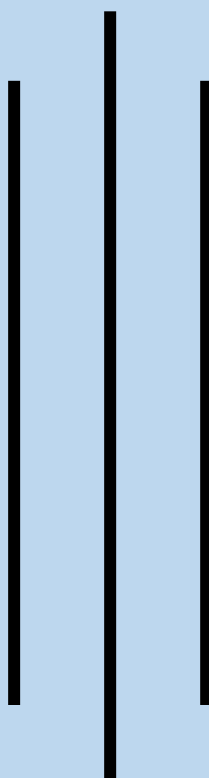




Budget Speech of Fiscal Year 2025/26

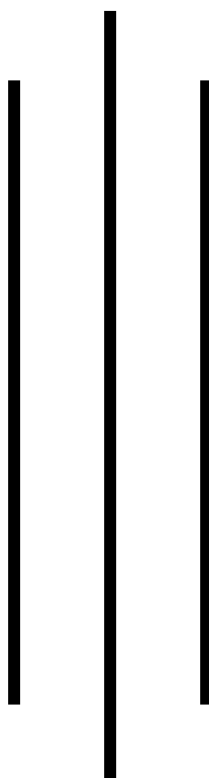


Government of Nepal
Ministry of Finance
2025

Presented by the Hon'ble Deputy Prime Minister and Minister of Finance,

Mr. Bishnu Prasad Paudel,

in the joint meeting of the Federal Parliament



Budget Speech of Fiscal Year 2025/26

Government of Nepal

Ministry of Finance

2025

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Right Honourable Speaker of the House of Representatives,

Right Honourable Chairperson of the National Assembly,

1. I feel honour to present the budget for the fiscal year 2025/26 in this esteemed session of the Federal Parliament, the highest representative institution of the sovereign Nepali people.
2. On this occasion, I offer heartfelt tributes to the brave martyrs who sacrificed their lives in the movements for the abolition of monarchy and the establishment of a federal democratic republic. I express my sincere respect to the esteemed leaders who played a leading role in those movements and to the sisters and brothers who contributed from their respective capacities.
3. With the promulgation of the Constitution of Nepal by the Constituent Assembly, the main agenda of Nepali politics has been changed. The revised agenda has been guiding us to move forward at a rapid pace toward development, prosperity, social justice and socialism based on democratic values, in line with the national aspirations of a **Prosperous Nepal, Happy Nepali**.
4. However, in recent years, we have the bitter experience of the country's political situation becoming unexpectedly unstable, which has created an adverse effect on service delivery, good governance, and the pace of development, as well as making it challenging to address the needs of the nation and the expectations of the people.
5. Our own experience has shown that with appropriate policies and political stability, the country can be taken forward towards development, prosperity, and social justice. We also have evidence that an average economic growth rate of 7.7 percent was achieved over a three-year period for the first time in history, after the promulgation of the constitution by the Constituent Assembly.
6. Based on this experience, the current government has been formed with the determination to ensure political stability, and accelerate economic and social development. This government was formed under the leadership of two major political parties who have proud history and broad public support, and who have been playing a leading role in national politics. It is clear that there is no other favorable option for political stability and development within the limits of the current parliament's mathematical calculations.

Right Honourable Speaker, Right Honourable Chairperson,

Now, I would like to briefly mention the current status of the economy.

7. When the current government was formed, the macroeconomic indicators clearly indicated that the economy was under pressure. With the continuous efforts, the economy has moved towards a positive trajectory. The economic growth rate was 3.7 percent last year and is projected to be 4.6 percent in the current fiscal year. While the industry, construction, wholesale and retail trade sectors had negative growth rates in

the last fiscal year, all sectors of the economy are projected to have positive growth rates in the current fiscal year. Notable growth rates are projected to be achieved in electricity, transportation and storage, and financial and insurance services.

8. By the end of mid-May in the current fiscal year, an additional 339 MW of electricity have been generated. As of mid-May 2025, the number of tourist arrivals has increased by 13 percent compared to the same period of last year, reaching 923 thousand.
9. The year-on-year consumer inflation rate was 4.6 percent when the government assumed office whereas it is confined to 3.4 percent by the month of mid-April in the current fiscal year. While the per capita gross domestic product was USD 1,443 last year, it is estimated to reach USD 1,496 in the current fiscal year.
10. In the first nine months of the current fiscal year, the current account has recorded a surplus of Rs. 210 billion. The balance of payments surplus is Rs. 346 billion. The total foreign exchange reserves have reached USD 17.63 billion in the first nine months of the current fiscal year which was USD 15.27 billion at the end of the previous fiscal year.
11. In the first nine months of the current fiscal year, merchandise import has increased by 12.2 percent, while export has surged by 65.2 percent. Additionally, remittance inflow has increased by 10 percent, reaching Rs. 1,191 billion.
12. The credit growth rate of banks and financial institutions was 5.8 percent last year whereas it is increased by 7.1 percent during the first nine months of the current fiscal year. In the same period, deposits in banks and financial institutions have increased by 5.7 percent.
13. The average base rate of commercial banks was at 8.5 percent in mid-April of the previous year and it is maintained at 6.3 percent in mid-April 2025. The decline in interest rate and the availability of sufficient loanable financial resources in banks and financial institutions have created a favorable environment for the expansion of private investment. The NEPSE index reached 2,662 in mid-April 2025 which was 2,025 in mid-April, 2024.
14. The revised estimate of the total government expenditure is Rs. 1,662.37 billion in the current fiscal year, which is 89.4 percent of the allocation. The revised estimate for recurrent expenditure is 88.5 percent and for capital expenditure is 83.4 percent, and for financing is 97.6 percent of the allocation.
15. Revenue mobilization is estimated to increase by 17.1 percent, totaling Rs. 1,267.39 billion in fiscal year 2024/25. On foreign assistance, the revised estimate is Rs. 34.89 billion in grants and Rs. 169.6 billion in loans to be mobilized.
16. For the current fiscal year, domestic borrowing was estimated at Rs. 330 billion, of which Rs. 300.6 billion had been mobilized by mid-May, 2025.
17. I have already submitted Economic Survey 2024/25 that includes detail status of key indicators and statistics of Nepal's economy, ministry-wise progress report and the financial status of public enterprises to this esteemed parliament.

Even though economic indicators are improving, Nepal's economy has not been able to be free from the structural challenges and past weaknesses.

Right Honourable Speaker, Right Honourable Chairperson,

Please allow me to describe the existing major challenges of national economy.

18. The country has been listed on the increased monitoring list for anti-money laundering due to lack of adequate legal provisions in a timely manner, and effective investigation and prosecution.
19. Agricultural productivity remains low, and farming remains unattractive to the youth as the expected improvement did not materialize in the traditional farming systems. The limited use of innovation and technology, low productivity, and high production cost have adversely affected the manufacturing sector to contribute to national income as anticipated. A decline in aggregate demand has hindered the industrial sector to operate at full capacity. Investment in physical infrastructure has not been adequately reflected in the expansion of economic activities, hence failed to contribute to growth in production as desired. The adverse effect of climate change is increasing in agriculture, water supply, irrigation, and related sectors. Inadequate digital infrastructure has slowed the pace of development of digital economy. The country's labor market and the skills of its human resources remain mismatched. The necessary manpower in the industrial and construction sectors is being supplied from abroad. The lack of generating sufficient employment opportunities domestically has led to worrisome trend of overseas migration both in skilled and semi-skilled labor. The proportion of the population living below the poverty line still remains high.
20. The private sector's contribution to gross fixed capital formation of the nation has not increased as expected. Innovative financing instruments developed for de-risking investment have not been effectively utilized. The flow of financial resources to manufacturing sector has not been adequate. There are challenges to enhance the effectiveness of regulatory bodies and to minimize the financial risks. Although Nepal's first-ever sovereign credit rating yielded relatively favorable results, the benefits of this outcome are yet to be realized. Despite policy and legal reforms, foreign capital and technology have not been attracted as expected.
21. Due to the inability to expand and diversify exports, high trade deficit persists. The import of consumable goods is high due to weak production capacity. The expected benefits from service exports, particularly in tourism and information technology, have not been fully realized. There is a challenge in sustainably maintaining external sector stability, which heavily relies on remittances.
22. Revenue saving for development is declining. The sources of income are diminishing. Existing revenue structure faces challenge to make it broader, sustainable, and based on domestic production. Allocative efficiency has not been achieved. While recurrent expenditure remains high, it is becoming challenging to finance capital expenditure through conventional sources. Weak implementation capacity has resulted in cost and

time overruns for project completion. Due to lack of appropriate resource management, there is an increasing risk that development programs and projects will remain limited to mere announcements. The rising volume of public debt poses an additional challenge to maintaining debt sustainability.

23. The lack of professionalization in public administration has hindered the anticipated improvement in the quality of service delivery. The realization of good governance is challenging due to delays in public service, lack of accountability, traditional decision-making processes, and weak inter-agency coordination.

Right Honourable Speaker, Right Honourable Chairperson,

I hereby present the following commitments to address above mentioned challenges and to make the economy dynamic:

24. Enhancing the credibility of the economy by delisting the country ahead of schedule from the increased monitoring list regarding money laundering has become a key agenda for the government. The encouraging outcome of the first sovereign credit rating will be leveraged to mobilize external capital, while additional economic reform programs will be pursued to achieve a higher rating.
25. The private sector has been encouraged by the legal reforms introduced through ordinances to boost private sector confidence and create a conducive investment climate. Public investments will be focused on high-return areas, attracting private capital and technology to promote exponential growth in economic activities. The private sector will be established as a key driver of economic prosperity by further advancing policy, legal, and procedural reforms in areas that contribute significantly to economic growth. The Report of the High-Level Economic Reform Advisory Commission, 2025, will be implemented gradually.
26. Resource will be diversified to achieve the Sustainable Development Goals by 2030 and to address potential investment shortfalls following Nepal's graduation to a developing country status in 2026. Revenue administration will be made professional and the tax system will be strengthened. Public debt will be mobilized in high-return sectors. Top emphasis will be given for the implementation of priority and result-oriented projects by curtailing inappropriate projects. Innovative and feasible instruments of alternative finance will be used to fill the gap in development finance.
27. Emphasis will be given on improving the trade balance by boosting exports of competitive goods and services and promoting domestic production of consumer goods. Skilled Nepali professionals working abroad will be encouraged to return and engage in entrepreneurship and self-employment within the country. Top priority will be given to generate youth-oriented employment opportunities promoting innovation and entrepreneurship.
28. The Government is firmly committed to achieving further progress, bringing about positive changes in the lives of the people, overcoming all forms of despair, and instilling hope in the general public based on the positive outcomes achieved since the

formation of the present government. This budget has been formulated with the primary objective of expanding the economy and creating economic opportunities.

29. I have formulated the budget on the basis of the list of power enshrined in the Constitution of Nepal, periodic plan, the government's common resolution and policy commitments, the Government of Nepal's policies and programs endorsed by this esteemed Parliament, the views expressed by honourable members regarding the principles and priorities of the Appropriation Bill, as well as suggestions received from parliamentary thematic committees, the private sector, the academic community, and the general public.

Right Honourable Speaker, Right Honourable Chairperson,

Please allow me to present the objectives and priorities of the budget for the upcoming fiscal year. The objectives of the budget are as follows:

- (a) To alleviate poverty by achieving high, sustainable, and broad-based economic growth.
- (b) To generate employment by promoting entrepreneurship and expanding public and private investment,
- (c) To enhance economic efficiency by increasing the use of modern technology,
- (d) To maintain social justice through social protection and development, and
- (e) To promote quality public service and good governance.

The priorities of the budget are as follows:

- (a) Enhancement of entrepreneurship, employment, production, and productivity,
- (b) Expansion of investment in yielding, quality physical infrastructure,
- (c) Quality improvement in social sector,
- (d) Ensurance of balanced development and social security, and
- (e) Citizen-friendly services, corruption control, and governance reform.

Right Honourable Speaker, Right Honourable Chairperson,

Please allow me to present the details related to fiscal transfer as per Article 60 of the Constitution of Nepal.

30. Based on the recommendation of the National Natural Resources and Fiscal Commission, I have provisioned to transfer Rs. 60.66 billion to the provinces and Rs. 88.97 billion to the local levels under fiscal equalization grants. I have allocated Rs. 30.35 billion for provinces and Rs. 211.46 billion for local levels, totalling Rs. 241.81 billion as conditional grants.

31. For the implementation of infrastructure project, I have allocated Rs. 3.28 billion to the provinces and Rs. 10.06 billion to the local levels as complementary grants. Similarly, Rs. 3.27 billion is allocated for the provinces and Rs. 9.78 billion for the local levels as special grants. Arrangements have been made to transfer conditional, supplementary, and special grants based on performance.
32. It is estimated that Rs. 165 billion will be transferred to the provinces and local levels through revenue sharing. It is projected that Rs. 582.83 billion will be transferred to provinces and local levels including revenue sharing and grants in the upcoming fiscal year.

I now present the sectoral programs and allocations of the budget.

