

# GOVERNANCE

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## A Closer Look into Key Initiatives in FY 2024-25 Budget

WEEKLY

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Finance Minister Barsha Man Pun announced the budget estimate of NRs. 1.86 trillion for the upcoming Fiscal Year 2024-25 on 28 May 2024. It is 6.2 percent higher compared to the budget announced for the ongoing fiscal year i.e. NRs. 1.75 trillion. To note, the budget for this year has been downsized by 12.62 percent after a mid-term review.

The budget for 2024-25 aims to achieve an economic growth rate of 6 percent and contain inflation at 5.5 percent. The largest portion of the budget is projected to come from revenue collection, estimated at NRs 1,260.30 billion. To bridge the gap, the remaining funds will be sourced through foreign grants and both foreign and internal debt.

The budget has highlighted five priorities, five objectives, and five economic reform strategies. It collectively emphasizes areas such as boosting productivity, employment, increasing investment, promoting inclusion, social security, and good governance.

### Governance issues of the week

#### 7 Highlights of Nepal Budget 2024/25

Prime Minister Daughter Self-Reliant Program	The program will provide employment-oriented education and skills to young women in coordination with local and provincial governments. NRs. 100 million has been allocated for this program. The budget also mentions that FY 2024-25 will be celebrated as Women's Investment Year.
Returnee Entrepreneurship Program	The program will foster entrepreneurship among returnees by utilizing their skills, knowledge, and capital. It seeks to secure employment for 100 thousand returnees. In addition, the Shramadhan Program will also be executed to connect skilled human resources with potential employers.
Green Tax	The green tax will be levied on environmentally harmful sectors including fossil fuels. This tax applies to coal, coal-derived products, petrol, diesel, and soft beverages like Coke.
	The program aims to promote youth participation in entrepreneurship and build an ecosystem to promote innovation. NRs. 1 billion has been allocated to establish the start-up fund. In addition, the budget also mentions that the incubation center will be established in each province.
Learning from a Friend, and Teaching a Friend	NRs. 870 million is allocated for the President's Education Reform program. Career counseling will be incorporated into school education to ensure that the student can pursue skills and knowledge based on their interest from an early age and choose careers accordingly. It is envisioned to benefit 100 thousand students.
Youth Mobilization in Country Development Program	The program will cater to university graduates who are seeking employment by providing them with training in collaboration with private and public sectors in areas such as business, agriculture, hospitality, tourism, etc. With a budget of NRs. 3 billion, the initiative seeks to secure jobs for at least 100 thousand individuals.
Information Technology Decade	Over the next 10 years, NRs. 30 billion will be invested in the information technology sector to create 500,000 direct and 1 million indirect jobs. An institutional mechanism will be established to revise, implement, and monitor the Digital Nepal framework. For this purpose, NRs 590 million has been allocated for FY 2024-25.

Beyond these programs, the budget outlines numerous initiatives aimed at economic growth and opportunities. However, while previous budgets have also appeared promising on paper, the real challenge lies in effective implementation. In previous fiscal years, the Nepal government has consistently struggled to spend even sixty percent of the capital budget. There has been a tendency to introduce ambitious budgets that are later downsized. Therefore, the government must create a robust implementation mechanism and ensure coordination across all levels and sectors to truly meet the budget's objectives. Read more: [Ministry of Finance](#)

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