensure uniformity in the operation and management of all federal health sciences institutes, including the National Academy of Medical Sciences. All federal hospitals will be upgraded as teaching hospitals with super-specialty facilities to provide specialized health services.
251. Arrangements will be made to make it mandatory for specialty doctors who have completed M.D. and M.S. in government scholarship programs to serve for a certain period of time in government hospitals outside the Kathmandu Valley.
252. I have allocated Rs. 83.99 billion to the Ministry of Health and Population.

Water Supply and Sanitation

253. Access to quality drinking water services will be expanded, ensuring basic drinking water services for all citizens. Drinking water supply projects and programs will be implemented to achieve the goal of "**One House, One Tap.**"
254. The water and sanitation program will be implemented to benefit 98 percent of the population with basic water supply, 30 percent with high and medium water supply, and 4.5 percent with a sewerage system and treatment facility by the upcoming fiscal year.

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255. I have allocated Rs. 1.31 billion for the maintenance and rehabilitation of old and non-operational water supply projects.
256. The temporary headworks of the Melamchi project will be upgraded to ensure year-round water supply. The Melamchi project will be operated sustainably based on the recommendations of the geological study report of the Melamchi watershed. Construction work to connect Yangri and Larke in Melamchi will begin under the second phase of this project.
257. Feasibility studies and other preparatory work will be completed to manage the drinking water needs of Kathmandu Valley sustainably, including supplying water from Sisneri and Thosne rivers in Makawanpur and Mahadevriver in Bhaktapur.
258. Water will be distributed through a new distribution system within the Ring Road of Kathmandu Valley. Pipeline construction work will commence in Kirtipur, Bhaktapur, Thimi, Jorpati, Tokha, Kapan, and Pepsicola areas under the second phase.
259. I have allocated Rs. 2.05 billion for climate-adapted drinking water supply projects in drought-prone areas. Under this project, the construction of water supply systems in Gajuri, Dhading; Divyanagar and Bhandara, Chitwan; Panchapuri, Surkhet; and Mahavu, Dailekh, will be completed in the next fiscal year. A fifty percent discount on electricity tariff and demand fee will be provided for community consumer groups operating water supply projects in drought-affected areas.
260. Integrated water supply and sewage management projects will commence in Dharan and Bharatpur. The Bheri pumping project will be implemented in Surkhet Valley. Integrated water supply and sewage management systems will be initiated in Nepalganj, Janakpur, Dhangadhi, Lumbini, and other cities.
261. The construction of water supply projects under the Urban Water Supply and Sanitation Project in Panchkhal, Kavre; Dadhikot, Bhaktapur; Jhumka, Sunsari; Kataria, Rautahat; Bhojpur Bazar; Kanchanpur, Saptari; Saptakoshi; and Danchhi, Kathmandu, will be completed within the next fiscal year. I have allocated Rs. 2.84 billion for this project.
262. I have allocated Rs. 1.26 billion to complete the construction of projects initiated under the Co-finance Water Supply and Sanitation Project in Chainpur, Sankhuwasabha; Jutpani, Chitwan; Baglungbazar, Baglung; Tankisinwari, Morang; and Mechinagar, Jhapa.
263. A sustainable water supply system will be ensured by conserving sources of groundwater and surface water. Traditional sources of water, including springs, wells, and ponds, will be conserved at various locations in Kathmandu Valley in collaboration with the local level.
264. Sanitation and hygiene programs will be implemented as a national campaign. Budget has been allocated for sludge management, wastewater treatment, and the construction of public toilets to promote a clean image of Nepal. Wastewater treatment plants at Dhobighat, Hanumanghat, and Gokarna in Kathmandu will be completed and put into

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operation. Sewage construction and processing projects in Damak, Jhapa; Katunje, Bhaktapur; Jhikuwa Mahalakshmi, Lalitpur; and Chikhun, Kathmandu, will be completed.

265. Sanitation master plans will be prepared for an additional one hundred local levels in the coming year. Three hundred local-level master plans will be implemented by next year.
266. Kathmandu Valley Water Supply Management Board, Kathmandu Upatyaka Khanepani Limited, and the Project Implementation Directorate will be restructured to ensure effective regulation as well as sustainable asset management and operation. The quality of water service delivery will be improved by enhancing the financial and technical capacity of Kathmandu Upatyaka Khanepani Limited.
267. I have allocated Rs. 28.16 billion to the Ministry of Water Supply.

Youth and Sports

268. The country will mobilise youth manpower for the economic and social development of the nation. Efforts will be made to enhance the capacity of youth to make them employable. Youth will be integrated into the national production system by increasing their access to entrepreneurship development and financial resources. Sports will be used to prepare healthy, competent, and disciplined manpower.
269. The fiscal year 2023/24 will be observed as the Youth Entrepreneurship Promotion Year. Access to skills, capital, and technology will be enhanced to attract the younger generation to entrepreneurship development and business operations. Concessional loans will be provided to young people to start businesses through the Youth and Small Entrepreneur Self-Employment Fund, with a change in its investment modality. Subsidized loans will be made available through the Youth Self-Employment Fund for players who wish to be self-employed.
270. Youth volunteers will be mobilised for development work and social service through the National Youth Council. Associations working in the field of youth will be mobilised to conduct economic, social, and cultural awareness campaigns.
271. Tribhuvan University Cricket Ground will be developed into an international-level cricket stadium. Floodlight installations will be completed at this stadium. The construction of Mulpani Cricket Stadium will be completed. Budget has been allocated to initiate the construction of Girija Prasad Koirala Cricket Stadium in Biratnagar, Dasharath Chand Cricket Stadium in Baitadi, Phapla Cricket Stadium in Kailali, and Subarna Shamsher Cricket Stadium in Kathmandu.
272. Budget has been allocated to complete the ongoing construction of provincial stadiums and covered halls in Dhangadhi, Itahari, Pokhara, and Nepalgunj. A high-altitude training centre and adventure sports infrastructure, including rafting, canoeing, paragliding, rock climbing, and ultramarathons, will be established through public-private partnerships. Sports tourism will be promoted. The private sector will be encouraged to construct and manage sports infrastructure and organize sports competitions.

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273. Budget has been allocated to provide necessary training to athletes for the preparation of the 19th Asian Games, the South Asian Games, and the 10th National Games. Athletes who win medals in international sports competitions will be encouraged and honoured. Martial arts sports will be promoted at the community level to develop disciplined and healthy youth.
274. Various sports-related organizations such as the Nepal Olympic Committee, All Nepal Football Association, and Nepal Cricket Association will be encouraged to conduct sports competitions by enhancing their capacity. Support will be provided to local levels to organize sports competitions.