Modernization in Agriculture: Transformation in the Economy

33. The production and productivity will be increased by commercialization and mechanization of agriculture sector. The consumption of locally produced healthy and nutritious food will be promoted. Food sovereignty will be ensured. Excess labor force dependent on agriculture sector will be transformed to productive sectors.
34. Cultivable land will be utilized at most through collective, cooperative, and private firms. Concrete programs will be implemented to achieve self-sufficiency in production of major food grains, vegetables, fruits, dairy, and meat products.
35. I have allocated Rs. 3.50 billion to provide capital subsidies and concessions for irrigation, fertilizers, seeds, and technology in 21 super zones and 206 zones of agriculture and livestock under the National Agriculture Modernization Program. This program will expand the scope of cultivation area of 15 crops across 4,850 hectares using advanced techniques. Irrigation facilities will be extended to an additional 6 thousand hectares of land by developing small-scale irrigation infrastructure. I have made an arrangement to provide capital grants for the operation of block at the provincial level and pocket at the local level.
36. The scope of currently operating zones and super zones will be expanded. Arrangement will be made to provide grant facilities for commercial farming or livestock rearing conducted in equivalent areas designated as super zones or zones through private, collective, contract-based, or cooperatives.
37. *Chaite Dhan* (Spring paddy) cultivation promotion program will be implemented in 22 districts of the Terai and Inner Madhesh to achieve self-sufficiency in rice within two years. I have anticipated that an additional 1.2 million metric tons of paddy will be produced from this program. I have allocated Rs. 330 million for construction of irrigation infrastructure for *Chaite Dhan* farming.
38. Cultivation of high-value crops will be promoted in 80 local levels of mid and high-hilly districts in Lumbini, Karnali, and Sudurpaschim provinces. I have allocated Rs. 830 million for this purpose.

39. Supply of chemical fertilizer will be increased to 600 thousand metric tons. I have allocated Rs. 28.82 billion for subsidy in chemical fertilizer. Necessary preparations will be arranged to establish a chemical fertilizer factory through the Investment Board. I have allocated Rs. 400 million for organic farming promotion program to enhance productivity while maintaining soil quality.
40. Agricultural production will be encouraged on arable fallow lands located along the Pushpalal Mid-Hilly Highway and the Madan Bhandari Highway. I have allocated funds for the expansion of cash crops, livestock farming, high-value fruits, non-timber forest products, grass, and agroforestry systems under this initiative.
41. Minimum support price will be set for paddy, maize, wheat, sugarcane, coffee, and other products prior to 15 days of plantation time. In case of limited market access of those products, necessary arrangements will be made to purchase agricultural products through the Food and Trading Company Limited. Advance purchase agreements for agricultural products will be established after plantation.
42. Arrangements will be made for mandatory quality and pesticide testing of food grains, vegetables, fruits, meat, and dairy products before they are sold in the market. Rapid pesticide residue testing on fresh vegetables and fruits at wholesale market centers will be done, and in cases where the produce is found inedible, arrangements will be made for its immediate disposal. I have allocated necessary budget for the arrangement of additional manpower and equipment, and mobilization of mobile team for pesticide testing.
43. Soil testing camps through mobile teams will be conducted to improve soil fertility and encourage appropriate farming. Programs will be implemented for the registration of local and indigenous seed crops and expansion of their cultivation.
44. To increase exports of organic fruits, vegetables, meat, and other high-value agricultural products, the quality of plant, food, and animal quarantine services and laboratories will be improved for attaining international accreditation.
45. Concessions will be provided on laboratory testing and organic certification fees for agricultural products. Zoning and compartmentalization programs will be implemented in Sindhuli and Makwanpur districts to declare them as Foot-and-Mouth Disease (FMD) free zones.
46. Control measures will be adopted to minimize crop damage caused by wild animals like monkeys, wild boars, and *nilgais*. Cultivation of crops such as *simal tarul* (tapioca), turmeric, tea, coffee, ginger, and chili will be encouraged in the monkey prone areas. Floriculture will be promoted.
47. Youths will be attracted in agriculture sector by developing a robust ecosystem with land, agricultural inputs, insurance, purchase agreements, and market. Agricultural research will be made result-oriented so that it will be aligned with country's climate and farming systems benefitting farmers. Private sector participation will be

encouraged in research and development of quality seed varieties. Arrangement will be made for registration of intellectual property rights achieved from agriculture research.

48. Livestock farming and quality meat production in large-scale farms will be emphasized to boost export potential of meat. Livestock productivity will be improved by carrying out 850 thousand artificial inseminations through breed improvement program. Fifty-five million doses of vaccines will be produced in the coming fiscal year to control livestock diseases and epidemic in livestock and poultry. I have allocated Rs. 850 million for this purpose.
49. In the upcoming fiscal year, 42.8 million fish fingerlings and 1 million fruit saplings will be distributed. One million coffee seedlings will be distributed by establishing coffee nurseries in 20 high-potential local levels.
50. I have made an arrangement to maintain adequate food reserves in the National Food Security Reserve and the SAARC Food Bank. Infrastructure for safe transportation, storage, and easier market access of agricultural products will be developed in co-investment of the government and the private sector. Arrangements will be made for improved supply chain and a strengthened agricultural market information system to benefit farmers from value chain.
51. Nine large agricultural markets currently under construction will be completed and operated. Construction of modern infrastructure in Semlar, Rupandehi will be initiated for the collection, processing, marketing, and export promotion of agricultural products.
52. Export of black cardamom, tea, coffee, ginger, turmeric, orange, *Akabare* chili, *Chhurpi* (Dog chew), and dairy products will be promoted through quality standard setting, laboratory testing, and branding.
53. Small and medium-scale farmers' access to crop and livestock insurance program will be expanded. I have allocated Rs. 2.30 billion for subsidy in crops and livestock insurance premium.
54. “*Kisan App*” will be developed and SMS-based information service will be managed to provide regular updates on weather forecasts, crop prices, and availability of agricultural inputs.
55. I have allocated Rs. 57.48 billion to the Ministry of Agriculture and Livestock Development.

Land Management, Cooperatives and Poverty Alleviation

56. The issues of landless *Dalits*, squatters, and unorganized settlers will be resolved permanently by amending land-related laws. Land ownership registration certificates will be provided to 500 thousand families after collecting and verifying their land records within the upcoming fiscal year. No shortage of resources, means, and manpower will be allowed for this purpose.

57. The records of government and public land will be updated and preserved. A policy will be adopted to prohibit leaving arable land fallow. Legal and institutional arrangements related to land banks will be made to utilize arable land. In the upcoming fiscal year, land banks will be established in at least one hundred local levels. Provision of contract agreement with local level will be made if any landowner wish to lease their land. An arrangement will be made for the registered land in the land bank to be obtained through a contract with the local level for commercial farming.
58. Land use plan will be formulated by classifying land use zones through local levels. The surveying work using LiDAR technology will be expanded. The LiDAR survey data will also be used for feasibility studies and design purposes for infrastructure development projects. A network of national control points based on satellite technology will be strengthened to organize the surveying work.
59. The records of the land reform and land revenue, and survey offices will be digitized. The land information system will be upgraded and expanded to all offices. The freezing and releasing process of land by banks, financial institutions and cooperatives will be made online.
60. The classification, merger and structural improvement of cooperative organizations will be carried out. Saving and credit cooperatives will be effectively regulated by the National Cooperative Regulation Authority.
61. The deposits of up to 500 thousand in the cooperative organization will be secured through the Deposit and Credit Guarantee Fund. I have arranged seed capital to establish a revolving fund for refunding the saving of depositor by auctioning assets of those persons who have misused cooperative funds. A cooperative loan recovery tribunal will be established. The assets and passports of the directors, officials and loan defaulters of the problematic cooperatives will be blocked.
62. Arrangements will be made to self-declare and update necessary information for state benefit identity card in every five-year. This information will be linked to the National Identity Card System. Individuals who receive state benefit declaring false information will be prosecuted according to the law. I have allocated conditional grants to complete the data collection and identity cards distribution work within the upcoming fiscal year.
63. Targeted programs will be executed in coordination with the federal, provincial, and local levels to eradicate absolute poverty.
64. I have allocated Rs.7.49 billion to the Ministry of Land Management, Cooperatives and Poverty Alleviation.

Industry, Trade, and Investment Promotion

65. The contribution of the industrial sector to the national economy will be increased by enhancing industrial production and productivity. Industrialization will be accelerated through policy stability, investment security, and sound industrial relations.

66. Legal, policy, and procedural reforms will be highly prioritized by improving the business environment to promote private investment, and generate employment. Branding of goods and services will be carried out by promoting micro, cottage, small, and medium industries. Promotion of modern technology in the industry sector and implementation of the Industry 4.0 concept will be supported and facilitated.
67. Startup entrepreneurship based on innovation will be promoted to increase the number of job creator youths rather than job seekers. Incubation centers will be operated in collaboration with the government, universities, and the private sector to foster entrepreneurial and business skills among Gen-Z. I have expanded the concessional loan program to support skill development, business scaling, marketing, and value chain participation for startup entrepreneurs. I have allocated Rs. 730 million to provide loans at three percent interest rate for this program.
68. The “Bhagat Sarbajit Entrepreneurship Development Program” will be implemented to create employment and income opportunities by preserving traditional skills, arts, and occupations of the *Dalit* community. Production and marketing of the materials including gold, silver, bronze, copper, iron, leather, wood, and stone will be carried out by using modern technology. I have allocated Rs. 500 million for providing capital grants, concessional loans, and skill development training for this program.
69. The bonded warehouse facility will be provided to the industries exporting gold and silver jewelry. Industries that receive a minimum of 50 percent of their export value as foreign currency in advance payment will be permitted to purchase an equivalent amount of gold and silver.
70. Public services related to industry and business will be made simple, accessible, and technology-friendly. Arrangements will be made to carry out all procedures from company registration to exit through a single-window system.
71. Industries with approval to establish new industry in Special Economic Zones and industrial areas will be exempted from the rent for the first three years. Monthly rent in Special Economic Zones will be reduced from Rs. 20 to Rs. 5 per square meter. Benefits equivalent to the industries in Special Economic Zones will be provided to the industries in industrial zones if they export more than thirty percent of their production.
72. Companies developing industrial zones will be provided the same benefits as hydropower production companies, and industries established within these industrial zones will be provided the same benefits as industries in Special Economic Zones. The prescribed monthly rent for industrial zones will be reduced by 50 percent. I have allocated Rs. 1.55 billion for the construction of industrial infrastructure.
73. Industries operating within the Kathmandu Valley will be encouraged to relocate to industrial zones outside the valley in order to control pollution in the capital region. I have made arrangements to provide land on lease free of cost, for such industries.
74. Laws related to land acquisition and land holding limit will be reviewed. Provisions will be made to allow the purchase of land above the ceiling for industries, agricultural

farms, and housing apartments. Arrangements will be made to allow the sale of housing and apartments which were built with approval but unsold due to land ceiling restrictions.

75. Nepal will be developed as a premier destination for foreign direct investment. Investment promotion and double taxation avoidance agreements will be signed with potential countries for investment. Procedures for the inflow of foreign investment and profit repatriation will be simplified. Anchor investment policy will be adopted to attract foreign investment in national priority sectors.
76. Legal reforms will be carried out to strengthen Public-Private Partnership. An automated one-stop service center will be established under the Investment Board. Provision of viability gap funding will be made to attract investment in the projects of the priority sector.
77. The Investment Board will be mandated to manage resources, select projects, and implement them in line with the Public-Private Partnership concept at the federal level along with the provincial and local levels. A Public-Private Partnership Directorate will be established under the Investment Board for this purpose.
78. Legal provisions will be made to allow foreign investors, multinational companies, international institutions, and their branches to lease buildings or apartments for office or residential use.
79. Institutional capacity of the Investment Board will be strengthened. Within fiscal year 2025/26, project development agreements worth Rs. 700 billion with the private sector will be made, and the construction of projects worth Rs. 400 billion will be initiated. I have allocated Rs. 740 million to the Investment Board.
80. Permission will be granted to Nepali entrepreneurs or companies to export semi processed materials and establish processing plants or sales branches abroad. To facilitate this, legal provisions will be made to permit investment in foreign countries up to 25 percent of their annual export earnings. A provision will be made requiring at least 50 percent of the profit earned from such a business to be repatriated back into the country. The responsibility for approving investments made abroad will be assigned to the Investment Board.
81. Legal provisions will be made to allow Nepali citizens to receive sweat shares in return for providing technology or specialized knowledge or services to foreign companies.
82. The Industrial Park in Damak, Jhapa will be constructed, operated and managed under the Public-Private-Partnership through the Investment Board. Modern industrial zones will be developed in Daiji (Kanchanpur), Naubasta (Banke), Lakshmipur (Dang), Motipur (Rupandehi), Shaktikhor (Chitwan), and Mayurdhap (Makwanpur) with private sector participation through the Investment Board. Special Economic Zones in Panchkhal and Simara will be operated in partnership with the private sector.
83. An export strategy targeting products with comparative and competitive advantage will be adopted. Trade infrastructure development and technology transfer will be

prioritized. “Make in Nepal and Made in Nepal” campaign will be conducted in collaboration with the private sector.

