



POKHARA
RESEARCH CENTRE

Gandaki Province Budget Summary

F.Y. 2024/25

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2024/25

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The Minister of Financial Affairs of Gandaki Province, Hon. Dr. Takraj Gurung, presented the Budget for the province for the fiscal year 2024/25 on June 15, 2024.

Budget Objectives:

- Enhancement in quality infrastructure and production
- Increase employment and income
- Building human capital, establishing an equitable distribution of the benefits of development.
- Achieving social justice and development
- Enhancing good governance through quality public service delivery

Budget Priorities:

- Building resilient and sustainable infrastructure
- Increase in income generation and employment
- Social development and establishment of an equitable society
- Accessible health and quality education
- Balanced sectoral development
- Promotion of good governance, quality service delivery and cross-level linkages

Budget Highlights

- The **Gross Domestic Product (GDP)** of Gandaki Province at the basic price for FY 2023/24 is estimated to be NRs. 51 billion 670 million, amounting to current growth of 4.55% over FY 2022/23.
- **Per capita Income** is estimated to be \$ 1557 in 2023/24.
- **Expenditure (excluding share investments in other institutions)** in FY 2024-25 is estimated to be NRs. 32 billion 678 million and 575 thousand.
- **Revenue Receipts (excluding loans)** in FY 2024-25 are estimated to be NRs. 31 billion 278 million and 575 thousand. In FY 2023-24, the revised revenue receipts (excluding loans) are NRs.28 billion, 937 million, and 103 thousand.
- **Fiscal Deficit** : In order to fulfill this deficit, the province will be taking loans of NRs. 1 billion 700 million from other internal governments, NRs. 300 millions of remaining funds from loans will be invested in share investments in other institutions.

Policy Highlights

- **Self-sufficient and prosperous province** : Respected province residents: In order to complete the development roadmap set by the second five-year plan, emphasis has been put forward to increase production and productivity, create jobs, enhance the interests of the citizens of the province, and contribute to the overall development of the province. Giving importance to the role of the private sector in

the regional economy, an allocation of a certain amount of budget has been formulated emphasizing investment promotion through the participation of the public and private sectors.

- **Greater animal Development Promotion Program and Fishery Development Project:** An allocation of 35.1 million budget has been allocated for export promotion by increasing the production of milk ,eggs and fish in the province.
- A budget of 126 million 275 thousand has been arranged for the program to make Gandaki province **self-sufficient in food, vegetables, fruits, fish, meat and potato production**. In addition, the rural nutrition security program has been continued to improve the nutritional status of food and nutrition insecure communities.
- **Healthy Life, Our Joyous Aim :** Through the Healthy Life Campaign, allocation of 10 million budget has been emphasized on conducting the **Gandaki Awakening Campaign** with civic education, parent education as well as meditation and yoga camps along with social awareness campaign and awareness for the end of exploitation and discrimination including caste discrimination and untouchability.
- **Journalism :** Special arrangements have been made for the development and expansion of mass media and journalism in Gandaki province. As an incentive to the journalists within the province, the necessary budget has been allocated for conducting the journalist capacity development program and journalist writing fellowship program.
- **Disaster Risk Reduction:** An allocation of 100 million budget has been arranged as a minimum balance in the Provincial Disaster Management Fund for Disaster Response. A special program will be conducted to rebuild the disaster preparedness response after completing the identification and mapping of risk areas within Gandaki province.
- **Conscious consumers, responsible producers and sellers:** Allocation of certain amounts of budget has been managed in order to protect and promote consumer interests, market monitoring and to conduct public-private dialogue programs.
- **Youth and Sports:** The infrastructure construction work of a high altitude sports training center has been started in the next financial year and the necessary arrangements have been made for conducting a high altitude sports program for high altitude sports.

Budget allocation to the ministries:

- Ministry of Chief Minister Office: **1 billion 5 million 498 thousand, sharing 3.05%.**
- Ministry of Financial Affairs: **171 million 499 thousands, sharing 0.52%.**
- Ministry of Agriculture and Land Management : **2 billion 92 million 107 thousands, sharing 6.34%.**
- Ministry of Social Development and Health: **5 billion 477 million 416 thousands, sharing 16.61%.**
- Ministry of Energy, Water resources and Drinking water: **4 billion 25 million 389 thousand, sharing 12.21%**
- Ministry of Physical Infrastructure Development and Transport: **12 billion 701 million 6 thousand Sixty Six, sharing 38.51 %.**

- Ministry of Industry, Tourism, Forest and Environment: **1 billion 584 million 430 thousands , sharing 4.80%**.

