



**PUBLIC STATEMENT
ON
INCOME AND EXPENDITURE**

OF

**THE FISCAL YEAR
2004/2005**

**His Majesty's Government
Ministry of Finance
2004**

(Unofficial Translation)

**Income and Expenditure Statement
2004/2005**

**Delivered by
Mr. Bharat Mohan Adhikari
Deputy Prime Minister and Finance Minister
July 16, 2004**

His Majesty's Government
Ministry of Finance
Singha Durbar, Kathmandu
Nepal

www.mof.gov.np

Fellow Sisters and Brothers,

1. An all-party government has been formed as a result of peaceful democratic people's movement, launched for the restoration of democracy, peace, progression and activation of the constitution. The movement was led by political parties and supported by civil societies and various other organizations. This has provided us new opportunities to find solution to the political crisis, the restoration of sustainable peace and reactivation of the constitutional process. A Common Minimum Program(CMP) has been agreed between four major political parties of the dissolved House of Representatives in a way to address people's expectation for peace and political advancement. The political parties have joined the all-party government to work together within the framework of the CMP.
2. The country is now facing numerous political, economic, social and cultural challenges. In order to address these challenges, the all-party government is fully committed to implement the CMP agenda for safeguarding and promoting national interest and democracy, resolving Maoist problems, restoring peace, and providing immediate relief and ensuring progression. Besides, the Government is fully dedicated to implement the commitments made in the political, economic and social sectors. In this respect, the government is also fully committed to strengthen the constitutional monarchy and multiparty democracy in the spirit of the Constitution of the Kingdom of Nepal promulgated as an outcome of the popular movement of 1990.
3. The country has been facing conflicts and violence for the last nine years. During this period, hundreds of thousands of Nepalese have become homeless, thousands have lost their lives, and thousands including men, women and children have become victims of physical and mental torture. The country had never experienced such a huge magnitude of human menace in the contemporary history of Nepal. Efforts made in the past for establishing permanent peace through negotiation and dialogue did not succeed. Therefore, in the light of the past experiences, the present government assumes the responsibility of starting the electoral process for the House of Representatives within

mid-April 2005 after restoring peace and solving the problems created by the Maoists through initiating peace dialogue with a new approach.

4. It is not possible to maintain sustainable peace in the country simply by observing the existing conflict scenario indifferently. Important among the main reasons for the conflict are age-old discrimination, inequality, exploitation and victimization in the society. After the restoration of democracy, significant successes have been achieved in the field of strengthening people's rights, the ability of various castes and communities to present their demands and expectations, and the practice of involving communities of all levels in the democratic process. In spite of these successes, no sufficient opportunities and benefits could be delivered to the people in a judicious manner as desired in political, economic, social and cultural fields. Likewise, no favorable situation could be created towards making the *Dalits*, women, minority groups, backward tribes, deprived ethnic communities, the *Madhesi* communities and the poorest people of other remote regions as well as the people living below the poverty line, participate in the development process and share its fruits. Even existing services and facilities could not be made available to the people in an easy and reliable manner. They remained beyond the reach of the ordinary people because of the weakening of the bases of good governance such as rule of law, transparency, accountability and devolution of authority. Poverty, unemployment, backwardness, inequality and discrimination originated due to the absence of appropriate and sufficient provision of pro-poor and participative policies, and institutional frameworks. These factors also led to the increasing conflict in the society.
5. Therefore, while initiating the peace process, it is equally necessary to take these important aspects into account and make a consolidated effort to lead the country along the path of progression. Sound policy, programs and institutional arrangements are necessary for economic and social transformation and progression. His Majesty the King has issued ordinances including the budget estimate for the FY2004/05, that have been formulated keeping these norms in view and basing the ordinance on the restoration of peace, resolution of social conflict and progression. I am here today to present the major contents and inherent principles of these ordinances issued by His Majesty the King.

6. Now, before shading light on the objectives, policies and programs of this budget, I would like to present an overall economic situation of FY2003/04 and a brief overview of the progress of budget implementation as well as the challenges faced.

Brief Review of FY2003/04

Respected Sisters and Brothers:

7. Economic Survey for FY2003/04, containing socio economic indicators, policy and legal arrangements introduced in the different sectors of governance and challenges, has already been made public. The Survey also vividly reflects the progress made in the implementation of the programs and budget.
8. Gross Domestic Product (GDP), in FY2003/04 is estimated to have increased by 3.6 percent. The agriculture sector posted a growth rate of 3.7 percent due to favorable monsoon whereas improvement in trade and tourism sector has resulted in 3.3 percent growth in the non-agriculture sector. The analysis of the economic indicators of the first ten months of FY2003/04 reveals that the prices during this period increased by 4.0 percent compared to 4.8 percent in the corresponding period of FY2002/03. Accordingly, narrow money (M1) and broad money (M2) posted increase of 5.4 percent and 9.4 percent respectively in the first ten month of the FY2003/04 compared to the corresponding period of previous fiscal year. Similarly time deposit increased by 11.5 percent due to the increase in the remittances by the Nepalese working abroad. The Balance of Payments posted a surplus of Rs. 14.77 billion during the first ten months of FY2003/04. Due to this reason, the foreign exchange reserves totaled Rs.125.50 billion.
9. Despite satisfactory growth in revenue collection in FY2003/04, decline in performance, political instability and absence of elected local bodies, resulted in deceleration in the momentum of the development expenditure. Even targeted poverty reduction programs were adversely

affected by the conflict. Increasing pressure on regular expenditures has caused escalation of the structural problems in the fiscal system.

10. According to revised estimates for FY2003/04, regular and development expenditure will total Rs. 59.30 billion and 32.81 billion, adding up to Rs. 92.11 billion compared to the total expenditure of Rs. 84 billion with the regular expenditure of Rs 54.97 billion and development expenditure of 29.03 billion in FY2002/03. The revised estimate of revenue collection for FY2003/04 is Rs.62.23 billion, as targeted. Internal debt during this period has been contained within the desirable limit.
11. The implementation status of the policies and programs mentioned in FY2003/04 budget has been mixed. The process of attracting the private investment in five infrastructure projects has been initiated with the enactment of an Act under the BOOT policy. Works are progressing towards building small powerhouses and extension of electricity distribution system with the joint contribution of the government and participation of the local bodies or cooperatives or communities.
12. Altogether 775 schools have been handed over to the communities in FY2003/04. Similarly, 1114 sub- health posts of 22 districts have been handed over to the local communities. As per the target to establish one trade school in each development region for producing trained manpower to contribute to commercial and industrial sector, 2 trade schools have come into operation in two Regions.
13. Some progress has been achieved in financial sector reform program. Bank and Financial Institutions Ordinance has been promulgated in FY2003/04. All Banks and financial institutions have to abide by good banking standards, which mobilize deposits of the people. Debt Recovery Tribunal and Debt Recovery Appellate Tribunal have been established in FY 2003/04 to strengthen the regulatory mechanism of Nepal Rastra Bank for minimization of bad debt amount of banks and financial institutions.
14. Overall economic indicators are satisfactory. Nonetheless, structural problems are getting complex. Overall fiscal position is getting

unfavorable due to the continued expansion in regular expenditure and shrinking development expenditure. Financial sector reform program has not been able to deliver the desired results. Problems of financial system are getting complex. Import trade is getting risky in parallel with rapidly growing trade deficit. The base of foreign exchange reserve accumulated through the inflow of foreign aid and remittances, cannot be strong and reliable. Most of the industries are susceptible to competition due to high cost and unfavorable investment climate. Moreover, situation of small and cottage industries is deteriorating. Benefit of the economic growth is urban centered and reaching only to a limited section of the people because of the absence of development strategies that would promote interrelationship between agriculture and non-agriculture sectors. Lack of coordination among targets of macroeconomic policy, economic reform program and poverty reduction has added complexities. Poverty could not be reduced as expected as benefits accrued from the economic growth has not been able reach the ultra poor.

Present Challenges

Fellow Sisters and Brothers,

15. I have to prepare the budget for FY2004/05 in a very limited time while challenges and problems in different areas are becoming complex. The House of Representatives representing the sovereign rights of the people is in a dissolved state. There is lack of elected bodies in the local level to represent the people. The lives of the people is in hardships due to killings, violence and other such activities. There has been a blockage of free movement of people and of transportation of basic supplies such as food grains. Thousands of families have been displaced of violence. There still exists a system of institutional discrimination and negligence on the part of the state and governmental and other agencies from the central to the local level. Discrimination, exploitation and victimization still exist in the society. Majority of the population is deprived of their rights, facilities and opportunities. All this has increased the social conflict.
16. The institutional capacity of the state from top to the bottom level is deteriorated, financial discipline is weakened. All the important sectors of the economy like industry, business, trade, tourism, finance and other service sectors are in deep crisis. Structural and institutional

problems are piling up in agriculture sector. The problem of increasing cost of production in agriculture, burden of loan and lack of market facilities leading to landlessness has resulted in sharp increase in the number of landless and homeless people in the country. These problems have been overwhelmingly increased among *Dalits* and categorically in marginalized class and communities in the Terai region.

17. Economic reform programs have not been able to support agriculture and rural economic activities at an expected level. Small and cottage industries are not benefiting from economic reform programs. Less attention was given to management and austerity measures in course of resource mobilization. The lives of the laborers and the people at low-income strata have become further vulnerable due to ineffective implementation of Social Security Programs in the reform process. Unemployment, particularly educated youth unemployment, has been rapidly increasing.
18. Several important programs relating to poverty alleviation are still beyond the reach of the targeted region and community due to killings, violence and insecurity. The programs that are already within their reach are also not in a state of smooth operation. The rehabilitation works of the destroyed VDC buildings, bridges and culverts, school buildings, health posts, communication and drinking water facilities have not been possible. Quite a few number of foreign aided programs have to be postponed due to security reasons.
19. Performance, discipline, responsibility and transparency prevailing in the public sector are some of the major problems. Transparency, responsibility and social accountability have not yet been institutionally developed even in the non-governmental organizations and private sector.
20. The challenge before us is to integrate national trade policy with international trade system to maximize the gains from the available opportunities while addressing the adverse impacts and challenges of globalization after Nepal's accession to WTO and Regional Trade Agreements.

21. Together with all these problems, we are facing a challenge to gain the people's confidence and progressing the country by freeing it from prevailing conflict and disorder. People's confidence has a weak base due to the lapses of the past governments. Therefore we are facing a great challenge to act in a responsible and commendable manner following the democratic norms and spirit so that the diverse problems of different sectors can be resolved.