Women, Children, and Senior Citizens

275. Equal access of women to resources, opportunities, and benefits will be ensured by ascertaining their role as leader as well as innovator. Efforts will be made to make the lives of senior citizens dignified, safer, and well-managed. Child rights will be respected, protected, and promoted to ensure the holistic development of children in their best interest. Gender and sexual minorities will be integrated by creating a socially conducive environment for them to live a decent life.
276. Entrepreneurship will be promoted to enhance the economic empowerment of women. All forms of violence, exploitation, discrimination, and abuse against women will be eliminated. Social awareness campaigns and programs will be conducted to free society from harmful customs, malpractices, and superstitions.
277. Pregnant and lactating women in rural and remote areas who are at risk will be provided with free emergency aerial rescue under the President Women's Empowerment Program. Technical support activities will continue to support destitute women and others for targeted livelihood improvement and entrepreneurial development under this program.
278. The quality of legal and psychosocial counselling services for victims of gender-based violence and affected individuals will be improved. A rehabilitation centre, Mangala-Sahana, will be established in Suryabinayak, Bhaktapur, to rehabilitate survivors of violence.
279. Efforts will be made to eradicate all forms of child labour and exploitation. The institutional capacity and maintenance of the currently operating eight child rehabilitation centres will be enhanced. A child rehabilitation centre will be constructed in Dhakaltar, Tanahun.
280. An inter-generational knowledge transfer program will be conducted through the Jeshth Nagarik Milan Kendra to transfer the knowledge, skills, and experiences of senior citizens to the younger generation. Budget has been allocated for the construction of a 165-capacity old age home and a 45-bed senior citizen hospital in Gothatar, Kathmandu.
281. Public services will be made friendly to persons with disabilities. Necessary aid equipment and materials will be distributed to disabled individuals. Budget has been allocated for the management of the rehabilitation of persons with disabilities in collaboration with the Koshi, Lumbini, and Karnali provinces.

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282. Effective coordination with the police and other relevant organizations and institutions will be ensured to control human trafficking and smuggling. Networks will be established at the community level to mobilize against human trafficking and violence against women.
283. As stated in Article 40 of the Constitution of Nepal, necessary arrangements will be made to ensure proportional representation of the Dalit community in public services, employment, education, health, and social security. Efforts will be made to preserve and develop their traditional professions and businesses. Likewise, land and housing will be provided to landless and homeless Dalit individuals. Budget has been allocated for various programs to ensure these rights.
284. Necessary arrangements will be made to utilize the means and resources of non-governmental organizations in areas of national needs and priorities through the Social Welfare Council. Regulatory functions will be strengthened to ensure the orderly and transparent operation of non-governmental organizations. Monitoring and evaluation of programs implemented by international non-governmental organizations will be made effective.

Social Security

285. Social security will be guaranteed at all stages of the life cycle by encompassing all rituals from pregnancy to death, with the slogan of "**social security from womb to tomb**," to achieve the objective of a welfare state. The scope of social security will be expanded to include education, health, technical skills, employment opportunities, and protection for the elderly.
286. I have continued the monthly allowance of Rs. 4,000 to senior citizens who have reached the age of 68 in the current fiscal year. Budget has been allocated for the continuation of providing social security allowances for Dalits who have reached 60 years, single women, the poor, marginalized groups and communities, and children. The social security program will be continued, including scholarships, healthcare, and health insurance, among others. A budget of Rs. 157.73 billion has been allocated for social security programs, including allowances for senior citizens.
287. A sustainable resource management policy will be adopted for the implementation of the social security program. Existing programs will be consolidated, duplications will be eliminated, and the program will be targeted towards specific groups to enhance its effectiveness. The expansion and improvement of social security will be aligned with the expansion of resources.
288. I have continued the provision of subsistence allowances to the families of martyrs and the injured, as well as scholarships to the descendants of martyrs of the people's movement.
289. Necessary arrangements will be made to carry out vital registration at the ward level through an electronic system. Social security allowances will be directly transferred to

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beneficiaries' accounts by integrating the Social Security Information System with the Computerized Government Accounting System and Treasury Single Account system.

Transport Infrastructure

290. Investments will be focused on profitable, economical, secure, quality, and sustainable transport infrastructure to enhance the well-being of citizens and lay the foundation for economic development.
291. The expansion of the East-West Highway to four lanes will be accelerated. The expansion and upgrading of the Narayangarh-Butwal and Kamala-Kanchanpur sections will be completed in the next fiscal year. The upgrading of the Kamala-Dhalkewar-Pathlaiya, Butwal-Gorusinge, Kakadbhitta-Laukahi, Pathlaiya-Narayangadh, and Lamahi-Bhaluwang road sections will commence. Construction of signature bridges over the Narayani River and Tinau River will begin. A budget of Rs. 31.02 billion has been allocated for the expansion and upgrading of the East-West Highway.
292. A budget of Rs. 3.96 billion has been allocated to construct and upgrade 12 different sections, including Panchthar, Ramechhap, Nuwakot, Parbat, Baglung, and Jajarkot, of the Mid-hill Highway project.
293. A budget of Rs. 3.49 billion has been allocated to construct and upgrade eight sections of the Hulaki Highway in different districts of Terai Madhesh.
294. A budget of Rs. 2.41 billion has been allocated for the construction and upgrading of sections in Ilam, Sunsari, Gulmi, Rolpa, Surkhet, Kailali, and Dadeldhura as part of the Madan Bhandari Highway.
295. The construction of the Kathmandu-Terai-Madhesh Expressway has been initiated to complete by second week of April 2026. The remaining unawarded section of the expressway will be awarded in the next fiscal year. A budget of Rs. 22.50 billion has been allocated for the Kathmandu-Terai Madhesh Expressway project.
296. Simikot, the headquarters of Humla district, which is yet to be connected to the national road network, will be linked by completing track opening work. A budget of Rs. 970 million has been allocated for the construction of the Khulalu-Salisalla section and Hilsa-Simikot section of the Karnali Corridor. The damage caused by floods and landslides on the Karnali highway will be rehabilitate and upgraded.
297. An additional 60 kilometres of the Gaidakot-Ramdi-Baglung section and the Beni-Jomsom-Korola section of the Kaligandaki corridor will be upgraded and paved. A budget of Rs. 1.58 billion has been allocated for the construction of the Kaligandaki Corridor.
298. A budget of Rs. 800 million has been allocated for the construction and upgrading of the Koshi Corridor. I have arranged the budget to initiate the construction of the Chatara-Leguwa section of the Arun Corridor.