Budget Estimates for FY 2024/25

- The total expenditure in FY 2024-25 is estimated to be NRs. 32 billion 978 million and 575 thousand. This expenditure is proposed to be met through NRs. 13 billion 84 million 700 thousands from Federal Grants, NRs. 9 billion 611 million and 200 thousand from Revenue Sharing, NRs. 481 million from Royalty Sharing and NRs. 5 billion, 170 million from Internal Revenue.
- The revised expenditure estimates of FY 2023-24 is NRs. 23 billion 2 million and 687 thousand. It has decreased from an estimated expenditure of 33 billion 427 million 200 thousand by 31.18%.

Table 1: Gandaki Province Budget FY 2024/25: Key Figures (in 000)

S. N.	Description	FY 2022/23 Actuals	FY 2023/24 Revised Estimates	FY 2024/25 Estimates			
				Amount	Source		
					Province Government	Federal	Grants Foreign
1	Revenue	13070797	15673103	18194975	18194975	0	0
2	Tax	9129889	10272800	11968769	11968769	0	0
3	Other Revenue	1439892	2316200	2911388	2911388	0	0
4	Miscellaneous Receipt	2501016	3084103	3314818	3314818	0	0
5	To be accumulated in Province Consolidated Fund (1-4)	13070797	15673103	18194975	18194975	0	0
6	Fiscal Equalization Grant	12926037	13264000	12598000	0	11460000	1138000
7	Revenue and Grants of Province Government (5+6)	25996834	28937103	30792975	18194975	11460000	1138000
8	Expenditure (9+10+11)	23614915	23002687	32678575	20080575	11460000	1138000
9	Current	6462028	7711958	11150582	9343366	1371016	436200
10	Capital Expenditure	15261360	13575065	19517993	8727209	10088984	701800
11	Fiscal Transfer Current	1891527	1715664	2010000	2010000	0	0
12	Budget Surplus (-), Deficit (+)	-2381919	-5934416	+1885600	+1885600	0	0
13	Financial Provision	0	0	-1400000	-1400000	0	0
14	Other Fiscal Property	0	0	300000	300000	0	0
15	Share Investments in Other Institutions	0	0	300000	300000	0	0
16	Internal Liability	0	0	-1700000	-1700000	0	0
17	Loan Received from Other Internal Government	0	0	-1700000	-1700000	0	0
18	Budget Surplus (-), Deficit (+)	-2381919	-5934416	0	0	0	0
19	Total Revenue	25996834	28937103	32978575	20380575	11460000	1138000
20	Total Expenditure	23614915	23002687	32978575	20380575	11460000	1138000

Source: Budget Statement of Gandaki Province FY 2024/25

Expenditure in FY 2024-25

Current Expenditure for FY 2024-25 is estimated to be NRs. 13 billion 160 million and 582 thousand, a total of 39.91% from total allocation, an increase of 23.79% over the estimate of FY 2023-24.

Capital Expenditure for FY 2024-25 is estimated to be NRs. 19 billion 517 million and 993 thousand, a total of 59.19% from total allocation, a decrease of 3.31% over the estimate of FY 2023-24.

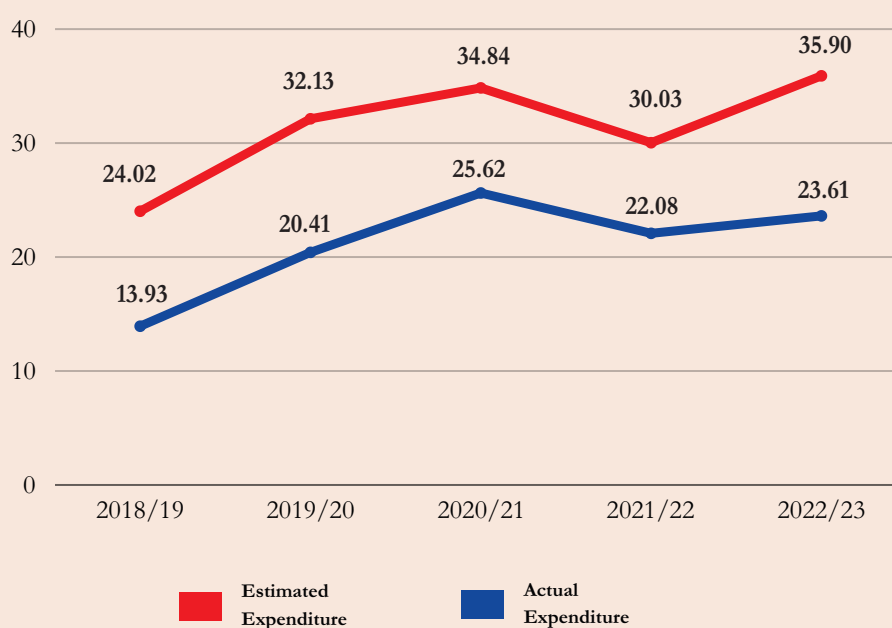
Table 2: Expenditure Estimates FY 2024/25 (in 000)