Objectives of the Budget

Fellow Sisters and Brothers,

22. In the context of existing challenges, I have adopted the following objectives of the budget.
- 1) Restoration of peace, relief, rehabilitation and reconstruction,
 - 2) Social and economic transformation and progression,
 - 3) Judicious access to resources and opportunities, and devolution of authority,
 - 4) Additional support to poverty alleviation program by enhancing economic activities and creating mass employment opportunities through economic reforms and investment promotion,
23. It is not possible to strengthen democracy and speed up development activities without maintaining peace in the country nor is it possible to uplift the living standard of the masses without alleviating poverty. Hence, the primary objective of the budget is to lead the country towards a bright future through holding dialogues with the Maoists, eliminating the present killings, violence, terrorism and violation of human rights, and creating public confidence in the role of the state and its security system. In this context, it is aimed to provide immediate relief to the victims of different communities including women and children suffering from the problems of food and shelter due to their being displaced by killings, violence and violation of human rights. In order to achieve this goal, reconstruction of infrastructures damaged and destroyed as a result of the conflict will be speeded up. Similarly, the reconstruction of the district headquarters will be accelerated

24. If we could change the traditional production pattern and social relationship, guarantee the rights of poor and marginalized groups and community to social service and benefits and empower them, only then can the country tread the path of progression. Hence, the other major objective of the budget is to revise and improve the policies, programs and implementation processes in the spirit of progression.
25. The task of alleviating poverty and establishing an equitable social structure cannot be achieved without consolidating a participative, decentralized, autonomous and democratic local self-government through concrete reforms in policy and institutional system and practices. Therefore, the third objective of the budget is to increase the equitable access of the people to resources, means and opportunities, and devolve authority to the grass root level.
26. A healthy, competitive, efficient and broad market mechanism is necessary for launching economic reform programs by eliminating the anomalies of macro economic policies. Foreign investment can be attracted and secured, and local investment can be promoted only through regulatory, legal and proper institutional arrangements. Therefore, the fourth objective of this budget is to arrest the declining economic trend by extending the productive activities through economic reform and to contribute to poverty reduction through creating additional employment opportunities.

Policies

27. The following policies will be adopted to attain the above-mentioned objectives:
 - a) To render necessary cooperation in moving peace process ahead for the peaceful settlement of Maoist problem.
 - b) To make provision of effective rescue and compensation packages to the displaced families while speeding up the reconstruction work of infrastructures destroyed in the conflict-affected areas.
 - c) To support poverty alleviation and resolution of social conflict by launching participatory and targeted programs in the districts

having human development, empowerment and social economic indicators below the national average.

- d) To take necessary steps for removing structural and institutional bottlenecks in agriculture sector effectively implement the Agriculture Perspective Plan (APP). Similarly, land reform program meant for the access of poor and landless to the land will be carried out to support the socio-economic transformation.
- e) To generate additional employment opportunities to reduce unemployment and manage and promote employment abroad.
- f) To provision institutional reforms and concessions in the cooperative sector to implement Village-to-Village Cooperatives and House-to-House employment campaigns with towering priority.
- g) To establish the rights of deprived groups and communities at all levels of education, health services as well as in social services together with guaranteeing the universal primary education. Furthermore, reservation and other facilities in education will be considered for excluded groups of the people and women.
- h) To create a social safety net for senior citizens, widows, women and children beside blind, handicapped and conflict-afflicted families. Moreover, to forward systematic settlement programs for homeless and inhabitants living in the vulnerable places.
- i) To accord fitting priority to the programs aiming at judicious access to basic services, human rights protection, equal property rights of women, and eliminating social discrimination.
- j) To strengthen decentralized development process for making service delivery reliable, quick, smooth and regular through strong local self-governance, devolution of authority, transparency and accountability.
- k) To give utmost priority for socio-economic development of the people residing in Karnali Zone, which is acutely remote and backward in many respects.

- l) To strengthen social security through the food security, reducing the vulnerability of Agriculture, provisions of health insurance, basic training and employment promotion.
- m) Extensively expand economic reform programs by gradually removing inherent distortions, orient the reform programs by targeting poverty reduction with a balanced, high, sustainable and broad-based economic growth.
- n) Promote private sector investment and Foreign Direct Investment (FDI) through minimization of transaction costs; simplified and time bound public service delivery; appropriate market mechanism and institutional framework; and guarantee of peace and security. Arrange one window policy for promoting investment.
- o) Ensure smooth public utilities services and promote the public-private partnerships in these areas.
- p) Provide technical and institutional support for the revival of sick industries and protection of cottage and small industries.
- q) Strengthen the expenditure monitoring system to ensure delivery of allocated resources to the target groups and communities.

Sectoral Development Programs and Resource Allocation

Respected Sisters and Brothers,

28. Allocation of resources in development programs is made on the basis of all party's government Common Minimum Program in which special attention has been accorded to areas such as the settlement of the Maoist problem and restoration of complete peace in the country, immediate relief to the victims of violence, prompt rehabilitation of the displaced people and speedy reconstruction of the destroyed infrastructures. Resources have been allocated to the policies and development programs oriented towards poverty alleviation in order to resolve social conflict and ensure the basis of progression. Since FY2004/05, programs dedicated to targeted class and communities will be launched while identifying class and community living below poverty line. Necessary budget has been allocated for special programs of people's participation and socio-economic uplift in socially and

economically backward regions. Increased budget amount has been allocated for the programs of human development such as education, health and social uplift to ensure rights and the access of the deprived class and community. Likewise, adequate budget has been provisioned to support the aged, disabled, senior citizens' social security, and initiation of a sound land development program, ownership and access of landless people to land and a planned settlement for homeless people. Necessary allocation has been made to support national and foreign employment opportunities. While allocating resources and prioritizing sectoral programs, I have proposed the budget within the overall policy of the Tenth Plan and Mid-term Expenditure Framework.

Restoration of Peace, Settlement of Social Conflict and Progression

29. The government is ready to initiate dialogue with maximum flexibility to end the killings and violence that has existed for the last nine years and restore sustainable peace in the country. A Peace Secretariat will soon be established in order to translate this process into reality. It is necessary to adopt effective measures for the restoration of peace. For the purpose of holding peace talks Rs. 20 million has been allocated to create a Peace Fund. I am hopeful that Nepalese as well as foreign donors and agencies will extend support to this Fund, making additional contribution in the peace efforts. Likewise, Rs. 50 million has been allocated to provide immediate compensation and relief to the victims.
30. The task of reconstruction and rehabilitation of school buildings, health posts, communication towers, bridges, powerhouses etc. damaged or destroyed due to conflict, will be promptly implemented. Likewise, priority will be accorded to the reconstruction and rehabilitation of district headquarters. For this purpose, Rs. 600 million has been allocated.
31. Sustainable peace cannot be realized without eliminating the socio-economic discrepancies in the regions. Therefore, Rs. 400 million has been allocated for the implementation of participatory development and construction programs, identified by the local people and implemented by them with their community initiative and participation in 40 districts. For this, each district will receive Rs. 10 million.

32. Social conflict cannot be resolved only by reducing the differences between various geographical regions. A large section of the population based on race, gender and occupation is compelled to live in poverty, deprivation and backwardness because of the traditional social discrimination. It is necessary to extensively implement the programs that directly support the social and economic uplift of such sections and communities. For this, income generation programs together with social mobilization, public awareness and consciousness promotion programs in the form of auxiliary and complimentary to the former should be implemented. Keeping this in view, Rs. 300 million has been allocated in FY2004/5 for specially targeted programs and for complementary social mobilization programs to resolve social conflict in 40 districts suffering from abject poverty.

Agriculture Sector Reform and Commercial Use of Forests for Rural Economic Transformation

33. Land reform program will be initiated for achieving comprehensive reforms in the agriculture sector. The long term Agricultural Perspective Plan will be reviewed and implemented in a coordinated and effective way.
34. Necessary assistance will be provided to the user groups for the extension of small irrigation facilities through transfer of knowledge, skills and financial support. Such communities will be encouraged to assume the responsibility of operating, repairing and maintaining medium and large irrigation projects.
35. The farmers' field school system will be extended to 20 districts, to provide support to the farmers on integrated pest management with a view to enhance food crops production and productivity.
36. Private sector will be encouraged to develop infrastructure in order to provide market for the agricultural products. The entrepreneurs, businesspersons or government agencies establishing cold stores for the preservation of perishable agricultural products will be granted concessions on electricity tariffs at par with other cold stores.

37. Fisheries program will be carried out in 20 and 31 districts of the Terai and Hilly areas respectively. About 10,000 freed *Kamaiyas* and 20,000 fishermen will benefit from this program.
38. For the commercial promotion of the cold stores, seventeen cold stores with the capacity of 25,000 m. tons will receive interest subsidy.
39. I have managed to provide capital subsidy for shallow-tube wells in the arid Terai regions and for small irrigation programs throughout the kingdom. Similarly, I have arranged for providing transport subsidy on chemical fertilizer and seed to 21 remotest districts. Apart from this, financial assistance will also be granted for carrying out small irrigation programs through peoples' participation.
40. Special focus will be given to the development of Karnali Zone by conducting special programs in addition to the agriculture and livestock development programs in five districts of Karnali Zone.
41. Livestock credit program will be launched in 21 districts of the country in order to commercialize livestock production. This program will directly benefit 69 thousand farmer families.
42. Agriculture Extension Fund and Local Pioneer Fund will be set up in 20 districts in order to make agriculture and livestock services extension program effective in accordance with the existing system of devolution at local level.
43. Food and animal quarantine and food-laboratory services will be strengthened and expanded to ensure high quality imports and exports of agricultural goods following Nepal's accession to the World Trade Organization. Deployment of one skilled technical personnel and provision of necessary equipment will be made in every District Administration Office of the 20 districts of Terai region to effectively implement food quality regulatory service.
44. The provision of interest grants to Tea farming will be expanded to 12 districts. Likewise, interest grant provided to floriculture will be continued. I have allocated budget for the insurance of livestock, cash

crops and birds. I have continued the system of giving 50% rebate on the tariff of electricity used for chilling milk by milk chilling centers.