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299. A budget of Rs. 450 million has been allocated for the upgrading of the Bramhadev-Jhulaghat-Darchula and Darchula-Tinkar road sections of the Mahakali Corridor. A budget of Rs. 300 million has been allocated for the construction of the Tikapur-Lode-Chainpur and Chainpur-Taklakot sections of the Seti Highway. A budget of Rs. 250 million has been allocated to prioritize the construction of the Khutiya-Dipayal-Chainpur-Uraibhanjang road. A budget of Rs. 300 million has been allocated to upgrade the Daiji-Jogbudha-Dadeldhura road.
300. The construction and upgrading of the Jajarkot-Dunai section under the Bheri Corridor will continue. A budget of Rs. 500 million has been allocated for the Bheri Corridor project.
301. A budget of Rs. 900 million has been allocated to expedite the upgrading of the Dang-Salyan-Rukum section of the Rapti Highway. Budget has been allocated for the upgrading of the Kohalpur-Surkhet and Butwal-Palpa-Pokhara road sections.
302. A budget of Rs. 800 million has been allocated for the construction and upgrading of the 11 Kilo-Chhepetar-Bhaluswara-Barpak road. A budget of Rs. 340 million has been allocated to upgrade the Dumre-Besishahr-Chame Manang road.
303. A budget of Rs. 500 million has been allocated to complete the repair and upgrading work on the Tinpiple-Ranipauwa road section of the Pasang Lhamu Highway in the upcoming fiscal year, which has been pending for a long time. Budget has been allocated for the upgrading of the Ranipauwa-Pipaltar road section of this highway.
304. A budget has been allocated for the upgrading of the Katari-Ghurmi road section. A budget of Rs. 800 million has been allocated to continue the construction work on the Suwang Khola-Ganesh Chowk and Olangchungola-Timtala sections of the Tamor Corridor.
305. A budget of Rs. 5.13 billion has been allocated to complete the construction of the Nagadhunga tunnel in the upcoming fiscal year. The upgrading work on the Nagadhunga-Naubise road section will be completed. A budget of Rs. 2.16 billion has been allocated for the construction and upgrading of a 25 km road section in the Naubise-Mughling section. A budget of Rs. 5.42 billion has been allocated for the widening of a 50 km section of the Mugling-Pokhara road.
306. The remaining work on the upgrading of major trade routes connecting the Indian border, including the 6-lane Belhia-Butwal, Birganj-Pathalaiya, and Mohana-Attaria sections, will be completed. The upgrading and extension of the Rani-Biratnagar-Dharan road will continue. Budget has been allocated for trade route projects. A budget of Rs. 760 million has been allocated for the upgrading and widening of the Chandrapur-Gaur Road.
307. Upgradation of the Galchi-Trishuli-Betravati-Meilung-Safರುವेशी-Rasuwegadhi road, which is one of the cross-border trade routes, will be continued. A budget of Rs. 510 million has been allocated for this project.
308. The construction of 150 bridges under highways and strategic roads will be completed. I have allocated Rs. 2.08 billion for the construction of bridges.

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309. The necessary budget has been allocated to proceed with the expansion of the Suryavinayak-Dhulikhel road section. A budget of Rs. 2.07 billion has been allocated to expedite the expansion and construction of the Kalanki-Basundhara section of the Kathmandu ring road.
310. Flyovers and underpasses will be constructed on national highways as needed. The construction of the flyover at Gwarko will be completed in the next fiscal year. The construction of flyovers and underpasses will be initiated at Koteshwar, Satdobato, and Ekantakuna.
311. The feasibility study of the Tokha-Chhahare tunnel route has been completed. I have allocated Rs. 1 billion to proceed with the construction after the completion of the detailed project report and environmental impact assessment. The construction work on the Siddha Baba Tunnel route will be accelerated.
312. The necessary budget has been allocated for the periodic repair and upgrading of approximately 350 km of roads, as well as for the regular maintenance of about 7800 km of highways, to keep the national highway in good condition.
313. The construction work on the Bardiwas-Nijgadh section of the East-West Railway will continue. A detailed study report will be prepared for the Birgunj-Kathmandu Railway and the Rasuwagadhi-Kathmandu Railway.
314. The classification and standards of national highways, provincial highways, strategic roads, urban roads, and local and rural roads will be periodically revised.
315. Public transport services will be made accessible, safe, reliable, and environmentally friendly. Measures will be taken for road safety checks to reduce accidents by developing a safe road network. Crash barriers will be installed on turns and narrow roads locating accident-prone areas. Smart traffic lights will be installed at 44 busy intersections within the Kathmandu Valley.
316. I have allocated Rs. 131.59 billion for the Ministry of Physical Infrastructure and Transport.

Housing and Urban Development

317. I have focused the budget of urban development to ensure the provision of quality urban infrastructure services and facilities for the construction of safe, clean, well-managed, and economically dynamic cities.
318. I have allocated Rs. 2.19 billion for the construction of infrastructure in the New City Project, including Basantpur, Khurkot, Chaurjahari, and Baitadi-Patan. The construction work will progress after the formulation of the master plan for integrated urban development in the Bheriganga Valley of Surkhet district.

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319. I have allocated Rs. 8.04 billion to complete the urban infrastructure projects under the intensive urban development program. Infrastructure development programs, including road and sewer construction in densely populated urban areas, will be implemented.
320. I have allocated a budget of Rs. 1.13 billion to develop integrated urban infrastructure in the main tourist cities of Pokhara, Janakpur, and municipalities in the Lumbini Corridor. A cycle lane will be constructed in the Sauraha area of Chitwan.
321. I have allocated Rs. 1.26 billion to construct houses for the extremely poor, Dalits, endangered communities, marginalized tribes, and communities Under the Janata Awas program. A budget of Rs. 790 million has been allocated to replace thatch, straw, and thatched roofs of 10,000 residential buildings with zinc sheets or other permanent materials under the Safe Citizen Housing Program.
322. The construction of the Federal Parliament Building will be completed in the next fiscal year. I have allocated Rs. 1.22 billion to complete the remaining works, including the internal infrastructure of the building.
323. I have allocated Rs. 580 million to complete the construction of local level administrative buildings under cost sharing.
324. The Bagmati river cleaning campaign will continue with a thought - **Glory of Bagmati River, Upliftment of Civilization**. The construction of the Nagmati Dam will be initiated in the Shivpuri National Park area to conserve water bodies in the Kathmandu Valley and ensure a minimum flow of water in the Bagmati River even during the dry season. Unauthorized settlements along the banks of Bagmati and Bishnumati rivers will be removed by providing alternative arrangements for genuine squatters in coordination with the local level.
325. The restoration work of ten archaeological sites, including Singha Durbar Western Section, Babar Mahal, and Kesar Mahal, will be completed as part of post-earthquake reconstruction.
326. The construction work of assembly halls in nine locations, including Gorkha and Nepalganj, will be completed. The completed assembly halls will be handed over to local levels for operation.
327. Government building standards will be formulated and implemented to ensure uniformity in the architecture, form, structure, and standards of government buildings. Budget will not be allocated for the construction of government buildings that do not adhere to approved standards. An arrangement will be made for full compliance of the Nepal National Building Code at all three levels of government with its timely revision.
328. A comprehensive master plan will be prepared for the urban development of the Kathmandu Valley. Residential areas together with open spaces, green parks, and organized infrastructure will be developed in Godavari, Sunakothi, Tarakeshwar, Ichangunarayan, and Chandragiri municipalities to facilitate orderly urbanization within the Kathmandu Valley.

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329. Necessary infrastructure for waste management will be constructed with the technical support of the Nepal government and the partnership of provinces and local levels.
330. The concept of utility corridors will be implemented in the infrastructure construction of urban areas. It will address the issue of unorganized infrastructure such as wires and poles and eliminate duplication of expenditure.
331. Support will be provided for the development of infrastructure in the capital of Lumbini Province. The construction of integrated offices and urban infrastructure will commence in the administrative centre of the district headquarters of Nawalpur and Rukum East.
332. Legal provisions will be made to restructure and operate the Urban Development Fund in a manner that involves ownership by the federal, provincial, and local levels, as well as financial institutions.