Description	FY 2022/23 Actuals	FY 2023/24 Revised Estimates	FY 2024/25 Estimates			
			Amount	Source		
				Province Government	Federal Grants	Foreign
Expenditure	23614915	23002687	32678575	20080575	11460000	1138000
Current	6462028	7711958	11150582	9343366	1371016	436200
Capital Expenditure	15261360	13575065	19517993	8727209	10088984	701800
Fiscal Transfer Current	1891527	1715664	2010000	2010000	0	0

Source: Budget Statement of Gandaki Province FY 2024/25

Over-Estimation of Expenditure

Figure 1 :Allocation and Expenditure : Budget (in Nrs billion)



Sources: Budget Statements of Gandaki Province FY 2018/19- 2022/23

Functional Allocation of Budget:

Table 3: Functional Allocation of Budget FY 2024/25 (in 000)

Title	2023/2024 Allocation		2024/25 Estimates		Total	Local Level	Province	Local Level	Percentage of Total Estimate	% change from BE 2022/23 to BE 2023/24	Provision
	Total	Province	Total	Province							
General Public Service	7627597	5522097	2105500	3440976	5451498	2105522	2010522	16.53	16.53	28.53	Priority has been given in the budget allocation so that the state pride projects currently in operation are multi-year projects sequentially and the remaining work assigned to incomplete projects will be completed in the next financial year.
Public Peace and Security	472640	472640	0	24845	24845	0	0	0.08	0.08	94.35	With the coordination and cooperation of the Government of Nepal, the security system will be made effective by building infrastructure at international borders and inter-provincial borders. Continuing the citizen-friendly police program, the construction of necessary infrastructure for the police has been continued with the coordination and cooperation of the Government of Nepal.
Financial Affairs	18244567	18244567	0	18088968	18088968	0	0	54.85	54.85	0.85	The Invest Gandaki program will be conducted to promote internal and external investment in potential areas of agri-tourism and energy.
Environmental Protection	32500	32500	0	71402	71402	0	0	0.22	0.22	-92.46	In order to promote greenery in the urban areas of the province, the necessary budget has been allocated for the establishment of Green Urban Campaign and Nakshetra Gardens in partnership with the local level to maintain a healthy environment by protecting and developing community and urban forests and communal areas. Under the Ministry of Industry, Tourism, Forestry and Environment, Rs. 915 million 143 thousand has been allocated.
Residential and Community Facilities	3394220	3394220	0	3614656	3614656	0	0	10.96	10.96	-26.09	Ministry of Physical Infrastructure Development and Transport Management Liaison Offices Rs. 12 billion 701 million 666 thousand has been allocated.
Health	2784520	2784520	0	3012141	3012141	0	0	9.13	9.13	1.22	In accordance with the concept of My Health, My Responsibility, the necessary budget has been allocated for the implementation of the Aachhar Program of Kitchen Improvement through the Citizen Health Campaign to encourage citizens to adopt a healthy lifestyle. A total of Rs 5 billion 477 million 4 16 thousand has been allocated to the Ministry of Social Development and Health.
Entertainment, Culture & Religion	182054	182054	0	143722	143722	0	0	0.44	0.44	-57.67	In order to expand and strengthen the development and strengthening of the sports sector, arrangements have been made to conduct special programs for professional development, training and encouragement of players in collaboration and partnership between the federal government and the local level. Necessary budget arrangements have been arranged for the honoring program of the famous sportsmen of the province.
Education	1686652	1686652	0	940229	940229	0	0	2.85	2.85	1.44	Emphasis is placed on conducting civic education, parenting education as well as Gandaki Jagran campaign with meditation and yoga camps through our Healthy Life campaign. A budget of Rs 10 million has been allocated for social awareness campaigns and awareness programs to end exploitation and discrimination including caste discrimination and untouchability.
Social Security	1107950	1107950	0	1631114	1631114	0	0	4.95	4.95	-35.18	According to the policy of zero tolerance against gender violence, the necessary budget has been allocated by prioritizing the implementation of the program to maintain gender mainstreaming and basic gender equality by ensuring meaningful participation in every sector through women's empowerment.