45. In order to encourage the farmers in the mountain region for increasing food production, the program of purchasing food crops in the same region through Nepal Food Corporation will be made more effective and expanded to more districts.
46. I have allocated Rs. 2682.8 million for the implementation of the programs and policies related to agriculture sector. This amount is higher by 28.7 percentage point than that of revised estimated amount of FY2003/04.
47. It is essential to expand irrigation facility to increase agricultural production and productivity, to promote employment in agriculture sector and to minimize risk in agricultural farming. In view of this, I have allocated Rs. 240 million for the construction of Sikta Irrigation Project. Medium sized irrigation projects will be started in 33 districts from the current fiscal year. I have allocated a total of Rs. 216.2 million for these projects.
48. I have allocated additional amount to implement small irrigation projects with people's participation at local level.
49. Deep tube well irrigation projects will be implemented in 4 additional districts of the Terai region.
50. With a view to providing irrigation facility throughout the year to 30 thousand hectares of land, various irrigation projects will be completed in FY2004/05. I have allocated a total of Rs. 2624.9 million to implement the irrigation sector programs.
51. In order to expand the forest garden as a campaign, plantation at the premises of the government and local bodies, schools and other institutions will be encouraged. I have allocated necessary amount for seeds and seedlings for this purpose.
52. The government has adopted community forest management system as forestry development strategy. Implementation of programs on natural

resource management and environmental conservation will be encouraged.

53. The leasehold forestry and forage development program, targeting especially low income and landless farmers will be implemented to improve the condition of shrubland and to provide income and employment opportunities to low income and landless farmers.
54. Income and employment opportunities will be enhanced through the cultivation, collection, processing and exporting of herbs. Special programs on the commercial farming of herbs will be launched in Mid-western Development Region especially in Karnali Zone.
55. A law related to intellectual property rights will be formulated and implemented to ensure the Nepal's rights on biological endowment.
56. A total of Rs. 1899.1 million has been allocated for the implementation of forest and soil conservation sector policy and program.

Basic infrastructure development for the expansion of market and Investment Promotion

57. While formulating the budget for FY2004/05, I have taken measures to expand the road network nationwide giving priority to constructing roads in the districts not linked by roads, completing bridges that are under construction and implementing ongoing projects in the Mid-west and Far-west Development Regions.
58. A sum of Rs. 460.0 million has been allocated for the construction of Surkhet - Jumla highway in FY2004/05.
59. I have allocated Rs. 243.5 million for the construction of Bishewor Prasad Koirala highway (additional 12 km) in FY2004/05.
60. Necessary amount has been allocated for the construction of Trishuli-Syapru Beshi-Rasuwadhi highway, with the assistance of the People's Republic of China.

61. A sum of Rs. 774 million has been allocated for the completion of black topping of Gorusinghe-Sandhikharka road (68 km) and upgrading, repair and maintenance of Tribhuvan highway, Shilgadhi-Sanphebagar, Harthok-Tamghas, Lamahi-Kohalpur, Syaule-Silgadhi, Mohana-Attariya and Narayanghat-Butwol section of East West Highway.
62. Under the road network development project, I have allocated Rs. 893.8 million for upgrading and building Dolalghat-Choutara, Belbari-Chourhawa, Damak-Gaurigung, Biratnagar-Rangeli-Urlabari, Pouwa Bhanjyang- Phidim, Basantapur-Chainpur-Khandbari and Hile-Basantapur roads in FY2004/05. Necessary amount has been allocated for Ganesh Man Singh road (Tharkot – Chitlang) .
63. Evaluation of available alternative possibilities to construct a fast track to link Kathmandu valley with the Mahendra Highway will be accomplished within a period of 4 months and appropriate construction work will be initiated.
64. Similarly, the private sector will be encouraged to build electric railway, rope way, urban roads, fast track and tunnel road under Built-Operate-Own-Transfer (BOOT) basis.
65. A Roads Board has come into operation from FY2003/04. Repair and maintenance work of 4,000 Kilometer of the road will be carried out during the current Fiscal Year. For this purpose, I have earmarked Rs. 362.8 million.
66. I have earmarked Rs. 767 million to complete the construction of additional 30 bridges in the FY2004/05.
67. I have allocated Rs. 5.54 billion for FY2004/05 for the construction and improvement of roads and bridges. This amount is 36.5 percent higher than that of the revised estimate of the FY2003/04.
68. Involvement of Communities, Municipalities and Village Development Committees and electricity consumers' cooperatives will be promoted in the electricity distribution system. Structural reform of NEA will be initiated so as to operate powerhouses as the separate company of the

Authority by containing the Authority mainly in the transmission function.

69. Power Development Fund, established for supplementing the private sector investment with the loan for the construction of small and medium-scale power projects, will be made fully functional in FY2004/05. I have set aside Rs. 152.5 million for operation of the Fund. The Fund will encourage private sector to operate small and medium-scale power projects.
70. I have allocated Rs 2.55 billions for Middle-Marsyandi Hydropower Project, from which 65 percent of its construction work will be completed.
71. I have allocated of Rs. 6.36 billion for power sector.
72. Necessary legal and institutional arrangements will be made to avail IT services to the general public. For this, the Ministry of Information and Communication and the Ministry of Science and Technology will play coordinating roles.
73. The Optical Fiber laying along the east-west highway will be accomplished within the first trimester of this fiscal year.
74. Telecommunication Policy, 2004, has been implemented with the objective of expanding investment and service of the telecommunication sector by making it liberal and competitive through the private sector partnership. Accordingly, the private sector will also be encouraged to invest and expand the rural telecommunications.
75. Rs. 2,263.9 million has been allocated for the Information and Communication sector.
76. Private sector's participation will be called for to construct an alternative International Airport under Built-Own-Operate-Transfer (BOOT) System. Furthermore, Gautam Buddha Airport, Bhairahawa and Pokhara Airport will be upgraded as SAARC Region level airports in FY2004/05. Dhangadhi Airport will also be upgraded and initiative

will be taken to build a Short Take Off and Landing (STOL) airport at Dharan under BOOT system.

77. New Aviation Policy will be formulated and implemented for the purpose of tourism promotion, extension of transport services and to encourage private sector in air services.

Socio-economic Transformation Through Land Reform

78. Land Reform Program will be encouraged for the purpose of increasing agriculture productivity and living standard of the farmers through an appropriate land management and judicial distribution of land as a whole. An appropriate procedure and management of institutional arrangement will be set up, for updating the records of fallow land and reclaimed land from the river, to ensure the access of land to landless farmers.
79. The separation of dual ownership between tenants and landlords will be accomplished by FY2004/05.
80. According to the fifth amendment of Land Act, 2021, verification of land beyond the ceiling will be initiated after the collection of information from landowners.
81. The work of linking land administration works, with the geo-information system by computerization through the geo-information technology, will be continued. Besides, the ongoing documentation of land records and maps will be continued.
82. I have allocated Rs. 60.6 million for the Land Reform and Freed Bonded Labor Rehabilitation Program.
83. I have earmarked Rs. 728.30 million for the implementation of Land Reform related programs.

Higher Investment on Education and Health for Human Development

84. An “Education for All Program 2004–2009” has been initiated beginning this fiscal year. This Program is expected to cope with the country’s low literacy, declining quality of education, lower level of physical facilities in schools, shortage of rights and access to education by women, *Dalits*, ethnic communities, disabled and peoples below poverty line and low return on investment in education sector. Also, this Program is expected to achieve the goal of “Education for All by 2015” international campaign. I expect that this primary education program, in order to ensure rights to education for all, will promote overall decentralized education service.
85. I have established a “Girls Education Fund” to eliminate gender inequality in Education in line with the "Millennium Development Goals". His Majesty’s Government has already set aside Rs. 20 million for this Fund. I expect that the donor communities, institutions and the private sector will also contribute in this Fund.
86. Special incentive oriented programs will be launched to enhance access to education of boys and girls belonging to the neglected communities including, *Dalits*, ethnic communities, backward classes, disabled and other oppressed groups and to increase women’s participation in literacy programs. I have allocated a sum of Rs.140 million for scholarships for boys and girls in primary schools belonging to *Dalits* and other backward classes. By this provision, 559 thousands *Dalit* students will be benefited. The amount of Rs.158.8 million has been allocated only for girl’s scholarship by which, 50 percent girls will get primary education. And Rs. 57.80 million has been earmarked for 320 centers established for the disabled. In addition, I have allocated Rs. 89.2 million for Women’s Education Programs. Additional 64,000 women are expected to be literate in FY2004/05 through this program. Literacy programs to be conducted in 12 districts are estimated to transform 103,000 illiterates into literates.
87. The problem that the poor and deprived families living below the poverty line are inclined to send their children at work instead of sending school is rampant in the country. Such families, now onwards, will be encouraged to send their children schools through special

scholarship packages. I believe that this step will minimize the tendency of ultra poor of not sending their children schools.

88. The deprived and backward people are unable to have access to higher education due to poverty, deprivation and hardship. Therefore, special scholarship arrangement has been made for such people to guarantee the access to secondary, higher secondary and tertiary education. Scholarships will be made available to the deprived classes of people like *Dom, Chamar, Paswan(Dushad), Kami, Sarki, Dhobi, Koirie, Badi*, and to the indigenous people like *Chepang, Praja, Majhi, Rahbamshi, Bhujel, Tharu*, Farmers, *Kusunda, Kushabadia, Bankaria, Meche, Rajhi, Surel, Tamang, Bhote, Sherpa, Magar, Rai, Limbu, Talia* etc. on priority basis.
89. To carry on the literacy Campaign ahead, a literacy program in 30 districts, which are not covered by other programs, will be launched to bring full literacy to about 12,000 ward residents having lower average literacy standard. Literacy, Nutrition and health knowledge enhancement programs will be accelerated through the appointment of volunteers by giving priority to local women and *Dalits*. This Campaign will be made nationwide in the next 3 years through the gradual expansion.
90. I have allocated Rs. 1.01 billion in FY2003/04 for building physical infrastructures of schools. This allocation will be used for the construction of 2,048 new classrooms, 1,361 toilets, provision of drinking water facility in 1,175 schools, additional classrooms in 500 schools, and construction of 90 school buildings of good standard.
91. In the previous fiscal year, HMG/N had been supplementing the salary of one teacher of the Government approved Community run school. In FY2003/04, Rs. 210 million has been allocated to supplement the salary of 2 schoolteachers of such schools. Other programs like the provision of Rs. 400,000 grant to the schools securing more than 50 percent results in the SLC examinations; provision of additional 25 percent over and above the regular grant to schools with the enrollment of girl students above the national average; and 25 percent in addition to regular grant to schools of Mid and Far-Western region with more

than 30 percent of total enrollment of *Dalits* and backward class students.

