

GOVERNANCE

Issue 126 | JUNE 21, 2024

Exploring FY 2024/25 Provincial Budgets: Key Priorities and Focus

WEEKLY

Photo by The Kathmandu Post

Following the Nepal government's budget announcement on May 28, 2024, all seven provinces have now unveiled their respective budgets. These budgets vary in size and priorities, reflecting the unique capacities and agendas of each province. Though most of the provinces have reduced their budget size compared to previous year, the capacity of provinces to raise and spend the projected amount is still unrealistic.

The Nepal government has increased the overall budget size for the fiscal year 2024-25. However, it has reduced the budget allocation for provinces. For the fiscal year 2024-25, the provinces will receive a total grant of NRs. 96 billion, constituting 5.18 percent of the overall federal budget. 6 years back in FY 2018-19, the government had allocated NRs. 123 billion to provinces. In light of these figures, provincial governments must carefully consider their revenue streams. While provinces have limited tax revenue rights, adequate fiscal transfers and capacity enhancements are crucial for them to effectively implement their budgetary promises.

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Budget and Priority Areas of 7 Provinces

Province	Annual Budget	Priorities and Focus
Koshi Province	Total Budget of 2024/25: NRs. 35.27 billion budget Budget of 2023/24: NRs. 35.24 billion Expenditure Ratio: N/A	Agriculture, physical development, urban development, education, health and tourism
Madhesh Province	Total Budget of 2024/25: NRs. 43.89 billion Budget of 2023/24: 31.34 billion Expenditure Ratio (Estimated) 71.05 percent	Tourism Year, under the slogan "Let's tour and understand the Madhesh". Agriculture, environment, transportation, industry, and education
Bagmati Province	Total Budget of 2024/25: NRs. 64.54 billion Budget of 2023/24: NRs. 62.71 billion. Expenditure Ratio: N/A	Skill Year, aimed at enhancing vocational training and skill development Education, health, agriculture and tourism
Gandaki Province	Total Budget of 2024/25: NRs. 32.97 billion Budget of 2023/24: NRs. 33.42 billion Expenditure Ratio: N/A	Quality infrastructure, production, employment, social justice, and good governance
Lumbini Province	Total Budget of 2024/25: NRs. 38.97 billion Budget of 2023/24: NRs. 40.48 billion Expenditure Ratio (Estimated): 47.26 percent	Entrepreneurship and employment, health, education, physical infrastructure, agriculture and tourism
Karnali Province	Total Budget of 2024/25: Rs. 31.43 billion Budget of 2023/24: NRs. 33 billion Expenditure Ratio (Estimated): 73.15 percent	Chief Minister Employment Programme with Rs. 1.16 billion allocated Employment opportunities for 16,000 people Building infrastructures of 370 community schools
Sudurpaschim Province	Total Budget of 2024/25: NRs. 31.62 billion Budget of 2023/24: NRs. 29.26 billion Expenditure Ratio	Rs. 100 million for start-up programs targeting foreign employment returnees Physical infrastructure development, agriculture
(Estimated): 70.16 percent		

Governance Issues of the Week

1. The Prime Minister overlooked 25 days of protests by Chure Conservation activists in Kathmandu and opted to visit Siraha for a Chure Day plantation event. Since the launch of the Chure-Tarai-Madhesh Conservation and Management Master Plan for 20-years in 2014, the government spent 14 billion rupees in nine years, which is far less than the projected budget. In addition, the Auditor General Report also highlights that the work done is not upto the mark as spent budget.

Read more: [Kantipur](#)

2. Lawmakers from various political parties have raised concerns about the Ministry of Physical Infrastructure and Transportation's budget allocation. Comparative data showed that Minister Raghubir Mahaseth's constituencies in Dhanusha 4 and 5 received NRs. 8.77 billion rupees, while CPN-UML President KP Sharma Oli's home district of Jhapa received NRs. 6.70 billion rupees. In contrast, the 10 districts of Karnali Province received only NRs. 7 billion rupees.

Read more: [Setopati](#)

3. The Media Council Bill currently under discussion in the National Assembly's Legislation Committee has a provision that the chairperson and the council members have to provide a description of family members including their occupation and business within 30 days of their appointment. Unlike the Public Service Act, the definition of family includes siblings, uncles, in-laws, their spouses, and children. This provision is later linked with accountability and transparency.

Read more: [Online Khabar](#)

4. The government's reserve fund dropped to negative of Rs. 204 billion dollars by mid-June as indicated in the report from Financial Comptroller General Office (FCGO). This decline is Rs. 23.70 billion more than the previous fiscal year. The continuation of negative reserve funds will make it difficult for the government to fulfill its obligations and indicate a financial crisis.

Read more: [Republica](#)

5. 825 teachers have given up their party memberships whereas 20 teachers chose to continue politics following the directive to make the education sector free from party politics from Sumana Shrestha, Minister for Education, Science and Technology. She reiterated her commitment and highlighted major milestones from her first 100 days, including ongoing work such as the education bill, investigation into the loss of students' exam papers, and more.

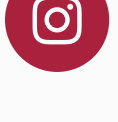
Read More: [Naya Patrika](#)

6. Nepal and China are ready to discuss the border issues on June 19-20 2024 in Beijing right before Nepal-China foreign secretary-level talks to take place on June 25. The delegation, led by Prakash Joshi, Director General of the Department of Survey, will discuss issues such as the Nepal-China boundary; the date for starting a joint boundary inspection; disputes in the Nepal-China border; signing of the Border Management System, etc.

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Presented by



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