Source: Budget Statement of Gandaki Province FY 2024/25

Receipts in FY 2024-25:

- **Total Revenue Receipts** for FY 2024-25 is estimated to be NRs. 30 billion 792 million and 975 thousands of which NRs.13 billion 84 million 700 thousands received from the federal grants, NRs. 9 billion 611 million and 200 thousands from Revenue sharing, NRs. 481 million from royalty sharing, NRs. 5 billion 170 million from internal revenue.
- **Grants from Federal Government** in 2024-25 is estimated to be NRs. 13 billion and 84 million 700 thousands which is 39.68% of total budget of the province. In FY 2023-24, grants from the federal government contributed to 57.8% of the total budget.
- **Internal Revenue** for FY 2024-25 is estimated to be NRs. 5 billion 170 million , which has increased by 0.015% from the estimates of FY 2023-24. Internal Revenue as a percentage of expenditure contributes to approximately 15.67

Break-down of Province Governments Receipts

Table 4: Gandaki Province Receipts Breakdown FY 2024/25 (in 000)

Receipts	2023-24	2024-25	% change on BE from FY 2023-24 to 2024-25
Grants from Centre	14104000	13084700	-7.23
Revenue Sharing	9053200	9611200	6.16
Royalty Sharing	400816	481000	20.005
Internal Revenue	5169184	5170000	0.01
Cash Balance	3000000	2940000	-2
Internal Loan	1700000	1700000	0

Source: Budget Statement of Gandaki Province FY 2024/25

Sources of Province's own-tax revenue

The estimates for Gandaki Province's own source revenue in FY 2024/25 show significant variations across different tax categories. While the Agricultural Income Tax is projected to decrease by 31%, the House & Land Registration Fee is expected to see a dramatic increase of 98.91%, indicating a strategic shift or anticipated economic activity in property transactions. The Entertainment & Advertisement Tax is also forecasted to rise by 16.96%, reflecting a positive outlook for the entertainment and advertising sectors.

Table 5: Gandaki Province Own Source Revenue Estimates FY 2024/25

Items	Revised Estimates FY 2023-24	2024-25 Estimates	% change on RE FY 2023-24 to 2024-25
Agricultural Income Tax	500000	342000	-31%
House & Land Registration Fee	1100000000	1016359000	98.91%
Entertainment & Advertisement Tax	8100000	9474000	16.96%
Motor Vehicle Tax	1200000000	1331394000	10.94%

Source: Budget Statement of Gandaki Province FY 2024/25

Gender Responsive Budgeting:

Gender-responsive budgeting (GRB), is an approach to budgeting that takes into account the various needs of a diverse population by using an intersectional gender lens to respond to the different experiences of women, men, and gender-diverse groups. According to the Budget speech of 2024/25, 33.30 % of total budget lies under direct benefit of Gender Responsive Budgeting ,58.89% lies on indirect benefit and 7.81% lies on neutral.