Rural Development

333. Rural settlements will be developed as small market centres based on their economic potential to enhance the inter-linkages between urban and rural economies.
334. The local level centres that are currently not connected by paved roads will be linked to the centre of their respective province or the nearest national highway within the next three years. I have allocated Rs. 2.15 billion for this program, which will be implemented through cost sharing among the federal, provincial, and local levels.
335. The construction of suspension bridges in remote areas will be promoted based on ease of movement and feasibility. Six hundred additional suspension bridges will be built in the next fiscal year. I have arranged Rs. 5.83 billion for this.
336. I have allocated Rs. 1.50 billion for the construction and upgrading of local and rural roads and alternative highways.
337. Continuing the Tarai Madhes Prosperity Program, which aims to develop local infrastructure such as roads, sewers, drinking water, river training, and community buildings in the Terai Madhes districts, a budget of Rs. 700 million has been allocated.
338. I have continued the prosperity program for the highlands and Himalayan regions to accelerate the economic and social development of the Upper Hilly and Karnali region and fully utilize their natural potential. Continuing the Karnali Samriddhi program, a budget of Rs. 870 million has been allocated for this program.
339. I have allocated Rs. 66.17 billion for the Ministry of Urban Development.

Irrigation

340. With the slogan "**Investment in Irrigation, Water in Farms,**" priority will be given to the construction of large, multi-purpose projects with reservoirs and waterways to provide sustainable and reliable irrigation facilities, aiming to increase production and productivity

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in the agricultural sector. I have selected the projects prioritizing development of surface, underground, and new technology irrigation systems to ensure year-round irrigation to cultivable land.

341. The regular maintenance and operation of the West Main Canal of the Sikta Irrigation Project will be continued. The 37 km canal towards the eastern main canal will be operationalized, and the construction of another 53 km will be initiated. I have allocated Rs. 800 million for this project.
342. Under the Rani Jamra Kularia Irrigation Project, the first phase will irrigate 14,300 hectares of land by operating branch canals and providing year-round irrigation facilities. Irrigation facilities will be extended to an additional 1,500 hectares of land through branches and branch canals of the Lamki main canal. I have allocated Rs. 2.63 billion for this project.
343. The west main and branch canals of the Babai irrigation project will be expanded to provide irrigation services to an additional one thousand hectares of land. I have allocated Rs. 630 million for this project.
344. The construction of the Mahakali Irrigation Project will be expedited. The construction of branch canals will be initiated to provide irrigation facilities to 2,900 hectares of land in the Brahmadev area of Kanchanpur district. I have allocated Rs. 1.17 billion for this project.
345. Tunnel construction of the Sunkoshi-Marin Diversion Multi-Purpose Project, aimed at providing year-round irrigation services to 122,000 hectares of land in the Central Terai, will be completed. Work on the headworks of the project will be proceeded rapidly. I have allocated Rs. 4.17 billion for this project.
346. An arrangement will be made to provide year-round irrigation to 51,000 hectares of land in Bardia and Banke districts with prompt completion of the construction of the headworks and power house of the Bheri-Babai diversion multi-purpose project. I have allocated Rs. 1.74 billion for this.
347. The construction of a modern mechanical irrigation project will be initiated, utilizing an underground water source to irrigate a 22,000-hectare area in Sarlahi and Rautahat districts.
348. The extension works of the main canal in the Praganna and Wadkapath irrigation projects in the Deukhuri valley of Dang district will continue. Irrigation facilities will be provided to approximately 3,000 hectares by restoring and reconstructing the irrigation system of the Brihat Dang Valley Irrigation Project. Additionally, irrigation facilities will be provided to approximately 600 hectares of land through the construction of ponds and deep tube wells.
349. The Integrated Karnali Irrigation Development Project will be implemented to provide surface and lift irrigation facilities in all ten districts of Karnali Province. It is believed that the project will protect and expand local crops and help to increase agricultural production in the Karnali province.

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350. A budget has been allocated for the maintenance and rehabilitation of Sunsari-Morang, Chandra Nahar, Bagmati, Narayani, and other large irrigation systems to ensure their full capacity operation.
351. In the next fiscal year, projects will be implemented to expand irrigation services to an additional 18,400 hectares of land.

Watershed Protection and River Training

352. In cooperation with the provincial government, a program for effective control of landslides and rivers vulnerable to erosion, siltation management, protection of watercourse areas and lake basins will be conducted. The land reclaimed through river training and protection programs will be utilized for productive purposes.
353. I have allocated Rs. 1.65 billion for the control and management of floods and landslides in rivers such as Mahakali, Karnali, Narayani, Koshi, Triyuga, Kamala, Rapti, Kayar, Khado, Babai, Mohana, Khutia, Sunsari, Kankai, and Ratuwa-Mawa.
354. The bilateral mechanism between Nepal and India concerning water resources will be made more active and effective. Efforts will be made to resolve erosion and flooding issues in the border areas through diplomatic initiatives.
355. I have allocated funds for construction to beautify the riverbank of the Narayani River and create an attractive park.

Energy Sector

356. To ensure electricity access for all within two years, micro and small hydropower projects and the adoption of renewable energy technologies such as solar and wind power will be expanded, especially in remote areas where the national transmission line does not reach. Per capita electricity consumption will be increased to 450 kilowatt hours with aim to reduce fossil fuel imports significantly.
357. Approximately 900 MW of electricity will be added to the national grid or transmission system in the next fiscal year, including the completion of projects promoted by the Nepal Electricity Authority such as the 111 MW Rasuwagadhi, 102 MW Central Bhotekoshi, and 42.5 MW Sanjen hydropower projects, as well as hydropower and solar projects initiated by the private sector. The total electricity production will reach 3,600 megawatts by the end of the next fiscal year.
358. Project development agreements (PDAs) for strategically important projects like the West Seti Hydropower Project, Seti River 6 Project, and Lower Arun Project will be signed, and development work will be commenced.
359. The investment modality for reservoir-based hydro projects such as the Budhigandaki (1200 MW) and Dudhakoshi (635 MW) projects will be determined, and development work will begin to meet the electricity demand during the dry season and for export purposes.

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360. Hydro projects like Upper Arun (1061 MW), Chainpur Seti (210 MW), Jagdulla (106 MW), Tamakoshi Fifth (99.9 MW), Simbua River (70.3 MW), and Ghunsa River (77.5 MW) will be initiated under the co-financing modality of all three tiers of government.
361. The promotion of green energy utilization will discourage the use of conventional energy sources and imported fossil fuels, aiming to achieve the goal of net zero carbon emissions by 2045. The adoption of clean and affordable technologies such as biogas, biodiesel, ethanol, solar energy, electric stoves, and improved stoves will be encouraged. I have allocated Rs. 1.74 billion for the promotion of alternative energy.
362. Charging stations will be expanded, and private sector financing will be facilitated to promote the use of electric vehicles.
363. The national and inter-country power transmission lines will be strengthened, expanded, and upgraded to enhance the reliability and effectiveness of the distribution system. Construction work for inter-country transmission lines with a capacity of 400 kV, such as the Butwal-Gorakhpur, Inaruwa-Purnia, and Dodhara-Bareilly lines, will commence.
364. The construction of the Karnali Corridor transmission line, based on the river basin and with a capacity of 400 kV, will be expedited. Construction work on the Bheri Corridor, West Seti Corridor, and Arun Corridor transmission lines will commence by managing the necessary financial resources. Construction of the Butwal-Lamhi-Dodhara, Lapsiphedi-Ratamate-Hetauda, and Ratamate-Damauli-Butwal transmission lines, with a capacity of 400 kV, will be undertaken.
365. I have allocated Rs. 38.32 billion for the improvement and expansion of domestic and inter-country transmission lines and distribution systems.
366. The restructuring process of the Nepal Electricity Authority (NEA) will continue, and legal arrangements will be made to enable NEA to mobilize loans as a commercial organization for electricity development and transmission purposes. The Hydroelectricity Investment and Development Company will also be restructured to enhance its effectiveness.
367. Hydropower will be developed as a significant source of export earnings, and legal arrangements will be made to allow private sector participation in the electricity business.
368. I have allocated Rs. 87.45 billion for the Ministry of Energy, Water Resources, and Irrigation.