92. I have made the provision of Rs 100 as a grant per primary school student to buy educational materials. I have allocated Rs 613.9 million for this new program and for free distribution of the textbooks. Effective from the coming fiscal year, an arrangement has been made for providing textbooks directly to all students by the schools themselves to stop the grievances arising from the present reimbursement system adopted in the free distribution of textbooks.
93. I have proposed "Food For Students Program" for 450,000 students of 21 districts of the Kingdom to raise the level of admission of the students in the primary schools and to promote their continuous attendance there.
94. A target of management handover of additional 2000 schools to the communities has been set for FY2004/05. I have earmarked Rs. 200 million to provide a grant of Rs. 100,000 to each school for this purpose.
95. I have allocated Rs 73.4 million as grant to schools for promoting the participation of the stakeholders in the management of schools as per the concept of Education for All. Each primary school will receive annual grant of Rs. 3000 for their regular expenses. Similarly, each school will receive Rs. 1000 for the construction of mini-library rooms, for which Rs 24.4 million has been allocated, and additional Rs 133.2 millions has been allocated for the recruitment of new teachers on the basis of teachers student ratio.
96. I have started a new system of providing grants of Rs25,000 to lower secondary schools and Rs 50,000 to secondary schools for the repair and maintenance of their physical amenities. Similarly, a sufficient amount of budget has been allocated for 11361 schools for annual grant of Rs10,000 to each school for the education materials.
97. In order to make the teachers' training effective and intensive, training, seminars, workshops, and colloquiums will be conducted under an umbrella approach, for which I have earmarked Rs 363.0 millions.

About 45 thousands primary school teachers are expected to benefit in terms of acquiring skills and expertise from this.

98. I have increased the level of grant to the community-managed higher secondary schools in order to make the higher secondary education qualitative and accessible.
99. Regarding higher education, as per the concept of accredited university, great emphasis will be given for the establishment of new universities on the basis of certain standards of academic, physical and financial infrastructures and an umbrella Act will be enacted for all universities.
100. Skills oriented programs will be launched under “Skills For Unemployed” campaign to make vocational education and technical training all accessible.
101. Support will be provided to establish a public library in Kathmandu valley in this fiscal year.
102. An arrangement for the retired teachers has been made to collect their pension amount smoothly through banking channel right from the beginning of this fiscal year.
103. The private sector has played an important role in the field of education. Still serious problems have emerged in the areas of regulation, quality control and fee system due to uncontrolled and irregular expansion of such schools. Therefore, mandatory provisions of registering the private sector run schools or institutions either as a company, or cooperative, or a trust, will be enforced. The government will promulgate Trust Act for this purpose.
104. Rs 17.923 billion have been appropriated for entire education sector. This sum is an increase of 24.8 percent over the revised estimate of the expenditure for FY2003/2004.
105. Health sector programs have been formulated with ascertaining the basis for access to basic health services. In order to ensure the accessibility of health services to the poor and the vulnerable groups, adequate resources has been appropriated. The arrangements has been made to provide necessary fund at the local level for dispensing health services through local institutions and communities in the management of the health services at local level.

106. Special vaccination program will be run to vaccinate the children from 9 month to 15 years age group to prevent them from infectious diseases like Measles and Japanese encephalitis. An amount of Rs. 250 million is appropriated for this program. Treated Bed (mosquito) Nets will also be distributed to 120 VDCs.
107. There have been instances of thousands of Nepalese facing early deaths in absence of appropriate medical advice and inadequacy of essential drugs in the rural areas. Therefore, 750 Mother Child Health Workers (MCHW) will be upgraded to Assistant Nurse Midwife (ANM) level by imparting them with appropriate training at the local levels. Rs. 37.5 million has been appropriated for this program. The program for the distribution of essential drugs through health posts will be launched as a campaign. Besides, expansion of the health services to the local level will be provided through Mobile Health Clinics in 20 districts. A sum of Rs. 192.3 million has been appropriated for this program.
108. A Cardio-Vascular Center will be established in the Teaching Hospital of the Tribhuvan University in commemoration of Late Manmohan Adhikari. To this end, I have allocated Rs. 10 million.
109. Special emphasis will be given to expand the physical facilities of health centers, and of hospitals at district, zonal, regional and central levels. Health centres already existing in headquarters of Dolpa, Mugu, Kalikot and Rolpa will be converted into district level hospitals and other 25 health posts will be upgraded and operated as health centers. By this change, 205 primary health centers will be established in every constituency of the kingdom. Fifty-bed hospital in Surketh of Mid-Western Region will be constructed and operated. Specialized health services with modern equipment will be extended in Bir Hospital and 15 beds of Intensive Cure Unit (ICU) will be added.
110. The spread of HIV/AIDS has been a major challenge. Various awareness programs will be initiated to control this disease and 450 HIV/AIDS patients will be treated free in the various hospitals throughout the kingdom.

111. Basic and emergency maternity services for family planning and safe motherhood will be extended to 13 districts. Similarly, additional two hospitals will be developed as training centers for safe abortion.
112. Ayurvedic treatment methods will be further expanded and equipped throughout the kingdom by establishing five Ayurvedic hospitals in each development regions. In addition to this, Ayurvedic hospitals will be further strengthened through provisions of more physical facilities.
113. Policy of handing over of the primary and district health centers to the local bodies for their effective service delivery will be continued as per the spirit of decentralization.
114. A total amount of Rs. 6.7045 billion has been allocated for health sector, which is 50.2 percent higher than the revised estimate of FY2003/004.
115. As per the policy of providing drinking water facility to all by the end of the Tenth Plan, this year 67 projects will be completed and out of the completed projects, 40 will be handed over to the user groups.
116. The second phase of the rural drinking water and sanitation program will be started from this fiscal year. The program will be continued in 49 districts to complete the remaining works and will also be extended to 7 districts. I have allocated Rs. 486.8 million for this program.
117. With joint participation of district development committees, community water supply and sanitation projects will be implemented in 8 districts, Kapilvastu, Pyuthan, Baitadi, Dakeldhura, Bajhang, Doti, Rukum, and Rolpa, having low human development index. I have allocated Rs. 111.8 million for this purpose. In addition to this, I have provisioned necessary budget to implement drinking water projects with people's participation.
118. I have allocated Rs. 152 million to complete 96 rural drinking water projects handed over by Department of Drinking Water Supply to District Technical Office setting the target of completion within two years, of which 30 projects will be completed within this fiscal year.

119. With a view to developing piped drinking water and sanitation facility in urban and semi-urban areas. Ten additional projects will be initiated in this fiscal year. I have allocated Rs. 387.2 million for this purpose.
120. Special initiatives will be taken to gear up the implementation of the top national priority Melamchi Drinking Water Supply Project. Under this project, construction of adit access road, up-gradation of main access road and construction of 33 kv transmission line will be carried out in this fiscal year. I have allocated Rs. 1015 million for this project.
121. Kathmandu Valley Drinking Water Preparation Project will be launched in order to operate drinking water distribution system effectively in Kathmandu Valley. To this end, Rs. 240.5 million has been earmarked.
122. To get rid of arsenic problem seen in the ground water of the Terai districts, testing of arsenic will be extended in the potential arsenic area. In this regard, non-governmental organizations will also be mobilized.
123. I have allocated Rs. 3585.7 million for the purpose of making available clean drinking water and for improving the water quality. This amount is higher by 60.4 percent as compared to the revised estimate of FY2003/04.

Organized Urban Development

124. To address the problem of rural to urban migration, special programs will be implemented for the expansion of roads, electricity and communication facilities in rural areas.
125. In order to further systematize planned housing and development of infrastructure in urban area, Real Estate and Land Integration Acts will be formulated and implemented within mid February of FY2004/05.
126. Urban and environmental improvement program will be implemented in the rapidly growing Dhulikhel, Bharatpur, Hetauda, Banepa, Panauti and Ratnanagar municipalities.

127. In view of increasing pressure of vehicles coupled with inadequate roads facilities within the urban area of Kathmandu valley, program will be implemented in the FY2004/05 to expand Kalanki Chowk and Chabahil Chowk, and to widen the road from Koteshwor to Jaributi company. In addition, outer ring road construction work will be initiated from FY2004/05 on the basis of integrated land planning.
128. As per the decision of the convention of National Council of Municipalities, actions will be taken to develop Lekhnath Municipalities as a Garden City.

Protection of Deteriorating Natural Resources

129. Realizing that the transportation is obstructed time to time in Mungling-Narayangadh road due to erosion and damages by Narayani river, I have earmarked Rs.59.6 million for its sustainable management under river control program.
130. Additional budget is allocated for extensive river traning program based on people's participation.
131. In order to reduce water induced disaster, which has been a cause of heavy loss of lives and property arising from landslide in hilly region and inundation problem in the Terai region, Rs. 718.1 million is appropriated for this fiscal year.
132. Soil conservation program will be carried out for livelihood in 8 districts of Central Development Region under the policy of soil conservation along riversides and utilization of reclaimed land for deprived family to carry out income generating activities.

Upliftment of Rural Standard of Living by Devolution of Power, Development of Infrastructure in rural areas and Use of Appropriate Technology

133. It is necessary to strengthen local bodies, build their capacity and devolve authority, in order to strengthen democracy, empower local people, assure basic social services, and develop decentralized

governance. These aspects have been given special attention while formulating local development programs.

134. The programs like rural electrification, forest development, school and health post construction, river training, roads, bridge, irrigation and water supplies will be implemented with people's participation through local bodies. Such programs will be implemented on demand from local communities and by enhancing social mobilization in 40 districts falling below the national average of human development and empowerment index.
135. As per the policy of involving Member of Parliament in local development-construction work, I have allocated budget to implement the program through people's participation on the recommendation of Member of Parliament.
136. A program was started to transfer certain budget to support the development of rural areas under Rural Self-help Program after the restoration of democracy. In order to develop rural areas as a center of development and to promote local autonomous democratic governance by allocating significant means and recourses to the rural areas, I had declared the program "AFNO GAUN AFAI BANAUN" in the budget of 1994/95 and allocated Rs.300,000 as grant to each VDC. As a result, it is well known that speedy development activities had taken place with people's participation at local level. As a continuation of this program I have made a provision of Rs.500, 000 to each VDC in the budget of this fiscal year under the VDC grant. Provision is also made to make available Rs.200, 000 additionally as an incentive to those VDCs that utilize this grant on time. I believe that VDCs will speed up the pace of local development with this additional resource.
137. Some of the municipalities in the backward areas are financially very weak. This is the reason why they are incapable of delivering minimum basic services to the people. With this view in mind, an amount of Rs. 5 million each for 10 Municipalities under resource constraints will be provided as additional grant. It is believed that this provision will boost the public development activities so that the life of the people living in those municipalities will be more comfortable.