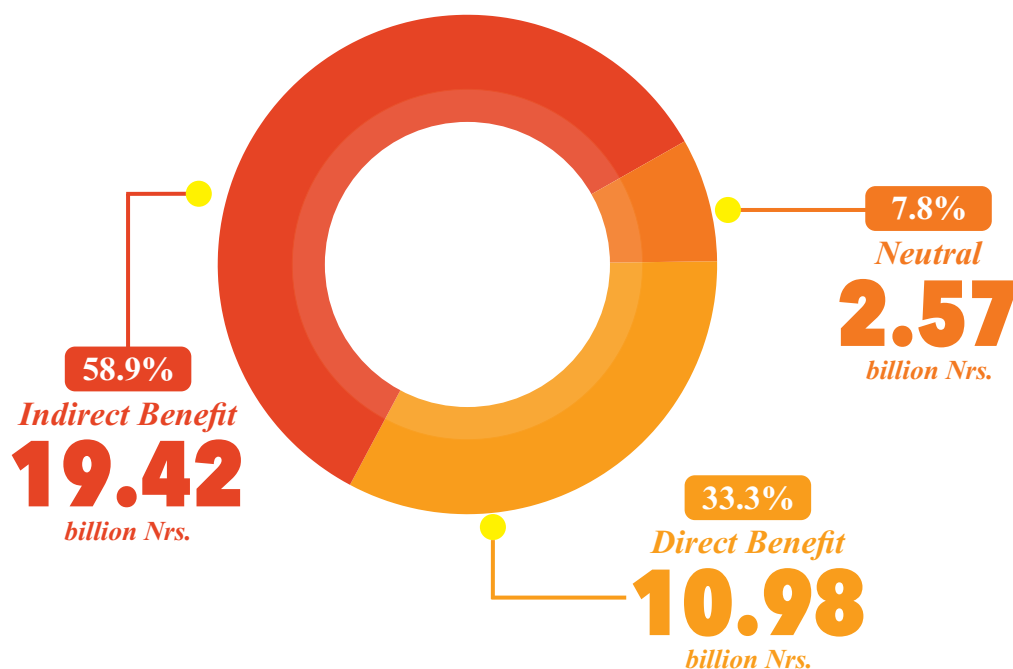


Table 6: Gandaki Province Gender Responsive Budget (in 000)

S. N.	Ministries	Direct Benefit	Indirect Benefit	Neutral	Total
1	Office of Chief Minister & Council of Ministers	155347	0	850151	1005498
2	Ministry of Financial Affaris	0	171499	0	171499
3	Ministry of Agriculture & Land Management	948892	1051554	91661	2092107
4	Ministry of Social Development & Health	4157302	1113750	206364	5477416
5	Ministry of Energy, Water Resources & Drinking Water	2056497	1771450	197442	4025389
6	Ministry of Industry, Tourism, Forest & Environment	766261	693183	114986	1584430
7	Ministry of Physical Infrastructure Development and Transport Management	880376	11821290	0	12601666

Source: Budget Statement of Gandaki Province FY 2024/25

Cost Estimation for Climate Responsive Budgeting:

Climate responsive budgeting (CRB) is an approach to budgeting that integrates climate change considerations into all stages of the budgetary process, from planning and formulation to implementation, monitoring, and evaluation in order to ensure that allocated public funds are spent in ways that address the impacts of climate change, promote climate resilience, and support sustainable development.

According to the Budget speech of 2024/25, 10.25 % of total budget lies under direct benefit of Climate responsive budgeting, 62.10% lies on indirect benefit and 27.65% lies on neutral.

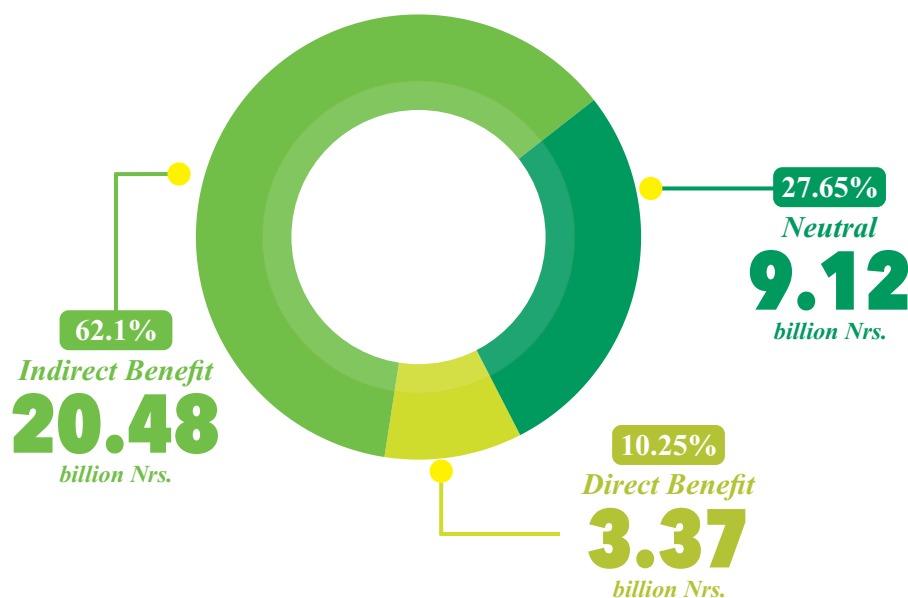


Table 7: Gandaki Province Climate Responsive Budget (in 000)