84. The Integrated Check Post in Bhairahawa and the dry port in Timure, Rasuwa will be completed and brought into operation. Construction of a dry port in Dodhara-Chandani, Kanchanpur will be initiated.
85. An inventory of identified mineral resources from the geological study, including petroleum, copper, iron, magnesium, phosphorite, quartz, and precious stones, will be prepared. Petroleum exploration in Dailekh will be completed, and commercial production will be commenced based on sample test reports. Petroleum exploration will be initiated in Palpa, Sunsari, and Dang. The feasibility study of rare earth metals will be carried out by selecting the capable researchers from the international community.
86. An international conference will be organized in fiscal year 2025/26 with the participation of mining experts to assess the potential for exploration, production, and marketing of mineral-based products in Nepal.
87. Private sector will be encouraged to participate in commercial production and marketing of natural and mineral-based products. Arrangements will be made for the extraction and processing of mineral and river-based construction materials found environmentally and economically viable through environmental impact assessments, for domestic use and export.
88. Quality standards will be defined in line with international norms, and mutual recognition will be established with export destination countries. Standardization and certification of products manufactured in Nepal will be made systematic and of high quality. The law related to protection of intellectual property will be updated to reflect current needs.
89. Facilitation for providing working capital loans in easy and accessible way to manufacturing, tourism, and construction industries, along with housing development companies will be done.
90. Smooth supply of food grains and salt will be ensured in remote and hilly areas. Fuel storage capacity will be expanded to ensure a smooth supply. Arrangements will be made to blend bioethanol in order to control pollution and reduce petrol imports.
91. Expansion of the Amlekhgunj-Lothar petroleum pipeline and construction of storage site will be initiated. Construction of the Siliguri-Charali cross-border petroleum pipeline and storage site will be initiated.
92. Malpractices such as black marketing, monopolies, syndicates, and the creation of artificial shortages will be controlled to maintain a clean, competitive, and consumer-friendly market. Consumer court will be expanded to all provinces.
93. I have allocated Rs. 10.14 billion to the Ministry of Industry, Commerce and Supplies.

Tourism Infrastructure and Heritage Conservation

94. Nepal will be branded as a safe and attractive tourist destination through the development of infrastructure, expansion of quality services, and marketing. Special promotional packages will be launched targeting tourists from the neighboring countries.
95. Tourist-centric services will be expanded in major destinations of eco-tourism, mountain and adventure tourism, and religious and cultural tourism. Tourism promotion programs based on nature, culture, adventure, movies, wellness, and sports will be implemented. Welcome and Service Centers will be established at entry points targeting tourist arriving by land routes.
96. Private sector investment will be encouraged in the development of tourism infrastructure. Development of jungle safari, trekking trails, and eco-tourism facilities in national parks, reserves, and protected areas will be emphasized. Arrangements will be made to lease the government-owned land, including forest areas for the construction of tourism infrastructure such as hill stations, hotels, lodges, and resorts.
97. Tourism promotion programs will be conducted in collaboration with the private sector and with the facilitation from the Nepal Tourism Board. Safe and accessible trekking routes will be developed to promote tourism in the high hill and himalayan regions. Trekking routes will be operated along Shuklaphanta-Khaptad, Bardiya-Rara, Lumbini-Muktinath, Sauraha-Gosaikunda, Janakpurdham-Kalinchowk, Koshi Tappu-Sagarmatha, and Kechana-Pathibhara. Likewise, eco-tourism trails to Khaptad, Ramaroshan, Badimalika, Budhinanda, Rara, Swargadwari, and Muktinath will be developed. A reliable system for the safety and emergency rescue of trekkers and mountaineers will be arranged.
98. Hotels and resorts will be granted income tax and electricity tariff exemptions equivalent to those provided to manufacturing industries. Legal provisions will be introduced to provide incentive through service charges to workers employed in tourism businesses such as hotels, motels, restaurants, and jungle safaris.
99. Infrastructure will be developed at major religious, cultural, and tourism destinations such as Sagarmatha, Pashupatinath, Lumbini, Janakpurdham, Muktinath, Swargadwari, Rara, Khaptad. A comprehensive Lumbini Master Plan will be prepared and implemented for the protection, development, and promotion of the Lumbini area. *Sandhyakalin Sampada Marga* (Evening heritage trails) will be developed in Swayambhunath, Hanumandhoka, Pashupatinath, and Boudhanath areas.
100. Development of tourism infrastructure will be emphasized in the attractive locations near the Pushpalal Mid-Hill Highway. Private sector will be encouraged to carry out rafting and other tourism activities in major rivers including Karnali, Bheri, Gandaki, Trishuli, Koshi.
101. The Civil Aviation Authority of Nepal will be strengthened institutionally by separating into regulatory and service providing agencies. Necessary measures will be taken to

delist Nepal from aviation safety concern list within the upcoming fiscal year. Domestic aviation services will be made safer and more accessible.

102. I have allocated Rs. 4.15 billion to develop the Tribhuvan International Airport into a boutique airport by expanding the capacity for managing the increasing passenger traffic. The Pokhara International Airport will be developed as a tourism hub.
103. The Gautam Buddha International Airport will be operated with necessary facilities to make it cost-effective for tourists and migrant workers. Special incentives will be provided to operate cargo services from this airport.
104. International airlines operating in Nepal will be encouraged to operate a fixed number of flights from Bhairahawa and Pokhara airports through additional facilities and incentives. The construction process of Nijgadh International Airport will be initiated through the use of alternative development financing.
105. Capacity of Bhadrapur (Jhapa), Tarigaun (Dang), and Suketar (Taplejung) airports will be expanded. Pre-preparatory work for the construction of a regional airport in Surkhet will be completed, and constructions work will be initiated. Detailed project reports will be prepared for Chuhandanda (Tehrathum), Ajaymeru (Dadeldhura), and Sagarmatha (Udayapur) airports. I have allocated Rs. 500 million for the development of domestic airport infrastructure.
106. Alternative utilization plans will be formulated for domestic airports with low traffic. Such airports will be used for aviation training and adventure tourism activities such as paragliding, parachuting, ultralight, skydiving in partnership with the private sector. Economic and commercial feasibility will be considered as the main criteria for the construction and expansion of new domestic airports.
107. Ancient history, culture, and archaeological heritage of Nepal will be preserved. *Panini* Knowledge Park will be established in Panena, Arghakhanchi in the memory of *Rishi* Panini, the founder of Sanskrit grammar. I have allocated budget for digital archiving of historically and archaeologically significant documents.
108. I have allocated Rs. 13.28 billion to the Ministry of Culture, Tourism and Civil Aviation.

Forest and Environment

109. Forest areas will be conserved and forest products will be utilized as national resources. Forest areas will be utilized for commercial purposes and managed sustainably in a manner that does not adversely affect the environment and biodiversity.
110. The provision requiring re-measurement before cutting down the trees that have been previously measured while granting the right to forest area uses will be removed. Withered and fallen trees will be collected and utilized.
111. Seasoning industries will be encouraged to increase quality production and consumption of domestic wood and wood-based products. The establishment of

Furniture and veneer industries will be encouraged in the vicinity of the Pushpalal Mid-Hill Highway.

112. Grasslands and water sources will be managed to conserve biodiversity and natural habitats of wildlife. Community development, income generation, and employment programs will be implemented for residents of buffer zones. Buffer zones will be managed ensuring human-wildlife coexistence. Solar fencing with modern technology will be utilized for conservation and control of elephant's natural corridors to prevent loss of life and property from wild elephant attacks.
113. Export promotion of herbs will be emphasized by carrying out production, collection, processing, lab certification, and marketing. The production capacity of Herbs Production and Processing Company Limited will be enhanced by infrastructure development and improved management. I have allocated Rs. 200 million for this purpose.
114. Communities will be encouraged to plant and conserve fruits, herbs, and high-value plants in the community forests and the sides of national highways. The Fruit Forest Program will be executed in collaboration with communities.
115. Integrated watersheds management will be implemented to make water cycles sustainable in Chure and Terai-Madhesh regions. Conservation of gorges and wetlands, afforestation and natural restoration of forest, water retention and recharge related programs will be implemented. I have allocated Rs. 1.69 billion for these activities.
116. National parks, conservation areas, and forest areas will be utilized, and development projects will be implemented without adversely affecting the environment and biodiversity. An arrangement will be made to deposit only one percent of the land management and tree nurturing costs into the Forest Development Fund for using forest areas in development projects implemented by the federal, provincial, and local levels.
117. Environmental Impact Assessment process will be made swift, simple, and easy. A provision will be made to approve project site selection and environmental report simultaneously. A provision will be made to exempt supplementary environmental impact assessment after approval of the report if the number of trees to be cut increases by no more than ten percent or decreases.
118. I have prohibited the production, import, sale, distribution, and use of plastic with a thickness of less than 40 microns effective from Mangsir 1, 2082 B.S. (November 17, 2025) to reduce the environmental pollution caused by plastic materials. I have provisioned capital grants to existing industries for replacement of dye to upgrade the quality of the product accordingly.
119. Environmental Protection Programs will be implemented considering melting mountains, shrinking glaciers, and adverse impacts on the overall ecosystem. Nepal's interests will be advocated in international forums in line with the principle of climate justice. Financial access to climate funds will be enhanced. The declaration of the *Sagarmatha Sambat* will be implemented. Climate adaptation programs will be

internalized up to the provincial and local levels in collaboration with the global community.

120. Policy clarity will be established encompassing all aspects of carbon trade. Necessary preparations will be made to sell carbon credits at competitive price in international market through accurate accounting of carbon credits generated from emission reduction efforts.
121. Priority will be given to public health and environment protection by implementing standards to control noise, air, and water pollution. The national air quality standard will be updated and implemented to reduce the effects of rising air pollution.
122. Concessional loans will be provided to the private sector to replace traditional boilers used in factory with electric boilers in order to reduce air pollution in major cities of the country including the Kathmandu Valley.
123. Awareness campaigns will be conducted at the community level to conserve biodiversity, and prevent and control forest fires. Individuals and communities who provide information about forest fire perpetrators to bring them under the purview of law, and assist in extinguishing forest fires will be rewarded.
124. I have allocated Rs. 18.61 billion to the Ministry of Forests and Environment.

Communication and Digital Infrastructure

125. Citizens' easy access to public information will be ensured. Transparency and accountability will be enhanced by promoting press freedom. The rights to personal freedom and privacy of citizens will be protected.
126. Exploration, research, development, and innovation of the latest technologies developed in the field of communication and information technology will be emphasized. The second version of the Digital Nepal Framework will be formulated. Special programs on digital literacy will be conducted. I have allocated Rs. 740 million for the construction of digital infrastructure and development of the digital ecosystem.
127. Partnerships with the private sector will be done for the construction, operation, and development of data center infrastructure. An Information Technology Park will be established in Kathmandu. Feasibility study will be conducted for establishing a data center in the Mid-Hill region to attract foreign investment in the information technology sector. Land, uninterrupted power supply, and security will be provided to domestic and foreign companies interested in setting up data centers.
128. The Integrated Data Management Center will be upgraded. The capacity of the Disaster Recovery Center in Hetauda will be expanded, and the under-construction Data Center in Kohalpur will be brought into operation.
129. Cloud infrastructure will be upgraded for reliable data security. The foundation will be laid for the establishment of Nepal's satellite in geostationary satellite orbit.

130. An ecosystem for the information technology industry will be developed. Policy arrangements will be made to promote the export of information technology services.
131. An AI Center will be established in collaboration with the private sector for research, application, and expansion of artificial intelligence and machine learning. Facilitation will be done to promote the commercial use of artificial intelligence.
132. Private sector will be encouraged to build indoor and outdoor studios for filming domestic and international movies that reflect Nepal's art, culture, civilization, and geographical diversity.
133. The Nepal Telecommunications Authority will be restructured. Digital divide will be reduced by expanding access to information technology. Broadband services will be extended. The access and quality of 4G services will be improved throughout the country. 5G services will be launched in the Kathmandu Valley and major urban areas. I have made arrangements for IMEI registration to prevent illegal import and use of mobile sets.
134. Standards for hardware and software will be developed to ensure uniformity in the information technology infrastructure of public agencies. Arrangements will be made for public agencies to prioritize the use of information technology software developed domestically.
135. The NTV World Channel and PSB Digital Platform will be launched to expand the international reach of public service broadcasting. Legal arrangements will be made to regulate existing OTT services in telecommunications and broadcasting services. Advertising will be standardized, dignified, and organized.
136. The use of social networks and digital platforms will be made dignified and organized. Necessary infrastructure and manpower will be developed to reduce cybersecurity risks. Security advisories will be issued quarterly by assessing cybersecurity risks.
137. The infrastructure for the security printing center will be completed, and printing operations will be commenced. Interconnectivity will be established among postal-related agencies to expand e-commerce and operate logistics services. Post offices will be gradually developed into smart post offices.
138. I have allocated Rs. 7.72 billion to the Ministry of Communication and Information Technology.

Labor, Employment and Social Security

139. Youth skills and competencies will be developed in line with labor market demands to address the problem of unemployment in a sustainable manner. I have allocated Rs. 1.99 billion for the implementation of the National Employment Promotion Program.
140. An Employment Portal will be operated to connect job-seeking skilled individuals to the labor market by updating their information. Employment Fairs will be organized

across all provinces in collaboration with the umbrella organizations of the private sector.