Communication and Information Technology

369. Recognizing the importance of Information Technology and Communication as the foundation of modern life, the use of information technology will be made simple, easy, and accessible for citizens. Full freedom of the press will be guaranteed, ensuring the citizens' right to be informed.

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370. Internet broadband service with high-capacity optical fibre will be made accessible in all local level centres, public schools and campuses, and health institutions. The expansion of 4G service will provide high-speed internet access nationwide.
371. The Digital Nepal Framework will be implemented with necessary modifications. Digital literacy will be enhanced to expand the use and accessibility of Citizen Apps. The establishment of an Information Technology Knowledge Park in Khumaltar, Lalitpur, will commence.
372. An electronic data security policy will be formulated to regulate the security, storage, and use of electronic data. The budget has been allocated to expedite the construction of a data centre in Kohalpur and an internet exchange centre in Lalitpur. Feasibility studies for a data centre in Dharan and an internet exchange in Butwal will be initiated.
373. The National Cyber Security Center will be operationalized to minimize cyber security risks. Regulation and moderation of social networks, digital platforms, and digital media will be implemented. The legal framework for regulation will be improved while encouraging social media-based media to formalize their operations.
374. The postal service will be restructured, implementing the approach of one local level and one post office. Additional posts will be dissolved, and employees will receive retirement benefits. The Postal Savings Bank will be dissolved, and bank accounts currently operating in the bank will be transferred to a category "A" government bank.
375. Policy arrangements will be made for the shared use of telecommunication infrastructure to ensure systematic and cost-effective construction and utilization. High-capacity ducts will be utilized through underground structures when building telecommunication infrastructure.
376. Efforts will be made to develop Nepal as an attractive destination for film tourism. The construction of a film city and indoor studio will commence through public-private partnerships in Dolakha and Banepa.
377. Public welfare advertisements provided to the media will continue.
378. I have allocated Rs. 8.71 billion for the Ministry of Communication and Information Technology.

Climate Change and Disaster Management

379. Environmental protection, climate change adaptation, and mitigation activities will be integrated at every stage of project implementation, in line with the concept of a "green economy" and sustainable development principles. Disaster management programs will incorporate risk reduction and prevention measures.

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380. National goals related to climate change mitigation and adaptation will be achieved through coordination and cooperation between the federal, province, and local levels. The Nepal Climate Model Program will be conducted at forty-three different local levels.
381. Efforts will be made to enhance the reliability and trustworthiness of rainfall and weather forecasting and early warning systems. Three weather radar centres located in Surkhet, Palpa, and Udaipur will be fully operational.
382. The nine operational snow centres will be upgraded to provide fully automatic and immediate data for scientific studies on the effects of climate change and continuous monitoring of the snow system.
383. The capacity of the Nepali Army and Armed Police Force will be enhanced to facilitate immediate rescue operations during disasters. A volunteer bureau will be established and mobilized at the local level to increase community participation in disaster preparedness, search and rescue, relief, and rehabilitation. Entities involved in disaster response will be facilitated to obtain international recognition for search and rescue support groups.
384. A national multi-disaster early warning system and a multi-disaster risk assessment system will be established to reduce disaster risks. Information technology will be utilized to implement an early warning system to reduce disaster risks.
385. Settlements at risk from natural calamities such as floods and landslides will be identified, and displaced families will be relocated to safer areas.

Law and Justice

386. Access to justice will be enhanced ensuring further effectiveness of free legal services. A bill concerning the implementation of an integrated legal service policy will be presented in this session of the Federal Parliament. A human rights culture in governance will be developed through the effective implementation of fundamental and human rights.
387. The remaining aspects of the peace process will be concluded through the Commission of Inquiry into Disappeared Persons and the Truth and Reconciliation Commission.
388. Legislation will be formulated to control conflicts of interest and promote good governance.

National Security

389. The capability of the Nepali Army will be strengthened to protect Nepal's sovereignty, national independence, geographical integrity, national unity, and interests. The national security policy will be effectively implemented.
390. Self-reliance in the production of necessary security and defence materials for the country will be gradually achieved.
391. Adequate funds have been allocated for the Nepali Army's Bunker to Barracks Program, the construction of the Mass Casualty Treatment Center, and educational infrastructure.

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392. The development of dedicated, disciplined, and loyal youth manpower will continue through the National Service Team. Arrangements will be made to deploy youth capacitated by the National Service Corps in the fields of disaster management and humanitarian services.
393. Nepal's role in world peacekeeping will be enhanced in response to the United Nations' request. The Birendra Peace Training Center at Panchkhaal will be developed as a centre of excellence.

Peace and Border Security

394. All security agencies will be modernized, professionalized, made efficient, and resourceful to maintain law and order and establish a credible and reliable crime investigation system.
395. The latest technology will be employed to control all types of criminal activities, including organized crime, financial crime, suicide, violence, cybercrime, and illegal drug trafficking. I have allocated necessary budget to upgrade the digital forensic lab to international standards.
396. Restructuring of the police force will be initiated at the federal and provincial levels in accordance with the federal system of government.
397. Special security mechanisms will be mobilized to combat social crimes, including violence against women in public places.
398. Immigration services will be made simple, convenient, and effective through the use of modern technology. The process for e-Gates in immigration will be initiated following Feasibility studies.
399. The third phase of infrastructure construction at Central Jail Nuwakot will be commenced. The construction work for Regional Jail Nausta Banke will be completed and operationalized. The construction work for eight additional prison buildings, including Morang and Panchthar, will continue. Renovation of old prison buildings will also be undertaken. I have allocated necessary budget for the construction and maintenance of prison buildings.

International Relations

400. Free and balanced international relations based on universal equality, mutual benefit, and respect will be pursued to strengthen relations with friendly countries while safeguarding Nepal's independence, sovereignty, geographical integrity, and national interests.
401. Partnerships and cooperation with international, regional, and sub-regional organizations will be effectively pursued. The Sagarmatha Dialogue and Professor Yadu Nath Khanal Lecture Series will be organized to enhance the country's reputation in the international arena and facilitate policy formulation on contemporary issues.

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402. Economic diplomacy will be employed in areas such as foreign investment, trade facilitation, tourism promotion, development aid mobilization, and technology transfer. The number of diplomatic missions abroad will be reviewed.

Economic Planning and Statistics

403. The use of data will be increased for policy and plan formulation, monitoring, and evaluation at the federal, provincial, and local levels. The National Statistical Information System will be developed, maintaining inter-level and institutional coordination in the country's statistical activities.

404. The results and data obtained from the recently completed National Census 2021 will be utilized in formulating periodic plans and policies. Plans and programs will be formulated while considering changes in demographic patterns to make optimal use of demographic advantages. The Sixteenth Periodic Plan will be formulated based on the mid-term evaluation of the Fifteenth Plan.