S. N.	Ministries	Direct Benefit	Indirect Benefit	Neutral	Total
1	Office of Chief Minister & Council of Ministers	0	52933	952565	1005498
2	Ministry of Financial Affaris	0	126175	45324	171499
3	Ministry of Agriculture & Land Management	318035	1754832	19240	2092107
4	Ministry of Social Development & Health	112868	379235	1985313	5477416
5	Ministry of Energy, Water Resources & Drinking Water	876791	3148598	0	4025389
6	Ministry of Industry, Tourism, Forest & Environment	914416	563231	106783	1584430
7	Ministry of Physical Infrastructure Development and Transport Management	0	12445273	256393	1270166

Source: Budget Statement of Gandaki Province FY 2024/25

Funds allocated based on Sustainable Development Goal indicators:

The Sustainable Development Goals (SDGs) are a set of 17 interconnected global goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. These goals aim to address a broad range of global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice. The SDGs provide a comprehensive framework for achieving sustainable development by balancing economic growth, social inclusion, and environmental protection.

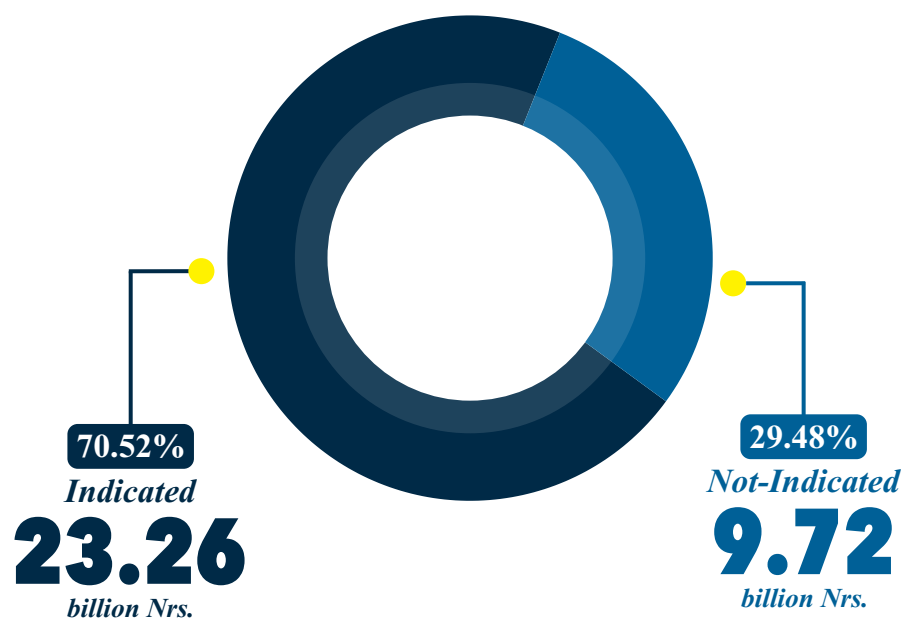


Table 8: Budget Allocation based on SDGs (in 000)

