



Nepal GOVERNANCE WEEKLY

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Nepal's Budget 2083/84: Development Priorities and Persistent Execution Gaps

The Government of Nepal has presented a Rs. 2.124 trillion [budget](#) for FY 2083/84 (2026/27) with the objective of accelerating economic growth, generating employment, and strengthening fiscal stability through an investment-led recovery approach. Of the total allocation, 59.8% (Rs. 1.270 trillion) has been set aside for recurrent expenditure, 20.3% (Rs. 431 billion) for capital expenditure, and 19.9% (Rs. 422 billion) for financial management, including debt servicing. The budget is expected to be financed through Rs. 1.405 trillion in revenue, Rs. 61.74 billion in foreign grants, and Rs. 657 billion in borrowing, reflecting continued dependence on both domestic and external debt alongside revenue mobilization efforts.

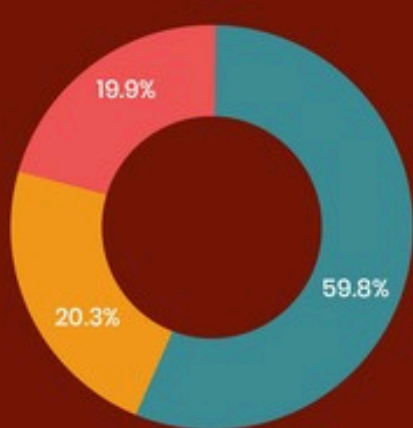
Sectorally, the budget prioritizes large-scale infrastructure development, education, health, energy, agriculture, and social protection. Infrastructure receives the highest allocation of Rs. 302.83 billion, focusing on roads, highways, bridges, tunnels, and urban development, alongside increased emphasis on public-private partnerships for project implementation. The education sector is allocated Rs. 218.30 billion, targeting improvements in school infrastructure, skills development, and the integration of digital and AI-based learning systems. The health sector receives Rs. 101.95 billion, aimed at expanding health insurance, strengthening hospitals, and improving maternal and child healthcare services, while social security programs are allocated around Rs. 120 billion to support vulnerable groups, including elderly citizens and informal workers.

In the productive sectors, energy has been allocated Rs. 85.54 billion for hydropower expansion, transmission lines, and electricity distribution improvements, while agriculture receives Rs. 46.92 billion for fertilizer support, irrigation, crop insurance, and modernization of farming practices. Industry, commerce, and supply sectors are allocated Rs. 8.31 billion, with a focus on industrial zones, business revival loans, and improving the investment climate. In addition, ICT and innovation-related sectors receive a combined allocation of Rs. 9.93 billion, supporting digital governance, fintech, AI, startups, and cybersecurity initiatives, reflecting a gradual shift toward a digital economy.

Alongside sectoral allocations, the budget introduces major policy reforms, including reductions in income tax rates, an increase in the tax exemption threshold to Rs. 1 million, and adjustments in customs and excise duties to encourage investment and consumption. Governance reforms include administrative restructuring, digitization of public services, and simplified business approval processes to reduce bureaucratic delays. While the budget presents a strong reform-oriented and growth-focused agenda, its effectiveness will largely depend on implementation capacity, efficient capital expenditure execution, and the government's ability to manage rising debt pressures while delivering tangible development outcomes.



Total Budget
2,124.34 billion



- Current (Recurrent) Expenditure**
1,270.58 Billion (59.8%)
- Capital Expenditure**
431.10 Billion (20.3%)
- Financial Management**
422.64 Billion (19.9%)

Revenue Rs 1,405.31 billion	Domestic Borrowing Rs 410 billion	Foreign Grants Rs 61.74 billion	Foreign Loans Rs 247.28 billion
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Ministry of Land Management and Cooperatives	NPR 14.94 Billion
Ministry of Culture, Tourism and Civil Aviation	NPR 10.53 Billion
Ministry of Industry, Commerce and Supplies	NPR 9.34 Billion
Ministry of Foreign Affairs	NPR 8.73 Billion
Ministry of Information and Communications	NPR 5.93 Billion
Ministry of Science, Technology and Innovation	NPR 4.00 Billion
Ministry of Youth, Labour and Employment	NPR 3.62 Billion
Ministry of Law, Justice and Parliamentary Affairs	NPR 0.58 Billion