138. According to the policy of providing conditional grants as necessary resources for local bodies to make them responsible for the construction and maintenance of local infrastructures, 500 water supply projects will be handed over to them in FY 2004/05. Rural road projects at the district level will also be handed over in the same way.
139. Community or community promoted institutions, government organizations and INGOs supporting local bodies with a view to contributing to local development activities will be encouraged. Resources of the government and Poverty Alleviation Fund will be mobilized in a coordinated way for this purpose.
140. In places where electricity is not made available through national grid system, energy will be supplied through alternative energy.
141. The Government has given high priority to accelerate the expansion of rural electrification. The government has made a provision for 80 percent grant out of the total cost if the concerned community comes up with 20 percent cost sharing. I have earmarked Rs.1290 million for this purpose and also for rural electrification.
142. Community based educational institutions will be involved in the implementation and management of small hydropower projects as per the concept of "Electricity for Education". Nepal Electricity Authority will transfer such small hydropower projects gradually to those institutions.
143. An amount of Rs. 50 million has been allocated for the completion of Heldung Hydropower Project in Humla and Rs.15 million for Gamgaad Hydropower Project in Mugu.

Cooperative Campaign and Development of a Self-reliant and Self-help Society

144. Institutional support will be made available in the development of cooperative as per the concept of 'cooperative in each village and jobs for each house'. National Cooperative Development Fund will be set up in the FY2003/04 in order to financially strengthen the cooperatives. The Cooperative Training Center will be developed as an autonomous

academic institution in collaboration with National Cooperative Association. I believe such arrangement will help strengthen the understanding between the government and the civil society about the development of cooperative.

145. The chilling centers of Nepal Dairy Corporation shall be handed over to dairy production cooperatives in order to increase the direct involvement of dairy producing farmers in operation and management of dairy processing centers from FY2004/05. Also, arrangement will be made for gradual transfer of ownership of dairy processing centers to such cooperatives.
146. In order to maximize the utilization of the government agricultural firm, such firm will be leased out for specified period under appropriate conditions if the farmers in the vicinity of the firm apply through a cooperative organization to run the firm.

Extension And Strengthening of Targeted Programs, Social Security and Employment Promotion.

147. It is essential to increase the participation of marginalized groups and communities in the local bodies and organizations, in order to minimize the institutional discrimination and social conflict existing in the society. An arrangement will be made to make mandatory representation of women, *Dalits* and *ethnic* groups (*Janajatis*) in user groups to implement government funded construction work or income generating activities as well as to create social awareness through community or user groups. In addition to this an arrangement of at least one women representative will be made compulsory in the key post such as chairperson or vice-chairperson or secretary of such committees.
148. Various activities such as mainstreaming of women, gender equity and women empowerment will be implemented against all types of discrimination to the women. I am confident that this will help improve gender equity through implementing these programs against domestic violence, girls trafficking, gender discrimination and women exploitations.

149. In the current fiscal year, new women institutions will be constituted in additional 450 Village Development Committees to strengthen economic activities of rural women
150. New 5,500 groups will be formulated and mobilized in those areas where women enabling and income generation activities are implemented. From this, around 45 thousands rural women will be involved in institutional process. Basic training will also be provided to 7,500 women of this group. Similarly, training will be provided to 1,125 pioneer women of the group for institutional record keeping management.
151. Special programs will be carried out for conflict affected single women of 15 districts. Groups of such women will be formed in these districts to provide skill-oriented trainings and seed money as well.
152. Special programs will be carried out for the women of '*Baadi Community*'. Women groups will be formed in the districts of *Baadi Community*, and basic and skill-oriented training will be provided to such groups. Gender sensitive training will be provided to such women groups and educational training to their parents.
153. Special classes will be conducted in all 5-development regions to increase women's participation in civil service and training will be provided to 300 people on this subject for gender advocacy.
154. Honoring the senior citizen of the country I had started to provide allowances as a first step toward social security to them through the budget of FY1994/95. Expressing the satisfaction on the continuation of this program I have made this allowance to be Rs. 175.00 with an increase by Rs. 25.00 as a token. Similarly, I have increased the allowances by Rs. 75.00 to Rs. 175.00 for the disabled and handicapped people from the existing amount of Rs. 100.00. Likewise, I have increased the allowances of widow above 60 years' of age by Rs. 25.00 and made it Rs. 125.00. The women who have lost their husband due to the conflicts need not to wait until the age of 60 to get widow allowances. I, rather, have managed to provide it right after they become widow.
155. The practice of giving grants for launching Senior Citizens' Treatment Services to provide them treatment and medicines will be initiated in 28 districts. It will be extended to the rest of the districts, if this program

becomes effective and the senior citizens show interest in getting benefit from it.

156. The government will also provide assistance to private sector social organizations that run day care centres, clinics and asylums for senior citizens.
157. In order to solve the problem of shortage of salt faced by the people of remote hilly and Himali regions, an arrangement will be made for transporting, storing and distributing salt there with the participation of HMG, Salt Trading Corporation and the private sector. Similarly, additional amount has been allocated for transporting food grains to the remotest districts of Karnali zone through Nepal Food Corporation in order to avoid the crisis of food grains.
158. A partnership program between HMG and the private sector will be launched to explore foreign employment opportunities, to reduce the time and cost involved before the departure, as well as to ensure employment, wage and salary abroad.
159. In order to make foreign employment secure, reliable and smooth, necessary amendments will be made in the Foreign Employment Act, 1985.
160. Arrangement will be made to provide information on foreign employment at District Development Committees with a view to provide easy access to information about foreign employment opportunities to the rural youth.
161. Diplomatic Missions will be made active in exploring additional foreign employment opportunities. Likewise, provision of Labor Attaché will be made in some key countries with the objectives of protecting the rights and interests of the Nepalese citizens engaged in foreign employment and handling their grievances.
162. Youths seeking foreign employment need to acquire vocational skills in order to get standard jobs. In this context, vocational skills training will be provided intensively in FY2004/2005 free of cost and also with partial fee basis. Three Skill Development Centers will also be established for this purpose by His Majesty's Government as well as private sector. Likewise, I have earmarked necessary amount in the Loan Guarantee Fund with a view to provide loans to the selected

youths belonging to Dalit, Suppressed and poor classes who can not afford foreign employment at their own expenses.

163. A permanent Wage Committee will be set up in order to fix the minimum wage of the labor force working in Nepal. Wage rates of agricultural and other informal sector will be reviewed on the basis of the recommendations of this committee.
164. Employment opportunities will be increased significantly in this fiscal year through various programs including social mobilization campaign programs, target group and community programs, rural construction, training and skill development, high investment in the social sector and expansion in economic activities and foreign employment.

Support to private entrepreneurs, promotion of domestic and foreign investment

165. To ensure the overall benefits of economic reform program in favor of general people, necessary modifications will be made in industrial and foreign investment policies, export and import laws, and commercial policies as well. Competition law will be enacted and made effective by the mid January 2005.
166. Foreign investment will be attracted with the perspective of promoting national interest. Recommendations of the conference of Non Resident Nepalis (NRN) held in FY2003/04 will be put into practice to create favourable environment to invest by NRNs in their homeland. A concessional provision will be introduced for Nepalese origin foreigners to invest in Nepal. Necessary legal provision will be made by the mid-December 2004 for this purpose.
167. The process of privatization and transferring ownership of public enterprises (PEs) – that can attract the private sector investment – will be continued. In order to improve the efficiency of public enterprises that are not privatised, professionally efficient management will be selected based on performance indicators. The process of handing over the management of PEs on 'management contract' basis will be speeded up.
168. The shares of Nepal Telecom will be enlisted in the share market within FY2004/05, and 5 percent of the total government share will be sold to the employees of the company and next 10 percent to public. After completing the valuation of assets and liabilities, the Royal Nepal

Airlines will be converted into a company, and private sector will be made involved in the ownership and management of it, through appropriate and transparent mechanism.

169. A suitable mechanism, which automatically establishes the internal market price of petroleum products in accordance with international market price situation, will be introduced. Planned program will be brought to address an artificial crisis by making arrangements for adequate storage facilities of petroleum products and other essential goods. Formulation of necessary rules and regulation will be made ready within FY2004/05 wherein the private sector will be able to participate in the task of import and marketing of the petroleum products.
170. In the context of Nepal having already become a member of WTO, various laws related to the industry and commerce will be reviewed and revised in order to make them compatible with the provisions of WTO by involving the private sector as well. Likewise, arrangement will be made in preparing an appropriate strategy and institutional structure to extend much benefit to the country's industry and trade sector through regional trade approaches.
171. New opportunities and challenges have been created in the field of cottage and small-scale industries along with Nepal's membership of WTO. In this perspective, a fund has been created to provide technical services, capacity building, market access to cottage and small scale industries/businesses, and also to provide institutional support for other infrastructures. Programs financed by this fund will be launched to support these industries/businesses in co-ordination with private sector umbrella organizations. A separate law will be enacted to promote interests of small and cottage industries.
172. The role of pashmina and carpet is significant in Nepal's export trade. This industry has been badly affected due to the use of low quality raw materials from time to time. Hence, arrangement will be made to examine the quality of raw material during the time of import at custom entry point, and to control the export of low quality pashmina and carpets. Necessary efforts will be made to make garment export competitive.
173. There have been debates on the certification of standard in the export as well as in the use of goods within the country even when they have been

certified by standardization institutions registered in the country. In order to develop national test laboratories to international standard, the task of standardizing the test laboratories will be initiated from the current fiscal year through preparing trained and skilled groups.