405. Emphasis will be given to the collection, processing, and analysis of disaggregated data based on geographic, gender, social, and sectoral specifications. Big data will be promoted and good practices related to open data will be adopted.

406. Need identification, cost estimation, and the preparation of financial strategies will be carried out based on updated Sustainable Development Goals indicators and subsequently the national development program will be selected and implemented.

Financial Sector Reform

407. A conducive environment for investment in the productive sector within the country will be created by making the financial sector sound and strong. Access to capital for investment will be facilitated by reducing financial intermediation costs. The regulation of the financial sector will be strengthened by enhancing the capacity of regulatory bodies.

408. Access to financial services will be extended to areas where such services have not yet reached, such as urban-centred settlements and small market centres. Financial transactions will be promoted through new technologies, including online banking, mobile banking, and electronic payment systems. Easy access to finance will be provided to small farmers, cottage industries, small entrepreneurs, and start-up businesses. Financial literacy programs will be conducted.

409. Needful improvements/amendments to the laws and Acts pertaining to the financial sector, including the Nepal Rastra Bank Act and Bank and Financial Institutions Act, will be carried out with a view to making the financial sector modern and dynamic as well as to enhancing the regulatory systems. The Second Financial Sector Development Strategy will be implemented.

410. Necessary policy reforms will be carried out to extend banking services, financial institutions, insurance, and capital markets to the majority of people, following the concept

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of inclusive finance. This is to prevent the concentration of financial sector resources among a limited number of individuals, groups, or geographic locations. Government-owned banks and financial institutions will be restructured and further strengthened.

411. Encouragement will be given to inflow remittance income through formal channels. The facility of providing at least one percent additional interest for remittances sent through bank accounts will continue. Laborers who send remittances through formal channels will be associated with the Social Security Fund.
412. Remittance Bonds will be issued to attract remittances through formal channels, targeting Nepalese citizens who have gone abroad with labour permits. The inflow of such remittances will be utilized for infrastructure development.
413. The interest subsidy program for subsidized loans will be restructured based on the effectiveness study of subsidized loans in enhancing production, promoting employment, and fostering entrepreneurship. I have allocated Rs. 11.59 billion under this program for interest subsidy.
414. Microfinance Financial Institutions will be mobilized to provide financial access in remote and rural areas where banking services are currently unavailable. Microfinance Financial Institutions will be promoted as specialized provincial financial institutions. The Small Farmer Enterprise Development Program will be gradually implemented at all local levels through Small Farmer Development Microfinance Financial Institutions.
415. The regulation and supervision of the insurance sector will be strengthened and made effective. Qualitative insurance services will be expanded, and the payment system will be expedited by simplifying the insurance claiming process.
416. The establishment of insurance company branches in rural and remote areas will be encouraged. Insurance-related literacy will be enhanced in collaboration with insurance authorities, local levels, insurers, and other stakeholders in remote and rural areas.
417. The interests of investors will be ensured by promoting transparency and competitiveness in the capital market. Institutional investors will be encouraged to participate in the capital market. Measures will be taken to allow non-resident Nepalese to invest in hydropower and other real sector companies listed in the securities market. Securities instruments will be expanded and diversified.
418. The existing legal provisions related to securities will be periodically amended to strengthen and invigorate the capital market. The Commodities Exchange Market and SMEs Platform will be operationalized by establishing necessary infrastructure.
419. The Citizen Pension Scheme will be implemented for all self-employed Nepalis through the Citizen Provident Fund.

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420. Effective measures will be taken to control unprofessional and illegitimate activities that affect the stability of the financial sector. The grievances of victims of loan sharking will be addressed.

Anti-Money Laundering

421. Effective actions will be taken to prevent financial investment in money laundering, terrorist activities, and the production and proliferation of weapons of mass destruction aiming to ensure the stability and fairness of the economic and financial system.

422. Institutional strengthening, as well as amendments to related policies and laws, will be carried out based on including the suggestions received from the mutual evaluations. A new national anti-money laundering strategy will be developed and implemented.

Fiscal Federalism

423. The effectiveness of revenue distribution and fiscal transfers, as provisioned in the Constitution of Nepal, will be enhanced to strengthen fiscal federalism.

424. The project development and selection system will be made systematic and transparent by implementing the project bank and medium-term expenditure framework information system also at the provincial and local levels.

425. Capacity development programs related to public finance management will be conducted at the provincial and local levels. The monitoring of plans implemented at the provincial and local levels will be made effective by enhancing the capacity of the District Coordination Committee.

426. Arrangements will be made for the deposit of vehicle tax to be collected by the provincial government and distributed to local levels, and fee of registration of houses to be collected by Land Revenue Office and distributed to provincial and local levels in the subsequent levels within 15 days after each month's completion.

427. The Inter-Provincial Council, Provincial Coordinating Council, Inter-Governmental Fiscal Council and thematic committees will be made active and effective for the coordination and facilitation between federal, provincial and local levels.

428. The Local Government Operation Act, 2017, and the Inter-Governmental Fiscal Management Act, 2017, will be revised based on the experience gained up to now from the implementation of fiscal federalism.

429. A law will be formulated to clarify the procedure and guidelines for income-contract, including excavation of stone, gravel and sand. I believe, this will help make the income contract process systematic and transparent at the federal, provincial, and local levels.

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Public Enterprises

430. An investment policy will be formulated and implemented to ensure systematic and profitable share and loan investments made by the government in public enterprises. A policy will also be introduced to divest a certain percentage of shares of public enterprises, including Nepal Telecom and Nepal Airline Corporation. Management improvement process will be initiated by bringing strategic partners in the public enterprises that are consistently incurring losses and underperforming.
431. Transparent processes will be adopted to select qualified candidates while appointing director and chief executive in public enterprises. Standards will be established to ensure consistency in matters such as payments and benefits for directors and employees of public enterprises.
432. A policy will be adopted to operate public enterprises under a company structure. Feasibility studies and preparatory work for establishing a holding company will be undertaken to promote uniformity in the operation and management of government-owned enterprises, making them more professional and result-oriented. Due processes of liquidation of the closed or annulled corporations after account clearance will be completed.
433. Long-standing disputes of privatized companies will be resolved. The agreed-upon conditions of agreement during privatization will be enforced. Directors and investors who fail to comply with the agreements will face legal action.

Development Cooperation Mobilization

434. Development cooperation will be mobilized in areas that yield the highest returns based on national interests, needs, and priorities. Development cooperation will be reflected into the national budget system, gradually. Mobilization of grants and concessional loans that help to mitigate the domestic financing gap will be prioritized.
435. Dependency on aid will be gradually reduced by enhancing national capacity through the efficient use of development cooperation. The mobilization of technical assistance will be reduced by strengthening internal capacity.
436. A system will be developed to sign development assistance agreements only after the completion of all project development preparations.
437. Emphasis will be placed on developing competitive projects that prioritize quality in project preparation to minimize the impact of climate change and promote the development of a green economy, maximizing the utilization of foreign resources, including the climate fund.

Governance

438. The Federal Civil Service Act will be formulated to make the civil service competent, dynamic, service-oriented, and professional. Administrative coordination and interrelations

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between the federal, provincial, and local levels will be strengthened. The recommendations of the High-Level Pay Commission will be gradually implemented.