Source: www.mof.gov.np

Weekly Snapshot



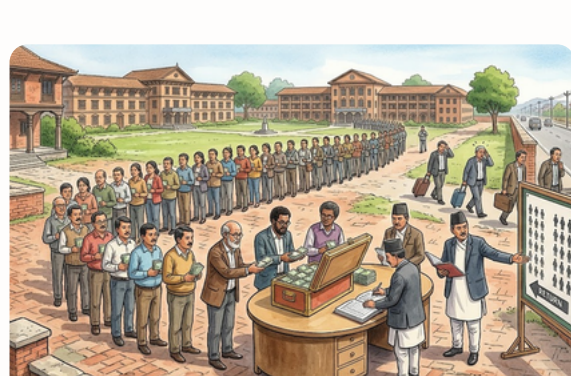
- Child Marriage in Karnali: A Serious Concern:** Child marriage is still a serious problem in Karnali Province of Nepal. According to the National Human Rights Commission, about 37.9% of girls marry before the age of 18, which is higher than the national average. Poverty, lack of education, and traditional beliefs are the main reasons behind this practice. It has negative effects on health, education, and mental well-being. Many young girls face early pregnancy, health risks, and even depression. Experts say that strong law enforcement, awareness, and education are needed to stop this problem. Protecting children's rights is very important for a better future in Karnali. [Read more](#)

Nepal Passport Sees Slight Improvement in 2026 Ranking: Nepal's passport has seen a slight improvement in the 2026 Henley Passport Index, moving up a few positions and now ranking around 95th-97th globally. Nepali passport holders currently have visa-free or visa-on-arrival access to about 35-40 countries, showing modest growth in mobility due to recent diplomatic efforts. However, it still remains among the weaker passports worldwide, especially compared to countries like Singapore, Japan, and South Korea, which access over 180 destinations. Despite gradual progress, significant improvement will require stronger foreign policy and more bilateral visa agreements. [Read more](#). Overall progress is slow but positive for Nepal in global mobility terms. [Read more](#)



Government Faces Criticism Over National ID Reissue Fee: The government is facing criticism after continuing to charge a Rs. 500 fee for reissuing National Identity Cards that were destroyed during the Gen-Z protests, including incidents where offices such as the Morang District Administration Office were set on fire and around 70,000 cards were lost, forcing citizens to reapply with new biometric details despite having no fault in the loss. Although the fee is officially applied under rules for lost or damaged documents, service seekers argue it is unfair to penalize them for government property damage. Officials say they are bound by regulations, while discussions on exemption are ongoing. [Read more](#)

- Study leave misuse: TU recovers Rs 10.46 crore:** Tribhuvan University is collecting money back from professors who went on study leave but did not return to service. So far, 41 professors have returned around 10.46 crore rupees. Another 62 have applied to return the money. A committee found that about 398 teachers misused study leave. Many went for study but did not come back, causing financial and academic loss to the university. The university says it has suffered 2 billion rupees in damage. Authorities are now asking others to return the money quickly for legal action. The university also publishes the names of those who do not comply. [Read more](#)



Nepal to Chair First Committee of the UNGA: Nepal has been elected to chair the First Committee of the United Nations General Assembly (UNGA): Disarmament and International Security issues. The election is seen as a significant diplomatic achievement and a recognition of Nepal's long-standing commitment to peace, security, and multilateral cooperation. Following the election, Nepal's permanent representative to the United Nations, Lok Bahadur Thapa, thanked member states for their trust and support. He pledged to lead the committee with impartiality, transparency, and inclusiveness in addressing key global security challenges. [Read more](#)

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