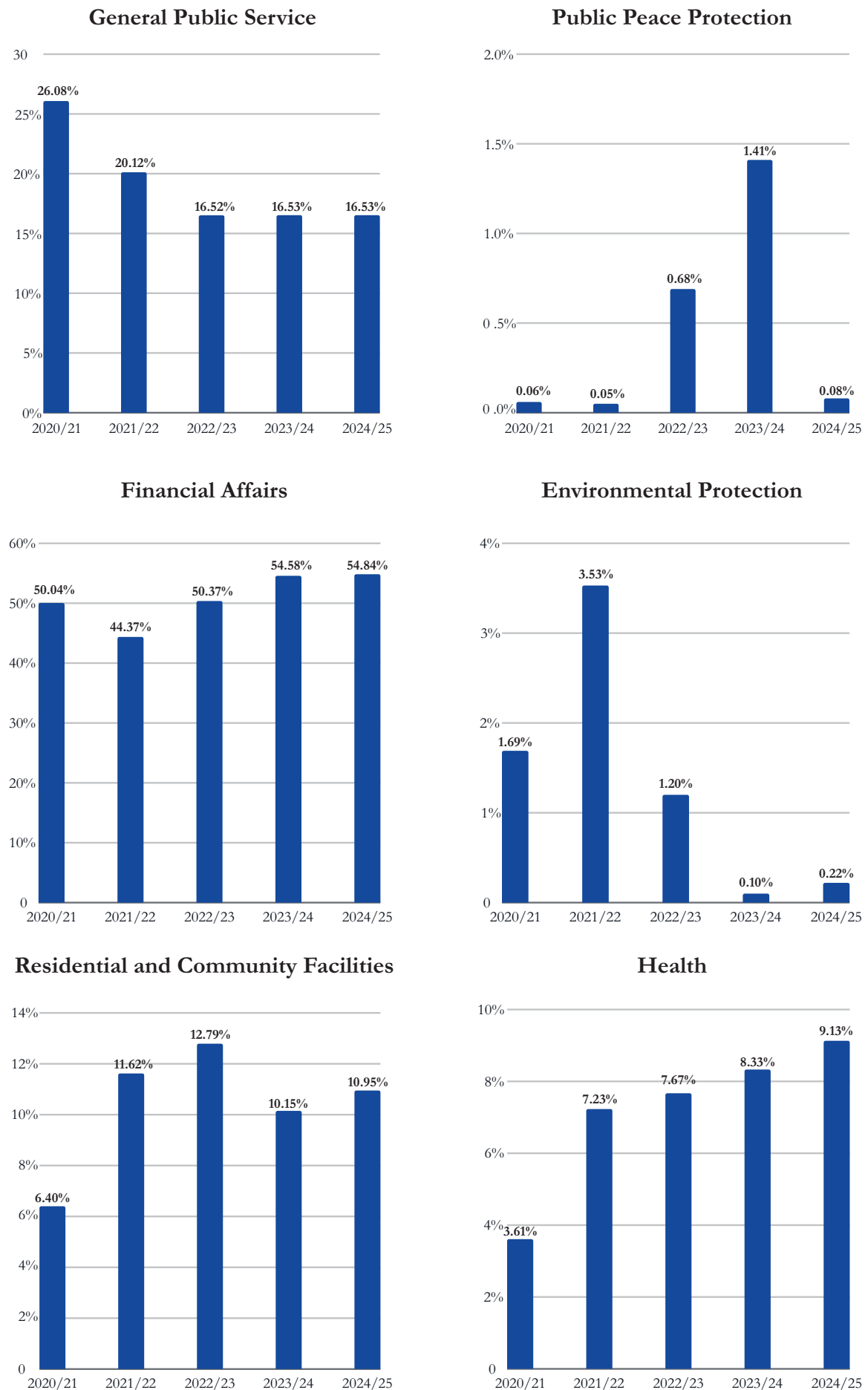
Symbol	SDG	Amount	Percentage
0	Not Coded	9722103	29.47
1	No Poverty	91661	0.28
2	Zero Hunger	1887354	5.72
3	Good Heath and Well Being	2937162	8.91
4	Quality Education	577939	1.74
5	Gender Equality	54873	0.17
6	Clean Water & Sanitation	1915430	5.82
8	Decent Work & Economic Growth	6561	0.02
9	Industry innovation & infrastructure	1192190	36.15
10	Reduce inequalities	91149	0.28
11	Sustainable Cities & communities	396657	1.2

Symbol	SDG	Amount	Percentage
12	Responsible Consumption & Production	1963095	5.95
13	Climate Change	150255	0.46
15	Life on Land	115230	0.35
16	Peace, Justice & Strong Institution	1026046	3.11
17	Partnership for the goals	118100	0.36

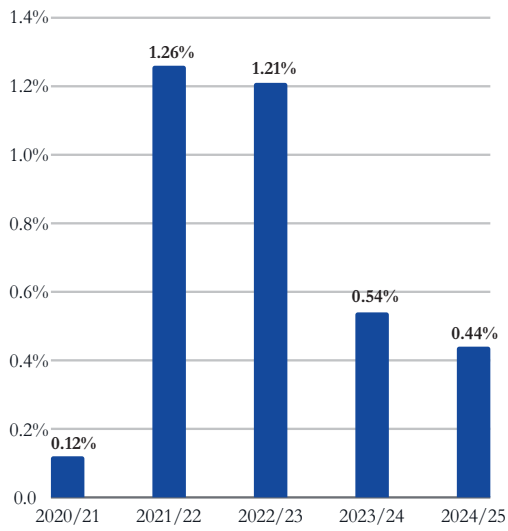
Source: Budget Statement of Gandaki Province FY 2024/25

Comparison of Provinces' Expenditure on Key Functions.