174. The dry port in Birjung will come into operation from the very beginning of this fiscal year. It will help substantially reducing customs and transit hassles including reduction in the transportation costs. Appropriate Acts and regulations on transportation including railway transport will be formulated to implement Multi-Modal Transport System.
175. The existing labor acts and regulations are reckoned counterproductive in relation to promote private sector investment, employment creation and also for the labor welfare. Steps will be taken in the current fiscal year to amend the existing labor related Acts. Flexible labor policy will be adopted in the specific sectors. Due consultation with labor organizations and employers associations will be done while reviewing the labor rules and regulations.
176. It is imperative that legal framework is necessary for prosperous private sector-led industry and commerce, for which some new Acts, which are in the process of formulation, like new Company Act, Secured Transactions Act, Insolvency Act, Anti-money Laundering Act, will be put into implementation.
177. Private sector will be encouraged, in order to involve them in public utility services, in the areas like industrial establishments, public housing, roads, airports, drinking water in urban areas, public gardens under the BOOT regulations.
178. It is crucial that a healthy, strong, and capable financial sector along with capital market is essential for the development of entrepreneurship and commerce and industry. The following programs will be implemented to strengthen the financial and capital market:
 - The management reforms of the two large commercial banks will be continued.

- Necessary help will be made available to Nepal Rastra Bank for its supervisory capability improvement to enable it to effectively monitor and control the deviations in the financial sector.
 - Institutional mechanism for regulating, conducting transactions and monitoring of the capital market will be strengthened
 - Institutional mechanism for bringing financial cooperative institutions within the network of financial system, and mechanism for their effective regulation and supervision will be put in place.
179. I have allocated Rs. 20 million to Rural Self-reliance Fund to provide additional resource to the financial institutions involved in the micro finance activities in the rural areas. Nepal Rastra Bank will also formulate and implement the programs targeted to the expansion of institutional credits in the rural areas and to increase access of the poor people to such programs.
180. The Committee for the Revival of Sick Industries will be made effective for resolving the problem of industrial sickness.
181. Macro economic policies will be reviewed and revised as per the need of the time to make economic reform programs broader and more poverty reduction oriented. An institutional arrangement for timely review of the macro economic policies by an independent authority will also be made.

Tourism Promotion through Protection of Cultural Heritage

182. Continuity will be given to the infrastructure building work as per the Lumbini Development Master Plan. Support will be provided to convene “Second World Buddha Summit” in FY2004/05 aimed at promoting Lumbini Area as a World Tourism Destination.
183. I have allocated necessary fund for environmental improvement in Hanumandhoka Durbar Square, Swayambhu and Patan Durbar Square listed under the World Heritage Sites including reconstruction of Fifty-five Windowed Palace of Bhaktapur.

184. Programs will be carried out in line with the strategy of making tourism sector as a medium of high economic growth, environmental balance and rural poverty reduction.

Increase in the Government Contribution to Literature, Arts, Music and Sciences Sector

185. Financial source of literary journals dedicated to the promotion of Nepali literature has been shrinking. It has become necessary for the government to support them. For this purpose, I have earmarked some amount to provide grants to them through the Royal Nepal Academy.
186. At present, there is no provision of medical treatment of the talents like Writers, Artists, Musicians and Dramatists. For this purpose, a National Talents Treatment Trust will be established to be operated through Royal Nepal Academy. Likewise, additional amount has been allocated to Royal Nepal Academy of Science and Technology to honor the scientists.

Protection of Human Rights and Consolidation of Democracy

187. National Human Rights Commission will be made powerful. Sufficient budget has been allocated for enhancing monitoring capability of the Commission and for the Human Rights Promotion Centre. In course of implementing Human Rights Action-Plan, an arrangement has been made, from this year, to implement the programs of the action-plan through the programs of the respective Ministries.
188. Jails will be developed as reform homes with a view to encourage the prisoners to correct themselves and adjust themselves back into the society rather than a place for punishment. An amendment will be made in the Jail Act in order to introduce and implement the concept of an Open Jail. In this course, a model jail, capable of accommodating 200 prisoners will be developed and extended in Nawalparasi District. Similarly, medical facility will be extended by providing necessary lab equipment and X-ray machine to the Central Jail Hospital.

189. His Majesty's Government is committed to handover the responsibility of governing the State to the elected representatives with a view to translating the fact that sovereignty lies in the people.

Improving Service Delivery by Establishing an Accountable Governance System

190. Reform programs like the formulation of administrative laws, decentralization action plan, linking the personnel information system with the payroll and reforming the Civil Service Act including the succession plan will be initiated. I highly value the contribution of the civil servants in the fields of service delivery and nation building despite difficult conditions. In this context, I have proposed to form a high level Committee to recommend for increase in their facilities and arriving at their salary ratios in the given economic condition of the country. Facilities for civil servants will be reviewed on the basis of the recommendations of the Committee.
191. Good governance cannot be imagined till the practice of harassing the service recipients and exerting inappropriate or undue influence persists, expenditure is incurred irresponsibly, and unauthorized concession is practiced in the revenue collection. The thrust of the government will be to apply both the preventive as well as curative measures to free the public servants from such tendencies. For this purpose, adequate means and resources will be provided to Commission for Investigation of Abuse of Authority.
192. The common people cannot feel the experience the good governance in absence of the honored and competent Judiciary. The government will provide full support for the implementation of the five-year judiciary reform plan. Accordingly, current fiscal year's appropriation for the Judiciary has been raised to Rs. 760.1 million.
193. The Mobile Service Program, which is currently in operation, will be further expanded to ensure delivery of the state provisioned services to the village level.
194. The issuance and distribution of the citizenship certificates will be made simple and accessible. To facilitate the process, a program of

computerized citizenship certificate distribution to the eligible Nepalese citizens (having reached the adequate age) will be started on a pilot basis. Necessary arrangement will be made for safe documentation and management of citizenship related papers.

195. In order to ensure increased participation of the *Dalits*, Ethnic People (*Janajatis*) and Women in the government service, necessary amendments will be made in the Civil Service Code in relation to terms and conditions of appointment and recruitment in the civil service.
196. Adequate and appropriate training and other facilities will be provided to the civil servants so that the efficiency and capability of the government institutions enhanced.
197. Employee Housing Scheme run by Employee Provident Fund since last year will be continued.
198. His Majesty's Government feels its sole obligation to enhance social security through health insurance of the civil servants. In this context, voluntary participation in the health insurance scheme will be introduced for the Civil servants, Police and Royal Nepal Army from this fiscal year. The medical insurance will be not exceeding Rs. 20,000 per year. Fifty-percent of the premium will be borne by the concerned employee and the Government will contribute the remaining portion. It will be extended on the basis of the experience gained from the implementation of the scheme.
199. I have allocated required amount for Birendra Police Hospital to provide additional equipment to facilitate the treatments of security personnel engaged in controlling the present insurgency situation.
200. To support medical treatment to Army, I have allocated fund to the Birendra Army Hospital for some more medical equipment.

Transparency and Reform in Budget Preparation and Execution System

201. New classification of the Government expenditures in lieu of old classification will be put into practice from this fiscal year. It is observed that the old classification allowed the appropriation of the

Government expenditure in unproductive and inappropriate sectors. Despite all my willingness, I was unable to transfer resources from the unproductive to productive sectors due to shortage of time. A high level Committee of experts would be constituted and start to work for the improvement in this sector and formulation of a perspective expenditure policy within mid January 2005. The Committee will submit a report on various aspects regarding the data, presentation style and structure of Economic Survey.

202. In order to control the corruption in public sector procurement, a separate Act will be enacted. After its enactment it is believed that the public sector procurement activities like contract, lease etc. will be transparent.
203. A Fiscal Transparency Act will be enacted in this fiscal year to make the government activities more transparent and to control the irregularities.
204. The provision of making public the monthly statement on income and expenditure by all government offices including local bodies and the trimester statement of expenditure and physical progress by the District Development Committee is made. This provision is also implied for those offices responsible for carrying out development activities. I believe, people at large can benefit the return of high priority projects by evaluating the implementation and achievements of such projects by themselves. In addition to this, public audit will be made mandatory for all development activities at local level.
205. Provision has been made to provide the opportunity of being well-informed to the people about the evaluation and monitoring tasks of development activities being carried out by the National Planning Commission, Progress report will be made public on trimester basis. Similarly, findings of the review on status of implementation, achievements and problems of all development activities has to be made public annually.
206. Arrangement will be made to receive grievances of concerned stakeholders in implementation process, resources utilization and quality of development projects. After receiving such grievances, investigation and action will be taken by the concern agency immediately.

207. Additional effective measures will be taken in order to make Regional Administrators responsible for supervising and monitoring of administrative and development matters of public concern relating to lingering, indiscipline and misuse of resources. This measure will help to introduce regionally balanced administrative system.
208. In order to guarantee the success of targeted program implemented at local level, system will be in place to complain District Administrative Office if the amount allocated for targeted group is misused. Arrangement has been made to take legal action immediately from the District Administrative Office after receiving such complaint against those individuals or institutions.
209. Report of the Auditors General has not yet been published for the last three consecutive years since the parliament is dissolved. Every citizen has the right to know the comments of the Auditor General on income-expenditure and economic transaction of the government, and government need to improve its own methods of economic transaction according to the suggestions mentioned in the Auditor General's report. Keeping this in view, appropriate legal formalities will be completed within three months to publish all the unpublished reports of the Auditor General.

Foreign Aid Mobilization in National Interest

210. Representatives of the donor countries and international institutions participating in the Nepal Development Forum meetings in May 2004 had expressed their commitment for continued support to achieve the objectives of Tenth Plan, its implementation and reform programs. Government is serious on the concern raised by the donor agencies regarding human rights, peaceful settlement of conflict, and absence of elected representatives in local bodies, and democracy and governance.
211. In light of the policy adopted by the government to mobilize foreign aid in a transparent and efficient way, arrangement has been made in FY2004/05 to reflect the projects in the budget, which are running under National Execution (NEX) system of UNDP program. Other projects of similar nature under bilateral and multi-lateral assistance will be gradually reflected in the annual budget.

212. In accordance with the foreign policy, Nepal's diplomatic mission stationed abroad will be encouraged to play promotional role in order to boost trade and economic interest of the country.

Continuity of the Reform Program

213. The "Immediate Action Plan, 2004" will be soon formulated and implemented to give continuity to the programs of the Government.