439. A high-level Administration Reform Commission will be formed and its recommendations will be implemented to make public administration efficient, economic and result-oriented. Public Administration will be made accountable and result-oriented by developing results-based performance system.
440. The concept of a paperless government will be realized by gradually implementing the integrated office management system in all federal central agencies of the Government of Nepal. Electronic means, including QR codes, will be utilized to facilitate the deposit of all fees and service charges related to public services into the revenue account.
441. Services such as the National Identity Card, passport, and driving license will be provided in two shifts as necessary to ensure easy access. Service delivery will be simplified, convenient, and technology-friendly by interconnecting digital systems used for service delivery, including the National Identity Card, passport, driving license, personal incident registration, social security, and immigration. Information systems of various government services will be integrated with citizen apps.
442. A zero-tolerance policy will be adopted to combat corruption. Individuals involved in corruption, irregularities, and misuse of government property will be brought under legal action. The role of constitutional bodies will be made more effective.
443. The management and records of government assets will be enhanced to safeguard national assets. Government assets such as buildings, land, and projects will be monetized. This initiative aims to generate revenue and value from unused and under-utilized government assets.
444. Arrangements will be made to expand the scope of the Provident Fund Healthcare Program being implemented by Employee's Provident Fund to include the spouses of the contributors as well.

Constituency Infrastructure Development Programme

445. I propose an allocation of Rs. 50 million to each electoral constituency for the Constituency Infrastructure Development Programme, addressing local development needs as anticipated by the people through their representatives. Under this programme, a minimum of Rs. 10 million will be allocated to each project across various sectors, which include road construction, irrigation, water supply, education, health, tourism, and sports. I have allocated Rs. 8.25 billion to this programme.

Right Honourable Speaker of the House of Representatives,
Right Honourable Chairman of the National Assembly,

I now seek your permission to present budget appropriation and resource management estimates for implementing sectoral policy and programmes as detailed above.

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446. I have allocated a total expenditure of Rs. 1,751.31 billion for the upcoming fiscal year. Of the total allocation, Rs. 1,141.78 billion (65.20 per cent) is assigned to current expenditure, Rs. 302.07 billion (17.25 per cent) to capital expenditure, and Rs. 307.45 billion (17.55 per cent) to financing. This expenditure estimate is 2.37 percent lower than the allocation for the current fiscal year, and 16.37 percent higher than the revised estimates. On total allocation, Rs. 4.08 billion is allocated for fiscal transfers to provinces and local levels.
447. Of the total estimated financing sources for the upcoming fiscal year, Rs. 1,248.62 billion will be financed through revenue mobilisation, and Rs. 49.94 billion will be received from foreign grants, which will leave a deficit of Rs. 452.75 billion. To bridge this deficit, Rs. 212.75 billion will be arranged as a foreign loan. The remaining net deficit of Rs. 240 billion, after considering revenue mobilisation and the foreign grant, will be financed through domestic borrowing.

Right Honourable Speaker of the House of Representatives,
Right Honourable Chairman of the National Assembly,

I now seek your permission to present the revenue policies and programmes for the fiscal year 2023/24.

448. A policy will be adopted to utilise the tax system for economic and social justice. The primary objective of the revenue policy will be to make revenue mobilisation sustainable, reliable, systematic, and predictable aiming to generate the necessary resources for the country's infrastructure development and to ensure citizen welfare and socio-economic justice; improve the standard of living by enhancing investment in and expanding citizen access to fundamental services and facilities, including education and health. To achieve the above objectives, the following revenue policy will be adopted.
- a) To gradually transform the import-based revenue structure towards direct tax and domestic production-based.
 - b) To enhance entrepreneurship, attract internal and foreign investment, and protect and promote domestic industries through the revenue policy.
 - c) To improve the industrial and business environment of the country by ensuring the conceptual stability of the tax policy.
 - d) To broaden the tax base by bringing all taxable transactions under the tax net, safeguarding taxing rights, and discouraging all types of informal and illegal economic activities and abuse of policy loopholes.
 - e) To enhance voluntary tax participation and compliance by making the revenue system technology-friendly, automatic, transparent, and taxpayer-friendly, and
 - f) To make the campaign against all types of fraud, evasion, and leakage control effective by making necessary legal reforms and maintaining effective coordination between agencies responsible for revenue leakage control.

Reform in Tax System

449. A high-level committee will be formed for the reform of the existing tax system.

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- 450. Interoperability between institutional information systems will be maintained and made automatic to integrate and utilise information pertaining to economic transactions.
- 451. I have timely revised the list of value-added tax exemptions by abolishing the excise duty on one-third of the items subject to excise duty under the self-removal system.
- 452. Arrangements have been made for taxpayers who are registered under Value Added Tax and whose annual business totals up to Rs. 10 million, to now submit tax and tax details every four months instead of the current provision of monthly submission. This is to reduce the tax participation cost and time, making it more convenient for small taxpayers.
- 453. Taxpayers with more than 250 million transactions per year will be incorporated into the Central Billing Monitoring System by further fortifying the information system. This will be done by setting a minimum limit on the transaction amount according to the nature of the transaction and making arrangements to issue invoices mandatorily through an electronic system.

Industrial and Business Environment Reform and Investment Promotion

- 454. The revenue policy will be revised in a timely manner to protect and promote domestic industries.
- 455. The Nepal National One Window System will be extended to all related agencies and its sustainability will be ensured to reduce time and costs related to international trade.
- 456. With the aim of creating a favourable environment for domestic and foreign investment, the existing tax exemption facilities have been reviewed based on their impact. This is to adopt an investment-friendly tax policy and to make revenue mobilisation effective.
- 457. Effective coordination, cooperation, and communication systems will be established among agencies involved in supply chain management at border points, by utilising national and local trade facilitation mechanisms.
- 458. I have revised the customs duty of some raw materials to lower the customs duty of industrial raw materials imported by the industry to at least one level below that of finished goods.

Policy and Legal Reform

- 459. To create an industrial and business-friendly environment in the country and facilitate trade, a new Customs Act and Customs Tariff Act will be formulated and implemented. This will make processes such as imposing customs duties, determining tariffs, setting or changing customs duties, more transparent, predictable, and compatible with international good practices.
- 460. Arrangements will be made to allow taxpayers to issue invoices for the sale of goods and services through the Central Billing Monitoring System, by improving the aforementioned system of the Internal Revenue Department. I anticipate that this will simplify transaction

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accounting, making it systematic and reliable, and reducing the tax participation cost for taxpayers.

461. An arrangement has been made to refund the value-added tax and excise duty paid on the purchase of raw materials by industries that produce and export goods exempted from value-added tax and excise duty.
462. Arrangements will be made to redistil the 'Extra Neutral Alcohol' spirit, promoting the export of Nepali brands of liquor to the international market by producing quality liquor.
463. Starting from April 14, 2023, gutkha and tobacco industries will be required to use biodegradable packaging materials instead of plastic when packing products subject to excise duties. This is to contribute to environmental pollution control.
464. Monitoring and regulation will be enhanced through the timely review of non-tax revenue rates. An umbrella law related to non-tax administration will be formulated and implemented to make the non-tax revenue system cost-effective, transparent, scientific, and systematic.