141. Labor Destinations will be diversified to make the foreign employment safe, dignified, and productive. Additional bilateral labor agreements will be concluded through labor diplomacy. Additional agreements will be made with the destination countries ensuring workplace safety and service facilities for female migrant workers.
142. Arrangements will be made to provide labor approvals in a simplified manner. Online labor-related services will be delivered from all provinces. A Labor to Entrepreneur Program will be implemented to promote self-employment and increase production by utilizing the skills, capital, and technology of the returnee migrant workers. For this purpose, concessional loans will be made available.
143. "On-the-Job" and "Apprenticeship" programs will be implemented by revising curricula to produce required workforce based on the demand of domestic industries. Technical and vocational training will be conducted in coordination with universities, technical institutes, and vocational training centers to supply skilled manpower required for the industries.
144. Vocational and skill development trainings of less than six months will be conducted through the National Institute of Vocational Training and provinces. Integrated standards will be applied for curricula and practical teaching to ensure the quality of training.
145. Workers' rights and interests will be protected by promoting dignified labor practices, harmonious labor relations, and increased productivity.
146. All Nepali will be included in a life-cycle-based social security system. Individuals with regular income will be gradually enrolled in the contribution based social security scheme.
147. Scattered social protection programs will be integrated and made just, sustainable, and organized. The National Identity Card will be made gradually mandatory for the implementation of social security programs. Identity cards to senior citizens, persons with disabilities, and incapacitated individuals will be made available through mobile teams.
148. It will be prohibited to top-up funds and duplicate benefits through similar programs from provinces and local levels for the social security programs run by the federal government. An integrated reporting system for social security benefits will be developed. I have allocated Rs. 109 billion for all categories of social security allowances.
149. I have allocated Rs. 4.28 billion to the Ministry of Labor, Employment and Social Security.

Quality Education and Human Capital Development

150. Capable, competent, entrepreneurial, and productive human capital will be developed to enable individuals to shape their own future. The education system will be modernized and made technology-friendly.
151. Incentive programs based on educational results will be implemented in 100 schools, ensuring at least one school in each district. Arrangements will be made for these schools to support other schools in improving their results. For this program, Rs. 2.5 million will be provided to each school.
152. Schools will be re-mapped based on the number of teachers and students, geographic distance and transport facilities. School merger policy will be adopted based on this mapping. I have arranged incentive grants for the merged schools. The positions of teacher will be reviewed. Training will be arranged to enhance teachers' capacities on a periodical basis.
153. Policies will be adopted for the improvement of results and quality of school education by expanding the scope of corporate social responsibility. Lesson learned from successful management practices of community and institutional schools will be applied to other community schools to improve their quality. A teacher bank will be established in cooperation with universities to prevent shortage of teachers in English, Science and Mathematics. Bachelor level graduates will be mobilized as volunteer teachers.
154. Conditional grants in the education sector will gradually be converted into fiscal equalization grants. Arrangements will be made for the conduction and management of secondary education examinations by Provincial level.
155. I have allocated Rs. 10.19 billion by increasing the budget for the Mid-Day Meal Program provided to students up to grade five. This will benefit 2.8 million students. I have allocated Rs. 1.29 billion to continue free sanitary pad distribution program in schools. This will benefit 1.3 million girl students.
156. Scholarships being provided to students from targeted communities and remote mountainous districts will be continued. Incentive scholarship will be provided to students from the *Musahar*, *Dom*, and *Chamar* communities for higher education in the medical field. I have allocated Rs. 2.44 billion for this scholarship.
157. I have increased the conditional grant being provided by the federal government for the remuneration of early childhood development support worker and school staff working in community schools. For this purpose, I have allocated Rs. 10.16 billion.
158. A teaching-learning system based on Nepali originality will be developed. Virtual teaching system will be used in school education. Digital learning portal will be developed to enhance the quality of education. Hostels will be arranged to help students with disabilities to complete basic-level education. Schools, including private ones, will be effectively monitored by developing national regulatory standard.

159. The subject-specific and methodological uniqueness of traditional education method including *Gurukul*, *Gumba*, and *Madrassa* will be preserved and promoted.
160. Under the National Education Reform Program, capital grants will be provided for the construction of physical infrastructure of schools with more than 1,500 students in Terai-Madhesh, 1,000 in hills, and 500 in mountains. Ongoing construction of model schools will be completed. I have allocated Rs. 2.72 billion for this program.
161. Higher education will be made research-oriented. Uniformity in the operation of universities will be maintained by formulating an umbrella act related to higher education. Emphasis will be given on reducing the trend of going abroad for studies and on developing human resources based on labor market demands. Departments and faculties of the universities will be restructured.
162. The University Grants Commission will be restructured to develop it as a robust regulatory body for higher education. Grants will be provided to universities based on student numbers, academic quality, and infrastructure needs. Provisions will be made to publish academic calendars before the academic year begins, monitor their implementation, and withhold grants from universities that fail to comply the calendar.
163. The infrastructure development and human resource management of the Madan Bhandari University of Science and Technology will be carried forward. The Shahid Dashrathchand Health Science University will be brought into operation. Infrastructure of the Vidushi Yogmaya Himalayan Ayurved University will be constructed.
164. Policy will be adopted to attract foreign students as well to universities. Foreign students will be provided free visas for the duration of the academic calendar. Arrangement for multiple-entry visas will be made for their guardians.
165. Scholarships will be provided to produce the necessary human resources for the public health system, based on subject and number. As per the recommendations of the High-Level Economic Reform Advisory Commission, scholarships provided in medical education will be targeted toward poor, meritorious, and students from extremely remote areas.
166. I have allocated Rs. 560 million to initiate the construction of the infrastructure of medical colleges under construction and proposed in Bardibas, Butwal, Surkhet, and Dadeldhura.
167. The study quotas will be increased by reviewing existing standards to prevent shortages of human resources in technical fields such as medicine, engineering, information technology, and nursing.
168. Students who have completed school education will be encouraged to enroll in technical and vocational education or university education based on their results. Youths who are unable to get higher education will be made entrepreneurial through skill-based training. Training of more than six months will be provided to 26,900 youths through the Council for Technical Education and Vocational Training in the upcoming year.

169. One technical school in each province will be selected and upgraded to a model educational institution. The provision will be made for the students from technical streams of general schools to be allowed to use the infrastructure and facilities of these educational institutions for skill development.
170. Interns will be mobilized in public institutions based on the nature of service. *Padhdai Kamaudai* (Work while Studying) program will be implemented with 20 hours of work per week with a minimum wage to promote entrepreneurship-friendly education.
171. I have allocated Rs. 211.17 billion to the Ministry of Education, Science and Technology.

Disease-free Nepal: Healthy Nepali

172. '*Nirogi Nepal*' (Disease-free Nepal) campaign will be launched to develop lifestyles with healthy diet, yoga, meditation, exercise, and positive thinking. Free, accessible, and quality basic health services will be provided to the general citizens. Investment will be increased in competent manpower, modern equipment, and infrastructure to expand the scope of specialized health services.
173. The Health Insurance Program will be restructured. The legal provisions related to this program will be effectively implemented and its scope will be expanded. The benefit package for insured individuals will be increased gradually. The Social Health Security Program will be integrated into the health insurance. Insured individuals will be given the option to choose from different policies. Duplication will be eliminated, leakages will be controlled, and institutional governance will be maintained to prevent misuse of insurance facilities. Insurance benefits will be continued for senior citizens, persons with disabilities, *Dalits*, the ultra-poor, and minority communities. I have allocated Rs. 10 billion for the Health Insurance Program. Additionally, I have made arrangements to verify and settle the remaining claim payments through third-party assessment within this fiscal year.
174. Specialized services equipped with skilled doctors and modern equipment will be expanded for the diagnosis and treatment of non-communicable diseases such as high blood pressure, heart disease, diabetes, kidney disease, liver disease, and cancer. Treatment services for heart disease and cancer will be expanded in seven provinces. Arrangements will be made to conduct intensive screening for non-communicable diseases in the month of *Falgun*.
175. Supply of medicines currently being provided free of charge from primary health service centers and primary hospitals will be ensured. Arrangements will be made to record and publish the data of the distributed medicines through website. I have allocated Rs. 2.06 billion for this purpose.
176. I have allocated necessary budget to enhance preparedness and response to health emergencies arising from infectious diseases and pandemics, and to control vector-

borne diseases such as dengue. Latest technologies will be adopted for the diagnosis and treatment of sickle cell anemia, a serious health issue in the *Tharu* community.

177. Specialized burn treatment units will be operated in one government hospital in all provinces to provide quality burn treatment services within the country. An advanced intensive care unit for burn treatment will be expanded in the Bir Hospital.
178. I have made arrangements for capital grants to improve the services and quality of the Kirtipur Burn Hospital, Dhulikhel Hospital, Kathmandu Institute of Child Health, Tilganga Eye Hospital, and Rana Ambika Eye Hospital.
179. The ongoing construction of primary hospitals will be completed. Construction completed hospitals will be operated in collaboration with local levels and communities. I have allocated Rs. 11.24 billion for this purpose.
180. Telemedicine and digital health services will be expanded to ensure easy access to health services for all citizens. Robotic technology and artificial intelligence will be used for ultra-modern health services.
181. I have allocated budget for construction of infrastructure, equipment, and human resource management to provide international-standard medical education and ultra-modern health services at the Bir Hospital. The Kanti Children's Hospital will be developed as a center of excellence for child health services.
182. The free testing program for cervical and breast cancer, as well as uterine prolapse, will be continued. I have allocated funds for the HPV vaccine targeted at young girls and free cancer treatment for children under the age of fourteen years.
183. I have allocated Rs. 13.82 billion to operate the Safe Motherhood Program, the Golden Thousand Days Program, and the Social Health Security Program for indigent citizens to protect the lives of pregnant women, postpartum women, and newborns. Services for the identification, treatment, and rehabilitation for the children with autism and intellectual disabilities will be initiated in all provinces.
184. Mental health problems will be eradicated through psychosocial counseling and awareness programs. The capacity of the Mental Hospital in Lagankhel will be expanded. National Neuroscience Center will be established in the central hospital located in the Kathmandu Valley to provide quality treatment for brain, spinal cord, and neurological disorders.
185. The National Public Health Laboratory in Teku will be upgraded to an international-standard laboratory to make it capable of testing all types of samples by developing infrastructure, providing equipment, and managing human resources. I believe this will eliminate the need to send samples abroad for testing.
186. Alternative treatment methods such as Ayurveda, naturopathy, homeopathy, acupuncture, *Amchi* will be promoted. The production capacity of *Singhadurbar Vaidyakhana* will be expanded. A National Ayurveda Panchakarma Yoga Service Center will be brought into operation. *Nagarik Arogya Karyakram* (Citizen Wellness Program) will be expanded to all local levels.

187. Regulatory capacity will be strengthened to make quality medicines available at affordable prices. The quality of all types of medicines will be tested by expanding the capacity of National Drug Laboratory. Increasing the domestic production of essential medicines will be facilitated.
188. Benefits of the demographic dividend will be utilized for development and prosperity through the implementation of the National Population Policy. Production and employment opportunities will be created in the rural economy to change the situation of '*vikas ukalo chadne, manchhe oralo jharne*' (development moving uphill, people moving downhill). Policies will be adopted to manage migration and to ensure that the population growth rate does not fall below the replacement level.
189. I have allocated Rs. 95.81 billion to the Ministry of Health and Population.

Youth and Sports

190. Youth will be inspired to engage in nation-building with self-discipline and a spirit of service. Youth contribution in the country's economic and social development, and service delivery will be enhanced.
191. National volunteer identity cards will be provided to the youths above the age of 16 years based on certain criteria in coordination with the National Youth Council. They will be mobilized in education, health, social awareness, environment protection, and rescue, relief and rehabilitation during disasters by making them competent through training and instruction.
192. Collateral-free concessional loans ranging from Rs. 200 thousand to Rs. 2 million at three percent interest rate will be provided to educated youth based on their educational qualifications, business registration, skill test certificates, and project proposals to make them entrepreneurial and self-employed.
193. Investment will be gradually increased to construct sports infrastructure and enhance players' professionalism. Regular training and competitions will be organized to foster a high morale of "*Ma Jitna Sakchhu*" (I can win) in players.
194. Private sector will be attracted to invest in sports infrastructure to produce national and international level players, and promote sports competitions. Access to roads, drinking water, and electricity will be ensured for such sports infrastructure.
195. A modern international-standard stadium capable of hosting all type of sports competition will be constructed in Damak, Jhapa. High-altitude sports stadiums will be constructed in Solukhumbu, Mustang, and Jumla to diversify sports genres and promote sports tourism.
196. I have allocated Rs. 420 million for the construction of Mulpani Cricket Stadium in Kathmandu, Girija Prasad Koirala Stadium in Morang, Fapla Cricket Stadium in Kailali, and Siddhartha Cricket Stadium in Rupandehi. I have allocated Rs. 400 million to upgrade cricket stadium in Kirtipur. I have provisioned conditional grant to purchase the created assets of the Gautam Buddha Cricket Stadium in Chitwan based on the

evaluation to be conducted by the Tribhuvan University Institute of Engineering. I have significantly increased the budget to build sports infrastructure.