Fellow Sisters and Brothers,

214. In the light of Medium Term Expenditure Framework (MTEF), Rs. 111 billion 689.9 million is estimated to be spent in this FY2004/05 to implement the above mentioned programs and execute other works and services. Out of the total estimated expenditure, Rs. 67 billion 608.431 million is allocated for regular expenditure, Rs. 31 billion 577.521 is appropriated for capital expenditure and Rs. 12 billion 503.948 million for debt servicing. The proposed regular expenditure for FY2004/05 is up by 19.19 percent, capital expenditure by 29.05 percent, and debt servicing by 14.53 percent reflecting an increment in total expenditure by 21.26 percent in comparison to the revised estimated expenditure of FY 2003/04.
215. Approximately 57 percent is allocated for the payment of salary, pension and facilities to civil servants, army staffs, police, teachers and other service holders. And 11.25 percent of regular expenditure is allocated for the repayment of debt.
216. While formulating the budget of FY2004/05, among all the programs and services of the Government, special arrangement has been made to insure the availability of fund without any difficulty to the programs and projects assigned first priority on the basis of MTEF. Out of the total budget, 85.4 percent is allocated to the services, works and programs of the first priority.
217. Following budget has been earmarked to achieve the objectives of poverty alleviation, for the four strategies mentioned in the 10th Plan and for general administration. The programs related to peace restoration, conflict resolution and progression have been included in the budget within the framework of the Plan.

- Rs. 17818.639 million has been allocated for high, sustained and broad based economic growth,
- Rs. 21209.060 million has been allocated for social sector and rural infrastructure development,
- Rs. 2759.801 million has been allocated for the implementation of targeted program of social inclusion,
- Rs.5414.165 million has been allocated for the programs related to good governance,
- Rs. 64488.235 million has been allocated for general administration and debt servicing.

218. As mentioned above, of the total allocation of Rs. 111689.9 million for recurrent, capital and repayment of principal, Rs. 66264.640 million will be met by existing revenue sources, Rs. 15350.730 million and Rs 16959.170 million will be met from foreign grants and loans respectively, resulting a deficit of Rs. 13115.360 million.

Fellow Sisters and Brothers,

Revenue Estimates

219. Now, I would like to inform the policies of revenue mobilization, adjustment and changes made in the prevailing policies and statement of revenue.
220. Continuity has been given by His Majesty's Government to the revenue administration reform policies and programs adopted in the past. The objective of the tax system for the Fiscal Year 2004/05 are mainly to promote export and to make tax system simple, hassle free and taxpayer friendly, broadening the tax base and identifying new areas of taxation, as well as timely adjustment of tax rates.
221. Timely changes have been made in respect of revenue policies, administrative reform and legal improvement on the basis of suggestions received from Revenue Advisory Committee, industry, commerce and related sectors, and commitment made in the course of accession to the World Trade Organization.

222. Performance based indicators have already been introduced since last fiscal years in the revenue administration. It has positive impact in revenue administration and it will further be improved and systematized for the evaluation of revenue offices.
223. Revenue Investigation Department will be strengthened to receive information regarding revenue, analyse the reason behind revenue leakage and take necessary legal action in order to raise the revenue collection by controlling revenue leakage effectively.
224. In order to safeguard the interest of taxpayers, provision has been made to file an application in the department for the administrative review in the cases related to income tax and value added tax without deposit. Arrangement has been made to decide upon the application within 60 days and notify the taxpayer.
225. Study shall be made on revenue related problems of cottage and small industries as well as basic industries and appropriate measures shall be taken to mitigate such problems.
226. Timely adjustment will be made on previous provisions regarding various fees like film development fee, tourism service fee, rural education program fee and pollution control fee through study and in consultation with respective stakeholders.
227. Non tax revenue like fees, royalty, duties and charges for public sector services will be reviewed on the basis of cost involved.
228. Individual, firm and companies, traditionally dealing with the business of diamond and precious stone and who are still outside the tax net, will be brought in tax net making them to declare their trading stock and paying 15 percent special fees of the value of stock so declared.
229. Now, I would like to inform the provisions of direct taxes.
230. "Large Taxpayer's Office" (LTO) was established in 15 January 2004 with a view to simplify the functioning of tax administration related to large tax payer and for their effective monitoring. Arrangement has been made for LTO to undertake tax registration, audit, collection and

other functions in a full-fledged manner from the beginning of this fiscal year. This will facilitate the working of large taxpayer and taxpayer service will be effective. Positive contribution in revenue mobilisation will be realized and working of tax administration is expected to improve further.

231. To encourage the investors involved in petroleum exploration and extraction, special arrangement has been made to provide them the facility of loss carry forward for 12 years.
232. To broaden the tax base, Permanent Account Number (PAN) will be made mandatory for medical practitioner, legal professionals, auditors and consultants.
233. Accelerated tax audit system will be introduced to make tax audit procedure more productive, transparent, and effective by updating tax audit manual. Chartered Accountant firms shall be registered as an experiment and this firm shall perform tax audit. Also, an arrangement will be made to submit independent report of their audit work.
234. At present, saving and loan cooperative institutions and organizations based on rural communities are exempt from income tax. A provision has also been made to exempt from income tax for specified cooperatives established in municipality areas having no basic infrastructure development.
235. Provision has been made to allow all repair and maintenance related expenses to airlines companies for the complete check up of the aircraft under prescribed standard for income tax purpose.
236. Provision for advance tax deduction has been removed for the payment made in respect of preparation of question papers and examination of papers.
237. Now, I would like to brief you on the provisions of Indirect Taxes.
238. Considering the commitment made during the accession of World Trade Organization, lowering the rates of customs duty and other fees have been initiated. In this connection, the customs duties of brake oil,

waste chemicals, plastic pipes, tyre tube, batteries, furniture, furniture parts, mattresses and prefabricated house have been reduced to a new slab of 35 percent from its present level of 40 percent.

239. Special duty of 0.5 percent has been waived on commodities, which has implied 5 percent customs duty. Likewise special duty has been removed on imports under baggage rules.
240. For the development of agriculture sector, customs duty has been reduced to one percent on the import of goods such as harrow, cultivator, labeller and thresher, which are used for agronomy and horticulture purpose. Similarly, customs duty on imported goods like petroleum coke, telephone sets and sugar have been reduced. In order to adjust import duty for similar kind of goods, customs duty has been adjusted for forklift truck, calculator and spare parts of typewriter, equipments related to information technology and camera lenses.
241. Customs duty has been marginally increased on commodities such as photo paper, photo film, leather garments, parqueting, re-treated tyre, and oil filter.
242. In the process of complying the principle of imposing lower rate of customs duty on the import of raw materials compared to finished goods, necessary adjustment will be undertaken on the basis of study in this regard.
243. Re-organization of sub customs offices shall be initiated for strengthening the customs administration. For this purpose study will be made on taking into account the transport facility, market access of customs points in the border area.
244. Three Year Customs Reforms and Modernization Program is already under implementation from fiscal year 2003/04. Special attention will be focused on the effective implementation of this program. For the automation of the customs, the ASYCUDA system had been extended to additional three customs offices in last fiscal year totaling to seven. This system will further be extended to two additional customs offices in this fiscal year. In addition to this, a system will be established to

integrate computerized information of district customs offices to the center.

245. Customs office located at the dry port, which is constructed at Sirsia of Birganj will be developed as a well equipped modern customs office. It is believed that it will make customs clearance process effective and import and export of goods will be more easier.
246. Refund of Indian Excise under Duty Refundable Procedure (DRP) will be integrated in this fiscal year with modern information system in order to make refund process of Indian Excise faster and easier.
247. In order to promote export, provision has been made to waive export duty on the exportation of copper wire, zinc oxide, and marble. Likewise, rate of export duty has been reduced and fixed at 2.0 percent, 1.0 percent and 0.50 percent from the previous level of 3.0 percent, 1.5 percent and 0.75 percent, respectively.
248. An arrangement has been made to accept bank guarantee for 6 months instead of previous provision of 1 year for the industries which has the permission of bonded warehouse facility.
249. Bank guarantee of export industries who has already exported the goods but has not been released until 15 July 2004, may be released if application with necessary documents are submitted by 16 October 2004. Bank guarantees of industries that are unable to export will also be released upon payment of customs duty as per the rules and regulations.
250. Regular monitoring of billing system shall be continued for the effective implementation of Value Added Tax. The present "Consumer Awareness Program" has proved to be effective in this regard and shall be continued. In addition to this, monitoring and inspection of market shall be made more effective.
251. Provision has been made to issue advance ruling to avoid ambiguity in Value Added Tax.

252. Arrangement has been made for government institutions to purchase the goods and services above Rupees five thousands from persons registered with the Value Added tax.
253. Arrangement has been made to file Value Added Tax return on monthly, bi-monthly and quarterly basis according to nature of its business.
254. In order to relieve the burden of the taxpayer from additional fee and penalty resulting due to late payments, provision has been made to readjust such additional fees and penalty.
255. In order to simplify tax refund procedures and to make it transparent, classification of taxpayer will be made on the basis of risk criteria. The taxpayer with low risk categories will enjoy the fast tax refund benefit with minimum verification of documents.
256. At present, there is no provision of refund of value added tax to foreign tourists, who have paid value added tax while purchasing commodities. By November 15, 2004, arrangement will be made to refund value added tax to the foreign tourists departing from Tribhuvan International Airport carrying such commodities.
257. In order to minimize the export cost, a provision has been made to import raw materials on the basis of bank guarantee for industries that export more than 90 percent of total sales in past twelve months and which has a minimum of twenty percent of value addition.
258. Value added tax has been waived for tourist transport vehicles to solve the problem created due to imposition of value added tax on transport services to be provided by travel agencies.
259. In order to make excise administration effective and systematic, provision has been made to apply excise stamps in each bottle of liquor and beer. Likewise, necessary arrangement will be made to implement similar provisions for applying stamps in cigarettes.
260. Rate of excise duty has been slightly increased for liquor and cigarettes, which are harmful to health.

261. In order to increase female ownership in property, arrangement has been made to provide 10 percent rebate in land registration fee.
262. Royalty payable by each casino has been increased by rupees five hundred thousand to rupees fourteen million and five hundred thousand operating in the Kingdom of Nepal.
263. The amount to be deposited in the government treasury as forest product fee out of the receipt of the sale of timbers of Sal and Khayar disposed as per work plan prescribed in the regulation and sold beyond consumer group for commercial purpose from community forest of Terai districts has been reduced to 15 percent from 40 percent.
264. Apart from the present source of revenue, there will be an additional revenue mobilization of Rs. 4,060 million from the change in the rates of tax and non-tax revenue and administrative reform. Net deficit will be of Rs. 9,060 million.
265. The deficit of Rs. 9060 million as mentioned above will be met through domestic borrowing.
266. While preparing this year's budget, I have made an arrangement to limit domestic borrowing within 1.7 percent of GDP and the net domestic borrowing not exceeding 0.7 percent.
267. The overall economic growth is estimated to be 4.5 percent in FY 2004/05 as agriculture and non-agriculture sectors are expected to grow upto 3.7 percent and 4.6 percent respectively in this period. However, in case of normal situation through improvement in existing conflict situation in the country, a growth rate of 6.2 percent as envisaged in the Tenth Plan could be achieved which in turn will contribute to poverty alleviation significantly. Similarly, inflation is expected to remain in between 4 percent to 4.5 percent in FY2004/05 and narrow money and broad money supply will remain at 10.5 percent and 12.5 percent respectively in this period. The revenue /GDP ratio is expected to increase significantly to 13 percent due to the implementation of revenue policy and administrative reforms.