Technology, Guidelines and Administrative Reforms

465. Voluntary tax participation and tax compliance will be enhanced by making revenue administration fair, transparent, technology-friendly, professional and taxpayer-friendly.
466. Arrangements will be made to provide tax clearance certificates with QR codes in an automated way to all taxpayers according to the policy of integrating the services provided by the tax administration into an automatic system.
467. The custom clearance system will be made simple and transparent by arranging for the electronic submission of all types of documents to be submitted to customs. The use of modern equipment will be increased in clearance of goods and passengers.
468. Custom labs will be capacitated to test endangered wildlife and plants, substances that destroy the ozone layer, and prohibited and harmful items that have an adverse effect on the environment.
469. The system of an automatic tax refund to the bank account will be arranged through the green channel in order to simplify and make the system of refund of value-added tax received by the diplomatic mission more efficient and effective.
470. E-assessment system based on electronic system will be introduced as per international practice in Tax Audit to enhance voluntary tax participation and control tax evasion.
471. Arrangements will be made to mention the permanent account number compulsory of the relevant educational consultancy institution when taking a no-objection certificate to study abroad through an educational consultant and sending foreign currency from a bank to a foreign university.

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472. The provision of submission of mandatory permanent account number and tax clearance certificate to the relevant regulatory body will be implemented effectively when renewing the professional certificate of the person involved in the profession.
473. Tax base will be expanded through linking permanent account number with the national identity card. A permanent account number will be made mandatory while operating accounts in banks, financial institutions, and cooperatives.
474. The provision to take permanent account number and TDS filling through electronic means by all the governmental agencies of the federal, province, and local levels will be made mandatory and implemented it effectively. An automatic system will be developed and implemented to deduct and file tax while making government payments.

Revenue Leakage Control

475. Tax base will be expanded and leakage control will be made effective by interlinking integrated tax system operated by the Inland Revenue Department for tax administration, Asycuda used by the Department of Customs for cargo inspection and monitoring system of goods and transportation vehicles used by the Department of Revenue investigation by January 14, 2024, and making exchange information automatic.
476. An online valuation database will be developed and integrated into the valuation system to make the customs valuation based on transactions and realistic.
477. Agencies related to revenue leakage control will be activated and mobilized in a coordinated manner. Necessary legal reforms will be made to control commercial fraud and use of false and fake invoices. Joint patrols under the leadership of officials appointed by the Ministry of Finance or the Department of Customs will be made effective in controlling illegal exports and imports from non-customs checkpoints.
478. The post-clearance audit will be made effective by restructuring the customs clearance office.
479. Arrangements will be made for the gradual relocation of liquor and tobacco industries to industrial corridors or industrial areas.
480. Transfer pricing will be controlled through measures to prevent tax erosion, profit shifting, and income splitting.

Discounts and Concessions

481. In order to protect the interests of consumers by controlling and discouraging the use of low quality, fake and illegally imported goods, I have arranged for the packaging of goods imported after 17 July 2023 to be sent to the market only with the label of the importer and market distributor.
482. I have cancelled the 170-discount rate of value added tax and 340 discount rate of excise duty to expand the tax base by reviewing the discount and concession system.

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483. It was arranged that the Nepalese citizens who have gone to foreign employment with a labour permit and returned after working for at least six consecutive months from 15th May 2023 can bring one more mobile phone set to the tariff facility in addition to the one they are using. From the coming fiscal year, I have given a customs duty exemption to a television set of any size brought by a person who has joined the social security fund and returned from working abroad for at least twelve consecutive months.
484. In order to protect the domestic production of industrial goods that are self-reliant in the country, I have increased the duty on the import of some goods. Also, in order to promote the production of the indigenous industry, the agreement will not be made to exempt the import duties of the goods that are sufficiently available in the country, such as cement, iron rods, iron pipes and plastic pipes, zinc sheets, electrical cables, etc., which are required for the projects to be signed after the 17th of July 2023. I have made an arrangement that the indigenous industry can sell such goods to the project by giving a discount on value-added tax and excise duty.
485. For the protection and promotion of micro, domestic and small-scale industries, I have arranged that only one percent customs duty will be levied on the mills/machinery imported by such industries for their production purposes except for domestic purposes.
486. I have made arrangements for the concerned mobile phone users to pay a one-time fee and register by 16th July 2023 who are in use in Nepal till May 29, 2023, but could not be registered in the mobile device management system implemented by the Nepal Telecommunication Authority for various reasons.
487. I have made a modest increase in the rate of income tax applicable to natural persons with annual income of more than fifty lakh rupees.
488. I have arranged a 50 percent discount on the tax on the income received in foreign currency to those who earn foreign currency by exporting services such as business process outsourcing, software programming, and cloud computing in information technology.
489. In order to bring the non-residents who sell electronic services in Nepal under the scope of taxation, I have arranged to waive applicable fees, interest and additional duties if they file and pay the value added tax of up to the mid-June, 2023 by 10 July, 2023.
490. I believe that the mentioned initiatives in the tax system of the country, encompassing significant policy, legal, regulatory, and administrative reforms, efforts to promote industrial and business activities, steps taken to combat revenue evasion, and measures undertaken for economic expansion, strive to create a just society by extending the scope of taxation, providing facilities that contribute to overall economic development, and instilling confidence in the minds of the poor, small entrepreneurs, and all stakeholders in the entire economic

Right Honourable Speaker,
Right Honourable Chairman,

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491. I have presented the actual expenditure for the fiscal year 2021/22, the revised estimates for the fiscal year 2022/23, and the estimated expenditure for the fiscal year 2023/24, along with the details of projected income and expenses in the schedule. I have also presented a statement on technical assistance to be received from international development partners, and the assistance to be mobilized through international non-governmental organisations.
492. I am optimistic that the implementation of the budget for the upcoming fiscal year will stimulate investment, increase employment opportunities, and contribute to sustainable, broad, and inclusive economic growth.
493. I am confident that financial discipline will be maintained and the efficacy of capital expenditure will be enhanced through the proposed reforms related to public finance, helping to build long-term capital. Furthermore, I anticipate that the implementation of the revenue policy proposed in the budget will enhance the revenue system, improve efficiency in revenue administration, control leakages, and mobilise revenue according to the target.
494. I anticipate achieving an economic growth rate of 6 percent in the upcoming fiscal year through the implementation of the policies and programmes outlined in the budget. There is an expectation that inflation will be capped at 6.5 percent. To attain the objectives set forth in this budget, the Nepal Rastra Bank will formulate monetary policies that support and align with these goals.
495. I would like to express my profound gratitude to the honourable members of the House of Representatives and the National Assembly for their guidance through the in-depth discussions on the principles and priorities of the budget during its formulation. My sincere thanks also go to the parliamentary committee, political parties, economists, sociologists, development experts, subject experts in various fields, national service employees, the private sector, the cooperative sector, civil society, the media, non-resident Nepalis and ordinary Nepali citizens who provided invaluable suggestions during the budget preparation. I extend my heartfelt thanks to the taxpayers who have contributed to the country's overall development, the private sector, and the international development partners who have continuously supported Nepal.
496. I am confident that the implementation of this budget, presented with the aim of achieving prosperity through economic and social development and building a prosperous Nepal by ensuring good governance and social justice, will receive the constructive support from all parties involved.

Thank you!

Jay Nepal!