197. I have allocated Rs. 540 million to organize the Tenth National Sports Competition in Birendranagar, Surkhet. I have allocated necessary budget to operationalize the National Anti-Doping Agency.
198. Nepali athletes who win medals in international sports competitions will be rewarded. Educational scholarships will be provided to these athletes and their children. I have continued the incentive allowances being provided to athletes and coaches.
199. Women targeted training and practice programs will be conducted to increase women's participation in sports. Special arrangements of awards will be made for outstanding female athletes.
200. I have allocated budget to operate sports academies in at least three schools in each province. Children and youth will be mobilized in social service and rescue activities by making them dutiful, disciplined, self-reliant, virtuous, and capable through scouts.
201. I have allocated Rs. 6.08 billion to the Ministry of Youth and Sports.

Women, Children, and Senior Citizens

202. The role of women in all sectors of national life will be made effective. Emphasis will be given to ending gender discrimination, developing leadership capacity, and empowerment. Policy and structural reforms will be made to ensure 33 percent women participation in the executive level of the public sector.
203. Effective programs will be conducted to ensure economic, social, and cultural rights to equality by ending all types of discrimination and oppression against women. The confidence and self-respect in women will be enhanced by improving the educational and economic status of women.
204. Nutrition programs targeted to pregnant and postpartum women, and children will be conducted. I have allocated necessary fund for the National Women Upliftment Program to continue the work of free airlift for pregnant and postpartum women in remote areas whose lives are at risk.
205. Employment and self-employment opportunities will be increased through promotion of women-targeted entrepreneurship. Arrangements will be made to waive fees for registering or renewing industries, businesses, or companies in the name of women. Capacity development programs will be conducted to link the labor and skills of housewives with small and cottage enterprises.
206. The opportunities for education, health, nutrition, recreation, and social protection will be made available to guarantee constitutionally provided child rights and comprehensive development of children. Partnership with local levels will be made to build children's parks.

207. The street-children-free national campaign will be continued. Protection, family reunion, social rehabilitation, and alternative care arrangements will be made for abandoned, neglected, and parentless children. Capacity of the juvenile correction homes will be expanded. Psychosocial and career counseling will be made available to children involved in delinquency to bring them back to the right path. Child helpline service will be linked with the *Nagarik* (citizen) app.
208. The knowledge, skills, and experience of senior citizens will be passed down through generations. Arrangements will be made for social security and health treatment to the senior citizens. Collaboration will be done with philanthropic organizations engaged in the street-human-free campaign for those in need.
209. The identity card distribution system will be organized by updating the standards for identification and classification of persons with disabilities. Public services will be made disable-friendly. Community-based rehabilitation services will be expanded for helpless, incapacitated, and completely disabled persons.
210. Programs for information gathering, monitoring, and awareness will be implemented to control the risk of human trafficking. Zero-tolerance policy will be adopted against all types of violence and oppression against women, including acid attacks.
211. Construction work of the service center for women, children, and senior citizens will be completed. Rehabilitation centers for women victims of violence will be established in Madhesh, Sudurpaschim, and the Kathmandu Valley. I have allocated Rs. 620 million for this purpose.
212. A national campaign against untouchability and discrimination will be conducted to build an equitable, civilized, and cultured society. Special programs of social integration and cohesion will be conducted for this purpose. National day for the elimination of caste-based discrimination and untouchability will be celebrated on 21st Jestha every year.
213. Programs for family and social awareness will be conducted to end malpractices such as child labor, gender violence, sexual abuse, witchcraft accusations, *chhaupadi* (menstrual exile), menstruation discrimination, child marriage. Those involved in such crimes will be punished according to law.
214. The Social Welfare Council and National Child Rights Council will be restructured. Non-governmental organizations will be mobilized according to national priorities and local needs. The recording, monitoring, and evaluation system of programs conducted by national and international non-governmental organizations will be made effective.
215. Programs on empowerment, awareness, and social cohesion will be conducted for enabling gender and sexual minorities to live a dignified life.
216. I have allocated Rs. 2.08 billion to the Ministry of Women, Children and Senior Citizens.

Clean Energy and Irrigation

217. Sustainable utilization of water resources, research and development in the energy sector will be emphasized to contribute to the prosperity of the country. Water resources will be optimally utilized, conserved, and regulated in accordance with the river basin master plan. Water level measurement and digitization will be carried out for the utilization and management of groundwater resources.
218. Hydropower generation, transmission, and distribution system will be managed. Power generation will be diversified for energy security. High priority will be given to the construction of large reservoir-based projects. Private sector investment will be encouraged in hydropower survey, generation, transmission, and distribution.
219. Micro and small hydropower, solar and wind energy will be developed for energy mix. Different tariffs will be set based on energy demand and consumption time for industrial and household consumers.
220. Domestic energy consumption will be increased by means of reliable electricity supply. The remaining works of rural electrification will be completed within upcoming two years.
221. Diplomatic initiatives will be taken with neighboring and other potential countries to ensure electricity export on the basis of increase in electricity production. Nepal's presence in the regional electricity market will be strengthened.
222. Feasibility study of green hydrogen will be conducted in cooperation with the universities and private sector. Domestic and foreign private investment will be attracted for the production of green hydrogen.
223. Arrangement of power purchase agreement equivalent to reservoir-based projects will be made for solar and wind energy stored in batteries and connected to the national system.
224. Land acquisition for the reservoir-based Dudhkoshi Hydropower Project of 670 MW will be completed and construction will be commenced. Study completed Lower Seti Project, located in Tanahun, will be constructed with government investment. The Budhigandaki Project will be constructed under Public-Private Partnership. The government's investment in this project will be converted into shares. Investment models will be finalized and construction will be commenced for projects including Upper Arun, Kimathanka Arun, Nalgad, Phukot Karnali, Uttarganga, Tamor, Mugu Karnali, Sunkoshi-3.
225. Construction of the Tamakoshi-5 project will be accelerated. Construction of the Chainpur Seti of 210 MW and Jagadulla Hydropower Project of 106 MW will be commenced within the upcoming fiscal year. Detailed engineering design of the Karnali Chisapani Multipurpose Project will be completed and the investment model will be finalized.

226. Projects with high return potential will be constructed under the management of the Nepal Electricity Authority and co-investment of interested Nepali citizens under the People's Hydropower Program. The detailed project reports of the Pancheshwar Multipurpose Project will be completed and initiatives will be taken to move forward the construction work.
227. Substations and transmission lines will be constructed in alignment with the completion schedule of hydropower projects. A policy to sign power purchase agreements will be adopted that ensures a balance between electricity generation and consumption. Power purchase agreements will be made under the take and pay basis for run-of-river projects.
228. Industries that build their own distribution lines from the national transmission system to their premises will be permitted to levy wheeling charges. The process of laying electricity distribution lines underground in densely populated urban areas will be accelerated.
229. Construction of national and cross-border transmission lines of Khimti-Bahrabise-Lapsipedi, New Butwal-Gorakhpur, Dododhara-Bareilly of 400 KV and Chilime-Kerung of 220 KV will be advanced. Construction will be commenced after the completion of study for Inaruwa-Purnia of 400 KV and Chameliya-Jauljibi of 220 KV transmission lines. Construction of Kohalpur-Surkhet-Jumla transmission line of 132 KV will be completed within two years for regular power supply in Karnali Province. Additional cross-border transmission lines will be constructed based on the energy export potential. I have allocated Rs.13.18 billion for transmission line expansion and distribution projects.
230. Uninterrupted, adequate, and reliable electricity supply will be made available to the areas with high electricity demand including industrial areas. I have made arrangement to provide additional rebate on tariff rates for manufacturing industries consuming electricity more than a fixed unit during low-demand periods.
231. Use of household electrical appliances including electric stoves will be promoted to increase the consumption of clean and renewable energy by replacing traditional energy and LPG gas. Complete wiring pilot project will be conducted in seven cities of seven provinces to fulfill household energy needs through electric means.
232. Arrangements will be made for automatic transmission of the information of power supply interruption to distribution centers and immediate maintenance. Electricity leakage will be reduced.
233. Arrangement will be made to deposit the sales revenue of the electricity generated from multipurpose projects constructed with the Government of Nepal's investment into the government's consolidated fund. Revenue from the sales of electricity generated by Rani Jamara-Kulariya Project and to-be-generated by Bheri-Babai and Sunkoshi-Marin Projects will be deposited into the consolidated fund of the Government of Nepal.

234. Carbon emission will be reduced by increasing generation and consumption of alternative energy. Private sector investment will be attracted in solar, bio and wind energy. I have allocated Rs. 2.33 billion for alternative energy.
235. Irrigation infrastructure will be developed to expand irrigated area on arable land. Multipurpose projects will be so constructed that headworks, canal, tunnel, powerhouse, and distribution system are completed at the same time.
236. Babai, Rani Jamara Kulariya, Mahakali, Praganna-Badkapath irrigation projects will be completed within upcoming three years. Construction of Sikta and Mega Dang Valley Irrigation Project will be accelerated. I have allocated Rs.8.5 billion for this purpose. I have allocated Rs. 2.07 billion to complete the construction of headworks and powerhouse of Bheri-Babai Diversion Project within two years.
237. I have allocated Rs. 1. 82 billion for maintenance, restoration, and management reform of irrigation systems including Sunsari-Morang, Chandra Canal, Kamala, Narayani, Gandak, Rajapur.
238. Construction of the Sunkoshi-Marin Diversion Project will be accelerated. Irrigation facility will be expanded to 122 thousand hectares of arable land in Bara, Rautahat, Sarlahi, Mahottari and Dhanusha districts by upgrading the Bagmati Irrigation Project and using the additional water available from the Sunkoshi-Marin Diversion Project. I have allocated Rs. 2.73 billion for this purpose.
239. Reliable irrigation facilities will be made available to 468 thousand hectares of cultivable terraces in hilly and mountainous regions by expanding lift irrigation facilities within upcoming five years. Ongoing projects will be completed to provide groundwater irrigation facilities in Terai and Inner Madhesh. I have allocated Rs. 3.31 billion for this purpose.
240. Construction of the Naumure Multipurpose Project will be commenced by ensuring investment. Detailed study will be completed and construction modality will be finalized for the Kaligandaki–Tinau River Diversion Project. Study and preparatory works will be accelerated for Tamor-Chisyang, Sunkoshi-Tawa, Trishuli-Lothar, Madi-Dang, and Gwar Khola multipurpose projects. I have allocated Rs. 370 million for this purpose.
241. Quality and reliable weather information system will be developed. Appropriate technology and early warning systems will be adopted for the management of water-induced disasters.
242. River control programs will be conducted in major rivers such as Mahakali, Karnali, Narayani, Koshi to manage risks of riverbank erosion, inundation and landslides. Reconstruction of irrigation systems in the areas affected by monsoon-related disasters and earthquakes will be accelerated. I have allocated Rs. 5.59 billion for this purpose.
243. An additional 942 MW of electricity will be generated from the completed hydropower projects in fiscal year 2025/26, increasing total installed capacity to 4,800 MW. Similarly, double circuit national transmission line of 732 km will be constructed.

244. Irrigation facilities will be extended to additional 14 thousand hectares of land in fiscal year 2025/26. Embankment construction of 63 km and land reclamation of 270 hectares from rivers will be carried out in river control.
245. I have allocated Rs. 86.01 billion to the Ministry of Energy, Water Resources and Irrigation.

Sustainable, Quality and Safe Infrastructure

246. Modern and high-quality infrastructure will be constructed to accelerate the economic and social development of the country. Sustainable road network will be expanded for safe and reliable mobility. The construction of modern infrastructure such as expressways, underpasses, and overpasses will be expedited. National highways will be gradually upgraded into speedy and safer roads ranging from two to eight lanes based on need. Regular maintenance of roads will be carried out to ensure sustainable operation.
247. Policy will be adopted to open new road tracks only in locations deemed suitable from economic, technical, and environmental perspectives. The use of tunnel technology will be expanded in road infrastructure construction. I have allocated Rs. 2.60 billion to complete the construction of the Nagdhunga and Siddhababa tunnels in the upcoming fiscal year. Wildlife-friendly infrastructure such as overpasses and underpasses will be constructed in forest and national park areas.
248. Cement, rods, gravel, and sand will be used for blacktopping including RCC casting for quality and sustainable road construction in urban and geologically sensitive areas. I believe this will increase the consumption of domestic construction materials and make the road infrastructure more durable.
249. I have allocated the necessary funds for the feasibility study of podway based on new technology as an alternative to the currently closed Kathmandu-Hetauda Ropeway. Cable car operations will be encouraged in hilly and mountainous areas. The private sector will be facilitated to build the Birethanti-Muktinath cable car.
250. Within the upcoming two years, 422 kilometers of the East-West Highway, covering the Kakadbhitta-Laukahi, Kamala-Kanchanpur, Kamala-Bagmati, Bagmati-Pathlaiya, Butwal-Narayangadh, and Butwal-Gorusinge section will be upgraded to four lanes. The upgrading work of the Gaddachowki-Attariya section of the East-West Highway will be commenced in the upcoming fiscal year. I have allocated Rs. 21.19 billion for this purpose.
251. The upgrading of Siddhartha Highway to a dedicated double lane will be initiated in the fiscal year 2025/26, considering its high potential for tourism promotion and economic activity expansion.
252. The existing alignment of the Pushpalal Mid-Hill Highway will be revised to reduce travel time, cost, distance, and accidents. Preparations will be made to upgrade this

highway to a dedicated double lane with tunnel and viaduct technology. I have allocated Rs. 3.94 billion for this purpose.