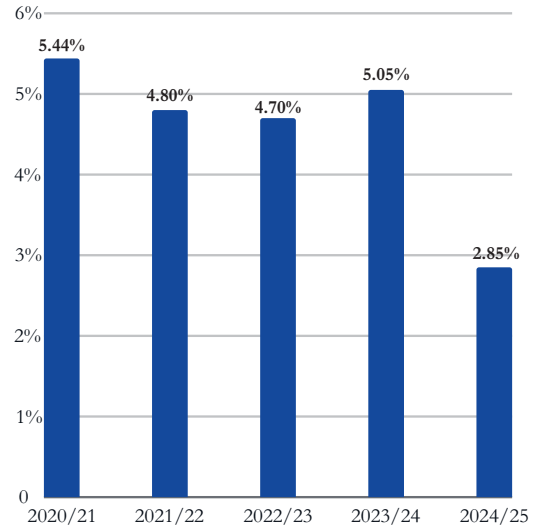
Figure 2 : Comparison of Province's Expenditure on Key Functions



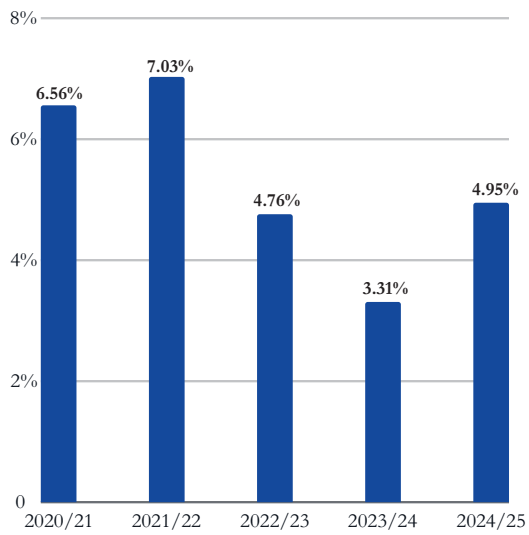
Entertainment, Culture & Religion



Education



Social Security



Source: Budget Statements and Red Book of Gandaki Province
FY 2020/21- 2024/25

Annex I: Comparison of 2022-23 Components of Own-Tax Income of Gandaki Province (in NRs. '000)

Table 6: Comparison of estimated and actual Own-Tax Income of Gandaki Province FY 2022/23 (in NRs. '000)

Items	2022/23 Estimates	2022/23 Actual	% change on BE from FY 2022-23 to Actual 2022-23
Agricultural Income Tax	500	0	-100
House and Land Registration Fee	1000000	704532	-29.54
Entertainment and Advertisement Tax	15000	1697	-88.68
Motor Vehicle Tax	1081000	1081327	0.03

Source: Budget Statements of Gandaki Province FY 2022/23 and FY 2024/25

Annex II: Comparison of Budget Estimates and Actuals: FY-2022/23 (in NRs. '000)

Comparison of Budget Estimates and Actuals: FY-2022/23 (in NRs. '000)

Items	2022/23 Estimates	2022/23 Actual	% change B.E. 2022-23 to Actual 2022-23
Revenue	17365800	13070797	-24.72
Grants	33909000	25996834	-23.40
Total Revenue and Grants	51274800	39067631	-23.40
Capital Expenditure	22140146	15261360	-31.06
Current Expenditure	11156854	6462028	-42.08
Total Expenditure	35409000	23614915	-33.3
Budget Surplus (-) Deficit (+)	1500000	-2381919	-258.79
Financial Provision	500000	0	-100.00
Budget Surplus (-) Deficit (+)	2000000	-2381919	-219.09

Source: Budget Statements of Gandaki Province FY 2022/23 and FY 2024/25

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