

NEPAL

GOVERNANCE

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Budget Transfers Raise Questions over Government Accountability

Photo from Naya Patrika

The Nepal government has a history of forming unrealistic budgets and making last-minute changes, which has once again come to light. During the first nine months of the current fiscal year, the government made budget transfers worth NRs. 57.60 billion, citing failing revenue collection as the reason. In April alone, the government made a cash transfer of NRs. 33.21 billion to manage expenses.

According to the Ministry of Finance, the majority of the transfer, NRs. 31.41 billion, was made in the "Other" overhead, which experts say goes against budget-making principles. Governments use "Other" overhead to spend on things whose purpose isn't mentioned in the budget. This amount was used to make payments to the personal secretaries of federal and provincial lawmakers and contracted staff, purchase electronic passports, agricultural fertilizers, and other undisclosed expenses. Additionally, 100 million was transferred for undisclosed purposes.

In the last fiscal year 2021/22, the government made a budget transfer of [NRs. 126 Billion](#) from its total annual budget of NRs. 1.632 trillion, which is around 12 percent of the total budget. Meanwhile, the government allocates a significant amount for capital expenditure every year to build infrastructure projects, of which only around 70 percent is spent by the end of the year. However, the majority of these expenses are made during the end of the year to use the budget.

This indicates the hasty and unscientific budget making of the Nepal government. Payments on human resources or ministerial requirements are essential necessities that must be thought through beforehand. Budget transfers suggest irregularities that happen in the background, as it increases during the year-end when most of the overhead expenses are still remaining.

Read more: [Naya Patrika](#)

Governance Issues of the Week

1. The National Vigilance Center has recommended the Commission for the Investigation of Abuse of Authority (CIAA) take action against 9,590 government officials and representatives who failed to submit their property details. According to the Prevention of Corruption Act 2002, people in public positions must submit their property details within 60 days of appointment and annually thereafter.

Read more: [Naya Patrika](#)

2. 25 ride-sharing companies are operating in Nepal without proper registration. It includes the international ride-hailing service, inDrive, which arranges 29,300 rides daily and generates an annual turnover of NRs. 2.11 billion. This situation poses risks to passengers' safety and data privacy, and also affects the government's tax revenue.

Read more: [The Kathmandu Post](#)

3. Since the introduction of federalism in Nepal in 2015, eight Education Ministers have been replaced, but none of them have managed to pass the Federal Education Act in parliament. This absence of an Act has caused uncertainty about the education authority of local, provincial, and federal governments. Moreover, the government has not been able to fulfill its commitment to provide free and mandatory education up to grade 12, as stated in the Constitution.

Read more: [Kantipur](#)

4. The unavailability of internet connectivity has hindered 151 wards from offering civil registration services online. The Department of National ID and Civil Registration launched an online registration system in 2015 to streamline the registration process for significant life events such as birth, death, marriage, divorce, and migration. However, the system has not yet been entirely put into operation.

Read more: [The Himalayan Times](#)

5. Of the 51,308 retired teachers who are eligible for pensions, approximately 30,000 did not receive their pensions in March. The government has halted the payment of pensions to teachers due to decreased revenue collection and financial strain on the state treasury.

Read more: [Naya Patrika](#)

6. On 24 April 2023, a FlyDubai plane with 167 passengers onboard suffered engine failure shortly after takeoff from Tribhuvan International Airport (TIA) en route to Dubai. The aircraft, a Boeing 737-800, continued its journey to its destination despite one of its engines catching fire, and landed safely in Dubai after the fire was put out.

Read more: [My Republica](#)

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