253. The construction of the Postal Highway will be completed within two years to strengthen the economic development and connectivity of the Terai-Madhesh region. I have allocated Rs. 3.56 billion for this program.
254. The construction of the Kathmandu-Terai Madhesh Fast Track will be completed by the fiscal year 2026/27. The construction of subbase in 37 km road, 4 km of tunnels, and 60 bridges will be completed in the upcoming year. I have allocated Rs. 24.49 billion for this purpose.
255. The expansion of the Naubise-Mugling section of the Prithvi Highway into a dedicated double lane will be expedited. The upgradation of the Aanbukhaireni-Pokhara section to four lanes will be completed in the upcoming fiscal year. I have allocated Rs. 8.52 billion for this purpose.
256. Four-lane commercial routes connecting the East-West Highway to the district headquarters of the Terai-Madhesh region and border checkpoints, including Rani-Itahari, Birgunj-Pathlaiya, Belahiya-Butwal, Mohanapul-Attariya will be completed.
257. The construction and upgrading of the Karnali, Kaligandaki, and Koshi Corridors will be expedited. The Hilsa-Simikot and Khulalu-Piluchaur-Tumcha sections of the Karnali Corridor will be upgraded in the upcoming fiscal year. I have allocated Rs.1.27 billion for the Karnali Corridor.
258. I have allocated Rs. 2.33 billion for upgrading the Kaligandaki Corridor and the Khandbari-Dobhan section of the Koshi Corridor. I have allocated budget to open the Chatara-Leguaghat Road track under the Arun Corridor.
259. I have allocated Rs. 2.51 billion for the construction of the Madan Bhandari Highway which connects settlements and markets from Bahundangi in Jhapa to Rupal in Dadeldhura.
260. A detailed study of the Attariya-Khodpe-Darchula road section will be completed, and work to upgrade it to a dedicated double lane will be commenced. I have allocated the necessary budget for upgrading the Brahmadev-Jhulaghat-Tusarpani section and opening the track for the Tusarpani-Tinker section under the Mahakali Corridor.
261. I have allocated budget for upgrading the Surkhet-Khulalu-Kalikot-Jumla road and the Surkhet-Mahavulek-Nagma-Gamgadhi road under the Karnali Highway. The Talcha-Rara road will be blacktopped. I have allocated Rs. 2.56 billion for upgrading the Galchhi-Rasuwigadhi road.
262. I have allocated necessary funds to upgrade strategically and commercially important roads such as Tamor Corridor, Damak-Chisapani road, Bheri Corridor, Dumre-Beshishahar-Chame road, Kakrahwa-Saljhandi-Sandhikharka-Dhorpatan road, *Shahid Marg*, Ratna Highway, Rapti Highway, Khutiya-Dipayal. I have allocated Rs. 1.24 billion to continue the upgrading work of the Kalanki-Basundhara-Dhovikhola section of the Kathmandu Ring Road.

263. I have allocated necessary budget to reconstruct roads damaged by disasters, including the BP Highway, Araniko Highway, Kanti Highway, Mechi Highway. I have allocated Rs. 3.18 billion for the construction of road bridges on national highways.
264. Projects under the ongoing alternative auxiliary highways and the Electoral Constituency Strategic Road Program will be completed within the upcoming fiscal year, and the resulting liabilities will be settled. For this purpose, I have allocated Rs. 21.08 billion.
265. Roads will be classified based on geographic location, population, traffic volume, and lanes and length. Vehicle standards will be formulated to reduce road crashes. Traffic signs and street lighting will be installed in major cities to manage traffic flow.
266. Modern technology will be used to measure vehicle pollution. Additional 100 electric buses will be provided to *Sajha Yatayat* to make the traffic system in the Kathmandu Valley environment friendly. Operation of mass transport systems will be encouraged to manage passenger volume on public transport in urban areas.
267. Refresh centers will be operated to reduce road crashes. Arrangements will be made to ensure all types of vehicles undergo regular fitness tests. Third-party insurance will be gradually made time-relevant.
268. The use of electric vehicles will be encouraged to make it reliable, high quality, and sustainable. The private sector will be attracted to invest in building charging stations and workshops.
269. Private investment will be attracted to operate smart public transport in the major cities including the Kathmandu Valley. Public Transport Authority will be established. Arrangements will be made for the issuance of driver's licenses at the provincial level.
270. Feasibility study will be conducted to explore options such as metro rail and monorail to modernize and systematize public transportation in the Kathmandu Valley.
271. The provision of restricting province and local levels from levying additional fees and charges on vehicles, means of transportation, and heavy equipment imported temporarily from international border points, after collecting duties at customs points according to prevailing laws, will be implemented effectively.
272. Resource management and other preparations will be advanced for the construction of study completed tunnel projects on Dumkibas-Bardaghat, Khurkot-Chiyabari, Babai-Chhinchu, Majhimtar-Shaktikhor, Hemja-Nayapul, Kulekhani-Bhimfedi, and Dharan-Leuti. Feasibility studies will be completed for tunnels on Tokha-Chahare, Shivpur-Bhaluwang, Ranighat-Bhurigaun, Dolalghat-Charnawati, and Hattisar-Babai.
273. A detailed study will be conducted to construct a standard-gauge electric railway along the East-West Highway in the upcoming year. The under-construction Bardibas-Nijgadh Railway section will be built according to the standards of the East-West Electric Railway. The frozen land along the Kakarbhitta-Itahari section for acquisition to build the East-West Railway will be released.

274. A detailed project report for the Kathmandu-Kerung Railway will be prepared in the upcoming fiscal year. Preparations will be advanced for the construction of railway lines connecting the southern border points New Jalpaiguri-Kakarbitta, Nautanwa-Bhairahawa, and Nepalgunj Road-Nepalgunj.
275. National road safety standards will be established to reduce human and physical losses caused by road crashes. Arrangement of emergency services such as helicopters, specialized ambulances, trauma treatment will be made available for rapid rescue on major highways.
276. Inland water transport will be developed, expanded, and promoted based on feasibility. Necessary preparations will be made to operate water transport along major rivers in Nepal, including the Koshi and Gandaki, up to the Kolkata port.
277. Construction of Nagdhunga, Siddhababa, and three tunnels on the Kathmandu-Terai Madhesh Fast-track will be completed in fiscal year 2025/26. An additional 850 km of road will be blacktopped and 171 road bridges will be completed on national pride and major road projects.
278. I have allocated Rs.152 billion to the Ministry of Physical Infrastructure and Transport.

Planned Urban Development

279. The constitutional right of citizens to safe housing will be guaranteed. Urban development will be linked with increased production, business expansion, and employment opportunities.
280. Land acquisition and financial access will be provided for collective housing development. Policy facilitation will be done for community and joint housing developments constructed and operated by the private sector. Land consolidation and affordable housing development will be carried out based on feasibility.
281. Studies will be conducted to construct infrastructure in line with smart city and eco village. Risk-prone and scattered settlements will be relocated to safe locations and developed into integrated settlements with adequate facilities. The original design of settlements and local architecture will be promoted. I have allocated budget for the preservation and infrastructure improvement of 50 settlements across the country.
282. Organized city will be developed in partnership with the private sector. Land development projects will be implemented in the *Ishan* (North-east), *Agyeya* (South-east), Tarkeshwor, and Dukuchhap areas of the Kathmandu Valley.
283. The concept of utility corridors will be implemented to enhance the beauty and quality of basic services in the major cities including the Kathmandu Valley.
284. Construction work of the Jarsing Pauwa Stadium and Ganeshman Singh Park in Shankharapur, Kathmandu, and the Madan Bhandari Multipurpose Park in Budhanilkantha-Gokarneshwor will be commenced. Bhanu Literature Park will be

constructed in Chudi Ramgha, Tanahun. An international-standard exhibition hall will be built in Bhrikutimandap, Kathmandu.

285. I have allocated Rs. 800 million to accelerate infrastructure development in the district headquarter of Nawalparasi East. I have allocated Rs. 1 billion to complete 129 administrative buildings under construction at the local levels.
286. The construction of the federal parliament and supreme court buildings will be completed in the upcoming year. Reconstruction will be carried out for archaeologically important Shital Niwas, Harihar Bhawan, Shri Mahal, and the Gallery Meeting Hall.
287. Modern technology-based waste processing centers will be established to produce energy, fertilizer, briquettes, and other materials in partnership with the local levels and private sector.
288. Necessary infrastructure will be constructed to clean rivers in the Kathmandu Valley including Bagmati. The corridor roads within the Kathmandu Valley will be gradually expanded. I have allocated Rs. 3.42 billion for this purpose.
289. I have allocated Rs. 1.70 billion to advance the construction of new towns at ten key locations along the Mid-Hill Pushpalal Highway. I have allocated Rs. 5.36 billion under the Intensive Urban Development Program for urban infrastructure construction and upgradation across the country. Additionally, I have allocated Rs. 8.90 billion for the construction of local and suspension bridges.
290. The Town Development Fund will be restructured to enhance its investment capacity. I have allocated Rs. 1.02 billion to continue the Terai-Madhesh Prosperity and Local Infrastructure Support Program.
291. I have allocated Rs. 750 million for the construction of one thousand houses under the *Janata Awas* (Peoples' Housing) Program and for replacing thatched roofs with safe roofs in five thousand houses under the Safe Citizen Housing.
292. Urban and rural roads of 727 km will be blacktopped and upgraded, construction of 46 local road bridges, and 200 suspension bridges will be completed in the fiscal year 2025/26.
293. I have allocated Rs. 118.34 billion to the Ministry of Urban Development.

Drinking Water and Sanitation

294. Clean and quality drinking water will be made available to all Nepali. Drinking water supply systems will be sustainably managed in partnership with communities.
295. The drinking water supply system in the Kathmandu Valley will be integrated and managed. Kathmandu Valley Water Supply Management Board, Kathmandu Upatyaka Khanepani Limited, Project Implementation Directorate, and Melamchi Water Supply Development Board will be integrated for this purpose.

296. In the context of drying up of traditional water sources due to the impacts of climate change, increasing urbanization, and excessive extraction of groundwater, programs such as reservoir-based drinking water projects, groundwater recharge, and revival of drinking water sources will be implemented.
297. Model projects will be implemented in seven cities of seven provinces to provide processed drinking water through cooperation of federation, provinces, local levels, and communities. I have made arrangements to provide clean drinking water facilities to prisoners in jails.
298. Headworks of the Melamchi Water Supply Project will be reconstructed at a safe location considering disaster risks. A new water treatment plant with a capacity of additional 255 million liters per day will be constructed at Sundarijal. The drinking water distribution network will be expanded in the Kathmandu Valley. I have allocated Rs. 6.37 billion for this purpose.
299. Construction of 280 incomplete drinking water projects in Terai-Madhesh will be completed and handed over to the local levels in the upcoming fiscal year. Cooperation will be made with the province and local levels to implement the *Ek Ghar Ek Dhara* (One House, One Tap) Program effectively. Damaged water supply projects from disaster will be repaired and restored. I have allocated Rs. 410 million for this purpose.
300. I have allocated Rs. 3.85 billion to build 184 projects under climate-adaptive drinking water projects. I have allocated Rs. 1.32 billion to complete the construction of the Bheri Pumping Drinking Water Project in Surkhet within upcoming two years. I have made a provision to provide 50 percent rebate on electricity tariffs for lift technology based drinking water supply services. I have allocated Rs. 1.09 billion for the construction and treatment of sewage systems in major cities.
301. Safe drinking water for 37 percent of the population will be available after completion of large-scale drinking water projects in fiscal year 2025/26. This will ensure access to basic drinking water services for 98 percent of the population.
302. I have allocated Rs. 33.89 billion to the Ministry of Water Supply.

Post-Disaster Reconstruction

303. An early warning system for disasters will be developed to minimize losses. Emphasis will be given on capacity building of personnel involved in disaster management and response, as well as in the adoption of safe technologies.
304. Private houses, schools, public infrastructure, archaeological and cultural heritage sites damaged by earthquakes and monsoon-related disasters will be reconstructed. I have allocated Rs. 18.50 billion for this purpose.

Economic Planning and Statistics

- 305. In accordance with the list of powers mentioned in the constitution, unbundling report, and project standards, an Integrated National Project Bank Management Information System will be implemented to avoid duplication of projects among the federal, provincial, and local levels. Coordination and collaboration among the different levels of government will be promoted for the conservation and sustainable use of natural resources. Interlinkage will be established between the Project Bank, the Medium-Term Expenditure Framework, and the Line Ministry Budget Information System.
- 306. The National Economic Census, 2082 will be conducted. The base year of national accounts will be updated. Statistical profiles of the federation, province, and local levels will be prepared. Big data processing capacity will be developed. The concept of open data will be implemented gradually.

National Security, and Peace and Order

- 307. Nepal's sovereignty, territorial integrity, independence, freedom, and dignity will be safeguarded. Social harmony and national unity will be strengthened.
- 308. Security agencies will be well equipped with adequate resources to make them strong, capable, and professional. Necessary military supplies, arms, and security equipment will be provided for the security forces. The capacity of the Nepali Army will be enhanced and mobilized for national security, development activities, and disaster management. I have continued the *Bunker to Barrack* program.
- 309. Local administration will be strengthened to maintain peace, order, and security in the country. Nepal Police will be empowered to ensure public safety and control crime. The Armed Police Force, Nepal, will be mobilized for border security, disaster management, and peacekeeping. The intelligence capacity of the National Investigation Department will be enhanced.
- 310. The immigration system will be upgraded by providing online payment system and online visa services facilities. Residential visas will be provided free of charge to experts and investors working in startup businesses, and a Digital Nomad Visa will be made available to individuals residing in Nepal and working remotely for foreign companies.
- 311. The scope and effectiveness of the National Cadet Corps will be expanded and enhanced. Awareness programs will be conducted in collaboration with communities to protect youth and children from drug abuse and addiction.
- 312. Physical infrastructure development, skill-based training, supportive environment for entrepreneurship, and psychosocial counseling will be provided for transforming prisons into rehabilitation centers. The concept of open prisons will be gradually implemented. Physical infrastructure of prisons under construction will be developed and brought into operation.

Foreign Relations

- 313. International relations will be maintained based on sovereign equality, mutual benefit, and respect. Bilateral relations with neighboring countries will be strengthened on the basis of mutual interest and trust.
- 314. Foreign aid and investment, export, and tourism will be promoted through robust economic diplomacy. Efforts will be taken forward to establish Nepal's rights in seabed mining and benefit from it.
- 315. Effective diplomatic efforts will be made to protect the interests of Nepali citizens abroad. Knowledge, skills, capital, technology, networks, and access of Non-Resident Nepali will be utilized for national development. Arrangements will be made for the timely rescue of Nepali facing crisis abroad.

Lawful State and Human Rights

- 316. The constitution will be amended based on political consensus. The Federal Democratic Republic will be further strengthened by increasing people's ownership and belongingness to the constitution. The rule of law, human rights, robust judicial administration, democratic values, and press freedom will be guaranteed.
- 317. The remaining work related to the peace process and transitional justice will be completed. The Truth and Reconciliation Commission and the Commission of Investigation on Enforced Disappeared Persons will be made functional. Arrangements will be made for free treatment of injured, disabled, and incapacitated persons in government hospitals. I have allocated Rs. 1 billion to establish a fund for the investigation, relief, and compensation related to incidents of armed conflict.
- 318. The maximum information technology will be used to make the justice system simple, easy, accessible, prompt, and effective. Free legal aid programs targeted at specific groups will be conducted to ensure equal access to justice for all. An electronic advocate program will be implemented to enhance the quality and capacity of advocacy in government plaintiff.

Anti-Money Laundering

- 319. The national strategy and action plan for anti-money laundering and counter financing terrorism activities will be implemented to delist the country from the increased monitoring list before the scheduled time, and prevent such situations in the future.
- 320. The national risk assessment will be completed promptly, and the investigation and prosecution of serious economic crimes will be accelerated. The monitoring, investigation, and enforcement capacities of regulatory bodies such as Nepal Rastra Bank, Securities Board, Nepal Insurance Authority, National Cooperatives Regulatory Authority will be enhanced to strengthen the anti-money laundering system.

Strengthening the Financial Sector

321. The capacity of regulatory bodies in the financial sector will be strengthened. Necessary arrangements will be made to facilitate capital flow and access to credit. Corporate governance will be maintained by strengthening financial sector risk management. Necessary policy and legal provisions will be made to introduce newly developed risk mitigation instruments in the financial sector.
322. Timely reforms will be made to the laws related to the Nepal Rastra Bank and the Nepal Insurance Authority. Institutional capacity of the Securities Board will be strengthened to protect citizens' investments and interests in the capital market. Institutional capacity of Nepal Stock Exchange will be strengthened by restructuring it.
323. The Second Financial Sector Reform Strategy will be implemented. An Asset Management Company will be established to manage non-performing loans and non-banking assets of banks and financial institutions.
324. Facilitation will be provided to support the revival of businesses affected by contraction of business due to decrease in aggregate demand, through loan rescheduling, additional working capital flow, and concessions on interest and penalties.
325. Arrangements will be made to fill in KYC details once a year at one place by concerned individual and it will be linked to the national identity card. Arrangements will be made for digital access to institutions requiring KYC details.
326. Credit flow to the private sector will be expanded to make the economy dynamic. The existing sectoral risk regime will be reviewed and credit flow for working capital will be facilitated.
327. Neo Bank will be established within the fiscal year 2025/26. Rural economy will be developed by increasing access to bank and financial institutions in these areas. Digital, mobile, and branchless banking services will be expanded.
328. The scope of property insurance will be expanded to protect against losses caused by natural calamities, disasters, and accidents. Insurance companies will be directed to expand their access to the rural areas. Cyber security insurance service will be operated. Reinsurance arrangements will be made for managing the potential risks of the Deposit and Credit Guarantee Fund.
329. Policy and structural arrangements will be made to mobilize private capital through green and sustainable development bonds, aligned with the concept of green taxonomy. Capital will be attracted from international markets by issuing local currency-linked bonds.
330. Investment companies listed in the securities market, and other institutional investors will be facilitated to invest in equity, bonds, and other securities of nationally prioritized industries. Legal provisions will be made to enable the Employees Provident Fund, Citizen Investment Trust, and Social Security Fund to invest in private equity and venture capital.

331. Secondary market trading of government bonds will be started. Arrangements will be made to allow Non-Resident Nepali to trade in the secondary market.
332. An integrated system for interest subsidy on concessional loans will be implemented to increase production, employment, and self-employment opportunities in targeted areas.
333. Institutional and internal control systems of microfinance institutions will be reformed. Provision of loans at concessional interest rates will be facilitated for the rehabilitation of problematic microfinance borrowers.
334. Arrangements will be made to allow the operation of hedging services to attract foreign investment by managing foreign exchange risk.
335. A law related to credit transactions will be formulated. Insolvency Act will be timely amended. Remittance inflow from banking channel and its investment in productive sector will be encouraged. All payments made by public entities will be linked to electronic system.
336. Arrangements will be made to confiscate and deposit criminal assets such as intangible currencies like crypto and illegal foreign currencies into the consolidated fund. The process to freeze, control, and confiscate criminal assets will be made more effective.

Public Enterprises Management

337. Competitiveness of public enterprises will be developed through management autonomy, technology transfer, and innovation. Appropriate methods such as restructuring, transformation into company, strategic partnership, and divestment will be adopted to improve the management of the public enterprises. A policy to retain land ownership under the Government of Nepal will be adopted while managing government investments of public enterprises.
338. Closed and sick industries under the ownership of the Government of Nepal will be operated and managed by utilizing modern technology on the basis of appropriateness. The *Dhaubadi* Iron Company will be operated under Public-Private Partnership.
339. The government investments will be managed by studying the current status and commercial feasibility of public enterprises including the Janakpur Cigarette Factory, Gorakhkali Rubber Industry, Butwal Yarn Factory, Nepal Metal Company, Nepal Orind and Magnesite, and Hetauda and Udayapur Cement Industries.
340. Thirty percent of the shares of the Nepal Telecom Company will be divested to the general public while maintaining the majority shareholding to the Government of Nepal. Policy of strategic partnership will be adopted for institutional strengthening of this company.
341. The regulatory capacity of the Nepal Electricity Authority will be enhanced. A robust institutional arrangement will be established to separate the roles of electricity generation, transmission, and distribution.

342. Transforming the Nepal Airlines Corporation into public company, implementing management contracts and strategic partnerships with competent international airlines will be carried out to enhance its capacity, improve quality, and promote professionalism. The Dairy Development Corporation will be restructured. Institutional reforms of Rastriya Beema Company and the Rastriya Jeewan Beema Company will be made.
343. I have made arrangement to restrict - officials and employees of public enterprises that are unable to cover operational expenses, have not provisioned retirement funds, and are unable to audit up to previous fiscal year - undertaking foreign trips at the institutions' expense and increasing financial liabilities by expanding service benefits.

Governance Reform and Corruption Control

344. The unbundling report on functional division of powers among federation, province, and local levels, as enshrined in the constitution, will be reviewed. Reforms will be made in prevailing laws to ensure functional alignment and uniformity in laws of all three levels. Policy, legal, and institutional reforms will be carried out under the guidance of the High-Level Governance Reform Commission.
345. The Federal Civil Service Bill will be passed during the current parliamentary session. I believe this will establish uniformity in service conditions of civil servants and ensure their career development.
346. The Office of the Prime Minister and Council of Ministers will be developed as a Centre of Excellence to enhance public service effectiveness and make development result-oriented.
347. Interoperability will be maintained among the existing information technology systems in public service. Capacity of the *Nagarik App* will be expanded. Public service will be made simple, accessible, and cost-effective by integrating it into the *Nagarik App*. Arrangement will be made to securely store all government electronic data under a unified system.
348. Optimum utilization of information technology will be done to make public service delivery simple, accessible and of high quality. The National Identity Card will be used in all forms of public and financial transactions, including banking, insurance, telecommunications, securities. Arrangement will be made to waive fee while using services of National Identity Card Service Management System. Distribution of citizenship certificates through electronic means will be made effective.
349. Although the need to update the benefits of public servants in a timely manner is well recognized, it has not been possible to increase salaries as expected due to pressure on resource management. Nevertheless, I have raised the monthly dearness allowance to Rs. 5 thousand for all public servants, effective from 1st Shrawan 2082 (mid-July 2025).
350. *Sulav Awas Karyakram* (Affordable Housing Program) will be implemented through the initiatives of the retirement funds including Employees Provident Fund and

participation from the private sector. I have made arrangement to construct 100 thousand buildings and apartments in major urban centers of all seven provinces, and make it available to civil servants, security personnel, and teachers at concessional interest rates and installment under this initiative.

351. The Civil Service Hospital will be upgraded. The health care facilities currently being provided by the Employees Provident Fund to contributors and their spouses will be expanded to other family members as well.
352. Employees in the contract service within approved positions, as well as temporary and relief teachers, will be included in the contribution based social security scheme. Separate package with ten percent contribution from both employer and contributor will be developed and implemented for this purpose.
353. All constitutional bodies will be provided with necessary means, resources, and human resource. Transparency, accountability, and integrity will be maintained in performance of public institutions. Codes of conduct on professional ethics and discipline will be developed and implemented in public institutions. Continuous monitoring and supervision will be carried out in public institutions. Zero-tolerance against corruption will be adopted. Law on conflict of interest will be formulated. The second national strategy and action plan against corruption will be implemented.
354. The Voter Identity Card will be integrated with the National Identity Card to enhance the credibility of elections. This initiative will be launched from the Kathmandu Valley.

Foreign Aid Mobilization

355. In accordance with the Foreign Aid Mobilization Policy, 2025, assistance will be mobilized in projects that yield high returns in line with national needs and priorities. The country's leadership and ownership will be established in selection and implementation of projects. The capacity to utilize foreign aid will be enhanced.
356. Assistance will be received in projects and programs that have completed preparation as per the project readiness filter. Implementation framework will be finalized to complete the project within the stipulated time and cost.
357. Arrangements will be made to grant approval for the use of forest areas considering the projects implemented with foreign assistance as national priority projects. I expect this to speed up the implementation of projects.
358. Assistance will be mobilized through co-investment from more than one donor agency for high-cost infrastructure projects including Dudhkoshi and Upper Arun based on economic feasibility.

Public Finance and Project Management

359. The effectiveness of public finance will be increased by maintaining allocative efficiency. The outcomes of public expenditure will be increased through budget

discipline. Cash flow management will be strengthened to balance the federal consolidated fund. Productive utilization and sustainability of public debt will be ensured. The national financial management reform strategy will be implemented.

360. It has become indispensable to adopt innovative and successful practices of the international community to meet the need for development finance. Alternative Development Finance Bill has already been presented in the federal parliament to establish a legal framework for this purpose. I believe that this bill will be passed from the current session. I believe that this will attract both domestic and foreign private investment in the construction and operation of infrastructure projects of hydropower, solar energy, transmission lines, roads, tunnels, airports, urban infrastructure, tourism, and industrial infrastructure, foster long-term capital formation, and bring about qualitative changes in project construction and management. Construction of infrastructure projects will be commenced through alternative development finance in the upcoming fiscal year.
361. Clear criteria will be developed for the selection of national pride projects. Existing national pride projects will be reviewed.
362. I have streamlined project management through the reduction of number of development projects by 4,654 compared to the previous year. I have implemented a standard under which the federal government will not allocate less than Rs. 30 million to any new infrastructure project it undertakes. I have expected that this will help in resource management for national pride and priority projects and effectiveness of project implementation. The line ministries will be made more responsible to increase capital expenditure by improving budget execution capacity.
363. Arrangements will be made to move projects into the procurement process that have completed preparations, such as land acquisition, forest area approval. Provisions will be made in the contract agreement to conduct the work in three shifts for accelerating project implementation.
364. The public procurement law will be amended to complete infrastructure projects within the specified time, projected cost, and quality. The electronic procurement system will be upgraded. Sample bid documents related to public procurement will be developed, revised, and localized in Nepali language. Project managers and contractors will be made more accountable towards the result. Arrangements will be made to include all project-related works in a single contract package. Mediation process will be made legally compliant, transparent, and accountable for resolving disputes during the implementation of contract agreement.
365. I have made arrangements for the province and local levels to formulate balanced budgets and manage multi-year liabilities within the limits of the Medium-Term Expenditure Framework.
366. I have made arrangements so that the procurement preparations for the programs and projects included in the budget can begin from today itself and agreements can be signed within the current fiscal year after the budget is approved.

367. From the upcoming fiscal year, I have made arrangement to prohibit the virement of funds allocated for national pride and high-priority projects to other projects or programs, except in special circumstances. National dashboard system will be developed to monitor goal progress, quality, and timeframe for projects costing more than Rs. 250 million.
368. The concerned officials will be held accountable if the cost increases due to not taking decisions on time during project implementation. For projects with more than 80 percent progress, their completion will not be hindered due to shortage of resources.
369. Emphasis will be given on achieving development results by completing the ongoing projects. I have allocated necessary funds for multi-year projects with assured resources and for the payment of liabilities incurred.
370. Individuals who create unnatural liabilities by preparing faulty designs and specifications will be held accountable and brought under the purview of the law. Regional and local roads, other than national highways, will be constructed with intermediate lanes in hilly and mountainous areas.

Cost-effectiveness

371. Laws will be developed to strengthen budget discipline as specified in the constitution at the federation, province, and local levels. Public expenditure standards applicable to all three levels will be formulated.
372. A national subsidy policy based on production incentives to be applicable at all three levels will be formulated to ensure that subsidies provided from government funds reach the targeted groups and avoid duplication. The maximum limit of subsidies will be fixed at 50 percent of the cost.
373. The existing structure and position will be reviewed by formulating national standards for organization and management surveys in line with the functions of the federal, provincial and local levels. Significant reductions will be made in recurrent expenses through lean and functional structure, and personnel management.
374. The salaries and benefits of the officials and employees of institutions, boards, committees, and public bodies receiving facilities from the state treasury will be reviewed and made uniform. For this purpose, a recommendation committee will be formed to submit a report with suggestions within three months.
375. I have made arrangements for citizens who have completed 70 years of age to receive senior citizen allowance from the upcoming fiscal year taking into account the report of the High-Level Economic Reforms and Suggestions Commission. I have kept the age requirement unchanged for the senior citizens in remote areas and targeted groups who are currently receiving the allowance.
376. An umbrella law will be formulated to maintain uniformity in the operation and management of all Academies across the country. I have made arrangements for the

Academies and development committees to operate and manage their liabilities within the limits of the current and capital grants available from the federal government.

377. Foreign travel will not be undertaken at the expense of the Government of Nepal, except for high-level diplomatic visits, and mandatory representation in international organizations of which Nepal is a member.
378. I have made arrangements that unless the responsible officials decide that the task cannot be completed through the regular structure, the consultancy services will not be used. Consultancy services will not be utilized for supervision, except for large and complex projects. I have made arrangements to prohibit consultancy services for drafting the documents such as laws, rules, policies, procedures, standards.
379. Implementation arrangement will be made in construction works so that the contingency fund limit will be reduced up to 3 percent for projects with a cost estimate of up to Rs. 1 billion, and up to 2 percent for projects exceeding that amount.

Right Honourable Speaker, Right Honourable Chairperson

Now, please allow me to present the budget allocation and resource management estimates for the implementation of the aforementioned sectoral policies and programs.

380. I have allocated total expenditure of Rs. 1,964.11 billion for the upcoming fiscal year. Out of the total allocation, Rs. 1,180.98 billion, i.e., 60.1 percent, is allocated for recurrent expenditure, Rs. 407.89 billion, i.e., 20.8 percent, is for capital expenditure, and Rs. 375.24 billion, i.e., 19.1 percent, is for financing. This estimation is 5.6 percent higher than the current fiscal year's allocation and 18.2 percent higher than the revised estimates. Out of the total allocation, I have allocated Rs. 417.83 billion for fiscal transfers to province and local levels.
381. Of the total estimated financing sources for the upcoming fiscal year, Rs. 1,315 billion will be financed through revenue mobilization and Rs. 53.45 billion from foreign grants, resulting a deficit of Rs. 595.66 billion. To cover this deficit, Rs. 233.66 billion will be raised from foreign loans. The net remaining amount of Rs. 362 billion after revenue and foreign aid mobilization will be financed from domestic borrowings.

Right Honourable Speaker, Right Honourable Chairperson

Now, please allow me to present the revenue policy and programs for the fiscal year 2025/26.

382. It is necessary to make the revenue system investment-friendly and production-oriented and to manage resources for the ever-increasing public expenditure. It is necessary to attract foreign capital and technology by making the tax system compatible with international standards and practices. It is necessary to make revenue collection effective by improving tax compliance and controlling revenue leakage. Therefore, I have set the following objectives for the upcoming fiscal year to increase the productivity of the revenue system.

- (a) To broaden the tax base by encouraging economic activity,
- (b) To increase voluntary tax compliance by timely reform and simplification of tax laws,
- (c) To develop taxpayer-friendly, transparent, and automated revenue system,
- (d) To control revenue leakage by enhancing the efficiency of revenue administration,
- (e) To mobilize non-tax revenue while making the use of natural resources sustainable and cost-effective.

Now, I present the programs related to revenue for the fiscal year 2025/26.

Timely Reforms in Tax Laws

- 383. Laws related to Value Added Tax, Income Tax, and Excise Duty will be reviewed to address changes in the tax system and new business models at the international level.
- 384. A study will be conducted on relevance, and practical application of multiple rates of Value Added Tax, also considering the suggestions received for it.
- 385. The rates of non-tax revenue will be updated by amending the sectoral laws.

Industrial Protection and Investment Promotion

- 386. I have made arrangements to provide income tax and electricity tariff exemption equivalent to special industries to information technology-based industries, and hotels and resorts.
- 387. I have made arrangements for 75 percent tax exemption on income received from the export of information technology services. I have made arrangements for only 5 percent income tax to be levied on the income of individuals residing in Nepal and exporting information technology services abroad and this tax will be final.
- 388. I have made arrangements to exempt startup business with annual turnover of up to Rs. 100 million from income tax for 5 years.
- 389. I have levied only 1 percent customs duty on the import of mill machinery required for wood seasoning industry and abolished other taxes and duties to increase the quality production and consumption of wood and wood-based materials.
- 390. I have removed customs duties and abolished other taxes and duties on the import of mill machinery and equipment for the production of organic and natural fertilizers.
- 391. I have levied 1 percent customs duty on the import of machinery, equipment, and sports materials required for the construction of infrastructure for football, cricket, and multi-purpose stadiums and abolished other taxes and duties.

392. I have made arrangements to exempt all types of taxes and duties on machinery equipment to be imported for the green hydrogen producing industry. I have made arrangements to provide income tax exemption to green hydrogen producers for 5 years.
393. I have made arrangements to levy 1 percent customs duty and exempt other taxes and duties on the import of batteries and other machinery equipment required to store electricity from solar and wind energy.
394. I have made arrangement to levy 1 percent customs duty and exempt other taxes and duties on the import of equipment required to establish industries for manufacturing and assembling electric vehicle charging machines. In addition, I have made arrangements to provide income tax exemption to such industries for 5 years.
395. For the purpose of writing off the registration of public and private vehicles that are more than twenty years old or are no longer in operation, I have made arrangements to provide tax exemption on the remaining income tax if the income tax for the last two years is paid.
396. I have made arrangements to levy 1 percent customs duty and exempt the remaining taxes and duties while importing tunnel boring machines by the private sector to promote the use of tunneling technology in road, irrigation, and hydropower projects.
397. I have made arrangements allowing freight service providers to deduct the amount paid as fare for means of transportation owned by a natural person, on which advance tax has been withheld when calculating taxable income.
398. I have made a provision requiring mandatory affiliation of retirement funds previously approved by the Inland Revenue Department with retirement funds operated by the Employees Provident Fund, Citizen Investment Trust, Social Security Fund, or Pension Fund.
399. I have provided concessions on interest, additional fees, late fees, and penalties to those who have failed to submit their Value Added Tax and Excise Duty returns or to pay taxes if they submit their returns and taxes.
400. I have made arrangement to waive interest, additional fees, and penalties if international aviation service providers and their air ticket sellers register for Value Added Tax and pay the outstanding tax amount.
401. I have given an opportunity to taxpayers who have not submitted their income tax returns to settle the arrears created by the amended tax assessment done by the office.
402. I have abolished the Value-Added Tax levied on clearing house services to encourage digital payments.
403. I have abolished the advance income tax being levied at customs points on plants such as food grains, beans, fruits, as well as animal and dairy products.
404. I have abolished the Value-Added Tax on hearing aids required for people with hearing impairment.

- 405. Facilitation will be made for the provision to allow passengers entering Nepal by air or land to bring in up to US dollar 5 thousand or equivalent in travelers' cheque and other foreign currency for exchange within Nepal; any amount exceeding this limit must be declared at the customs checkpoint.
- 406. I have removed the existing price limit of Rs. 1.6 million on ambulances carrying patients that can be imported under the revenue exemption facility.
- 407. To reduce environment pollution by encouraging the use of electric vehicles and to increase domestic consumption of electricity, I have maintained all taxes and duties levied on such vehicles as it is.

Broadening of the Tax Scope and Base Protection

- 408. I have increased the customs duty rate on the import of alcohol, beer, tobacco, and cigarettes. I have adjusted some of the customs duty rates. I have made a modest increase in the existing excise duty rate. I have expanded the scope of the health risk tax.
- 409. The scope of the central billing monitoring system will be expanded while increasing taxpayer participation in the electronic billing system.
- 410. Voluntary tax participation will be enhanced through taxpayer education and compliance with the law.
- 411. I have expanded the scope of the Digital Service Tax to bring all types of digital transactions under the purview of taxation.
- 412. The tax expenditure system will be made rational by timely revision of tax exemptions, concessions, and facilities.

Trade Facilitation and Improvement in Service Delivery

- 413. I have made a provision that prohibits the collection of entry fees, route charges, or any other duties by the federation, province, or local levels on temporary imported vehicles, means of transportation, and equipment after customs duties have been collected at the customs points while transporting within Nepal.
- 414. I have abolished the provision of bank guarantee of Rs. 300 thousand to be provided by industrialists and businessmen engaged in export and import while obtaining EXIM code.
- 415. I have repealed the existing provision that requires the taxpayers to pay minimum tax even if they have not made any taxable transactions.
- 416. Authorized Economic Operators will be selected, and such individuals will be provided with fast-track clearance facilities and on-site inspection services for goods during import and export.

417. To make customs valuation more realistic, an automated database of international price trends will be developed, and the reference value will be replaced by an automated valuation system.

Control of Revenue leakage

418. The risk of revenue leakage will be reduced by developing a system for exchanging data and information related to bilateral trade with neighboring countries.
419. An intelligence-based investigation system will be developed to control revenue leakage. Information exchange and joint monitoring among agencies involved in revenue mobilization will be made effective.

Increasing Efficiency in Revenue Administration

420. The revenue service will be gradually transformed into paperless, contactless, and faceless system by specializing, and enhancing the capacity and efficiency of revenue administration.
421. Integrated check points will be established and upgraded at major custom points to facilitate trade and reduce business costs.
422. Business Process Reengineering will be carried out to make timely changes in the inland revenue information system. I believe that this will simplify the work process and tax compliance, and reduce collection cost.
423. Reforms as per the Domestic Revenue Mobilization Strategy and the Customs Reform and Modernization Action Plan will be accelerated.
424. Foreign trade will be facilitated by expanding the scope of the national single window information system.

Right Honourable Speaker, Right Honourable Chairperson

425. I have presented the actual expenditure for last fiscal year 2023/24, the revised estimate for current fiscal year 2024/25, and the expenditure estimate along with heading wise sources for the upcoming fiscal year 2025/26. I have presented the estimated income-expenditure details in the annexes. I have also presented the statement on technical assistance to be received from international development partners, and assistance to be mobilized from international non-governmental organizations.
426. I expect that economic reforms will be paced and a conducive environment will be created to achieve high and sustainable economic growth from the execution of the proposed budget. I believe that this budget will make significant contributions toward increasing private investment, expanding economic activities, developing entrepreneurship, and generating employment opportunities by diversifying the economy. I am confident that this budget will help to strengthen revenue mobilization,

maintain budget discipline, and focus government investment on high-return sectors. I believe this will bring dynamism in the economy and acceleration in development.

427. I have estimated to achieve an economic growth of 6 percent in the upcoming fiscal year through the implementation of policies and programs proposed in the budget. It is estimated that inflation will remain within the limit of 5.5 percent in the upcoming year. Monetary policy will be issued by Nepal Rastra Bank to support the implementation of policies and programs mentioned in the budget.
428. I express my profound gratitude to the Right Honourable President, Right Honourable Vice President, Right Honourable Prime Minister, Right Honourable Chief Justice, Right Honourable Speaker, Right Honourable Chairperson, and senior leaders of political parties who guided in formulating the budget. I express my sincere thanks to all including Honourable Ministers, Honourable Members of the Federal Parliament, political parties, private sector, development partners, experts from various fields, media, public servants, and civil society for providing suggestions on the budget. I expect constructive support from all concerned in the implementation of the proposed budget.

Thank You!

Disclaimer: If the content in English and Nepali version of this budget contradicts, the latter will be valid.