268. Actual income and expenditure for FY 2002/03, revised estimate of income and expenditure for FY 2003/04 and estimate of income and expenditure for FY 2004/05 are presented in the Annexes.
269. The Nepal Rastra Bank (Central Bank) will formulate and implement the monetary policy in line with the fiscal policy of the government.
270. A brief description of technical assistance being made available to His Majesty's Government of Nepal by friendly countries donors community and International Non- Governmental Organizations (INGOs) is presented separately.
271. I would like to thank Honorable Speaker and Honorable Deputy Speaker of House of Representatives, Honorable Members of National Assembly, leaders of different political parties, individuals institutions related to industry, commerce and tourism sectors, intellectuals, teachers, professors, civil servants and civil society for their support in preparing this income and expenditure statement.
272. The role of foreign aid has been vital in the development endeavor of the country. The loan and grants received from donor agencies and countries has significantly contributed to the implementation of development policy and program reflected in this budget. Of the total estimated expenditure for FY2004/05, 29 percent is proposed to meet from foreign aid. It was not and is not easy to prepare a budget neglecting the financial and technical support of bilateral and multilateral donor agencies to a developing nation like Nepal. Therefore, I would like to express my heartfelt gratitude to all the members of the donor community participating in the socio-economic development endeavors of Nepal. Further, I would also expect and believe that the cooperation from our development partners in the implementation of the development projects in fiscal year 2004/05 will be continued.
273. To conclude, I am confident of full cooperation from all Nepali citizen and friendly countries in the successful implementation of this Budget, which is oriented towards political, economic and social transformation of Nepal considering peace, resolution of conflict and progression as the prime requisite.

Thank you.

Summary of Income and Expenditure

Annex -1
(Rs. In '000)

Description	Actual Expenditure of 2002/03	Revised Estimate of 2003/04	Estimate of 2004/05
Revenue	56,229,791	62,227,000	70,320,000
Tax Revenue	42,586,935	47,978,900	53,770,000
Existing Sources			50,513,640
Tariff Adjustments and Administrative Reforms			3,256,360
Non Tax Revenue	12,103,197	12,698,100	14,550,000
Existing Sources			13,751,000
Tariff Adjustments and Administrative Reforms			799,000
Principal Refund	1,539,659	1,550,000	2,000,000
Total Expenditure	84,006,081	92,107,250	111,689,900
Recurrent	52,090,485	56,720,493	67,608,431
Capital	22,356,102	24,469,325	31,577,521
Principal Repayment	9,559,494	10,917,432	12,503,948
Surplus (+) Deficit (-) Before Foreign Grant	-27,776,290	-29,880,250	-41,369,900
Foreign Grant	11,339,146	11,457,500	15,350,730
Bilateral	9,387,208	9,506,500	11,724,586
Multilateral	1,951,938	1,951,000	3,626,144
Surplus (+) Deficit (-) After Foreign Grant	-16,437,144	-18,422,750	-26,019,170
Sources of Deficit Financing			
Foreign Loan	4,546,423	11,111,035	16,959,170
Bilateral	657,221	453,500	767,984
Multilateral	3,889,202	10,657,535	16,191,186
Domestic Borrowings	8,880,000	7,311,715	9,060,000
Cash Balance Surplus (+) Deficit (-)	-3,010,721		

Estimates Of Government Revenue
Fiscal Year 2004/05

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.01.00	Commodity Tax based on Foreign Trade	16,054,000	426,000	16,480,000
1.1.01.10	Import Duties	12,474,000	426,000	12,900,000
1.1.01.30	Indian Excise Refund	2,500,000		2,500,000
1.1.01.40	Export Duties	500,000		500,000
1.1.01.60	Other Income of Customs	88,600		88,600
1.1.01.70	Agriculture Improvement Duties	491,200		491,200
1.1.01.90	Other Duties	200		200
1.1.02.00	Internal Commodity Tax based on Goods and Services	23,277,740	1,422,260	24,700,000
1.1.02.10	Value Added Tax	15,801,490	1,148,510	16,950,000
1.1.02.11	Production	2,024,000	200,900	2,224,900
1.1.02.12	Imports	9,712,150	737,850	10,450,000
1.1.02.13	Sales and Distribution	901,540	89,860	991,400
1.1.02.14	Contract and Consultancy	838,500	83,500	922,000
1.1.02.15	Tourism Industries	365,000	36,400	401,400
1.1.02.19	Other Services	1,960,300		1,960,300
1.1.02.20	Excise Duties	6,726,250	273,750	7,000,000
1.1.02.21	Cigarettes	2,542,000	129,800	2,671,800
1.1.02.22	Bidi	3,650	150	3,800
1.1.02.23	Liquor	1,304,000	66,900	1,370,900
1.1.02.25	Beer	1,125,000	61,400	1,186,400
1.1.02.26	Other Industrial Production	303,000	15,500	318,500
1.1.02.27	Excise on Import	1,448,600		1,448,600
1.1.02.50	Vehicle Tax	750,000		750,000
Indirect Tax Total		39,331,740	1,848,260	41,180,000
1.1.03.00	Income Tax	9,091,900	1,408,100	10,500,000
1.1.03.10	Corporate Income Tax	6,273,500	1,221,100	7,494,600
1.1.03.11	Government Corporations	504,200	750,000	1,254,200
1.1.03.12	Public Limited Companies	2,300,000	161,100	2,461,100
1.1.03.13	Private Limited Companies	1,255,300	110,000	1,365,300
1.1.03.14	Personal or Sole Trading Firm	2,080,000	200,000	2,280,000
1.1.03.19	Other Institutions	134,000		134,000
1.1.03.20	Remuneration Tax	1,431,500	107,000	1,538,500
1.1.03.21	Remuneration Tax	1,431,500	107,000	1,538,500
1.1.03.50	Income Tax on Investment	1,375,900	80,000	1,455,900
1.1.03.51	Lease or Rent	351,600	80,000	431,600
1.1.03.52	Interest	869,600		869,600
1.1.03.53	Capital Gains	1,500		1,500
1.1.03.54	Dividends	152,200		152,200
1.1.03.59	Other Income from Investment	1,000		1,000
1.1.03.60	Tax on Windfall Gain	6,000		6,000
1.1.03.90	Others	5,000		5,000

Estimates Of Government Revenue
Fiscal Year 2004/05

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.04.00	Tax on House, Land and Other Property	2,090,000		2,090,000
1.1.04.30	House and Land Registration	2,090,000		2,090,000
	Direct Tax Total	11,181,900	1,408,100	12,590,000
	Tax Revenue Total	50,513,640	3,256,360	53,770,000
1.1.05.00	Duty and Fees	3,831,600		3,831,600
1.1.05.10	Firm Registration	85,500		85,500
1.1.05.20	Agency Registration	3,000		3,000
1.1.05.30	Arms Registration	1,800		1,800
1.1.05.40	Transportation Sector Fee	650,300		650,300
1.1.05.41	Vehicle Licence fee	285,300		285,300
1.1.05.42	Road Improvement Fee	222,400		222,400
1.1.05.43	Urban Road Construction and Maintenance Fee	142,600		142,600
1.1.05.50	Export Import Licence Fees	17,100		17,100
1.1.05.60	Examination Fees	80,700		80,700
1.1.05.70	Passport Fees	1,629,800		1,629,800
1.1.05.80	Tourism Fees	694,800		694,800
1.1.05.81	Visa Fees	656,000		656,000
1.1.05.82	Mountaineering and Trekking Fees	38,000		38,000
1.1.05.83	Other Fees	800		800
1.1.05.90	Other Administrative Fees	668,600		668,600
1.1.05.95	Telephone Ownership and Service Fees	537,500		537,500
1.1.05.99	Others	131,100		131,100
1.1.06.00	Penalty, Fines and Forfeitures	168,400		168,400
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	130,700		130,700
1.1.06.20	Administrative Penalty, Fines and Forfeiture	37,700		37,700
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Commodities	1,500,000	179,000	1,679,000
1.1.07.10	Receipt From Water Resources	6,800		6,800
1.1.07.11	Drinking Water	5,900		5,900
1.1.07.12	Irrigation	700		700
1.1.07.13	Electricity	200		200
1.1.07.20	Postal Services	309,100	179,000	488,100
1.1.07.30	Food and Agriculture	47,400		47,400
1.1.07.40	Education	153,400		153,400
1.1.07.50	Forest	736,800		736,800
1.1.07.60	Transport	165,500		165,500
1.1.07.70	Others	81,000		81,000
1.1.08.00	Dividends	3,080,000		3,080,000
1.1.08.10	Financial Institutions	1,170,500		1,170,500
1.1.08.20	Trading Concerns	22,000		22,000
1.1.08.30	Industrial Undertakings	8,500		8,500

**Estimates Of Government Revenue
Fiscal Year 2004/05**

**Annex-2
(Rs. in '000)**

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.08.40	Service oriented Institutions	1,780,000		1,780,000
1.1.08.50	Others	99,000		99,000
1.1.09.00	Interests	1,200,000		1,200,000
1.1.09.10	Financial Institutions	136,700		136,700
1.1.09.20	Trading Concerns	100		100
1.1.09.30	Industrial Undertakings	31,900		31,900
1.1.09.40	Services Oriented Institutions	1,027,700		1,027,700
1.1.09.50	Others	3,600		3,600
1.1.10.00	Royalty and Sales of Government Property	2,271,000	620,000	2,891,000
1.1.10.10	Royalty	2,046,800		2,046,800
1.1.10.11	Royalty From Mining	27,000		27,000
1.1.10.12	Royalty Related to Water Resource	745,400		745,400
1.1.10.13	Casino Royalties	107,500		107,500
1.1.10.19	Other Royalties	1,166,900		1,166,900
1.1.10.20	Sales	224,200	620,000	844,200
1.1.10.21	Sales of Government Land and Buildings	150,000	620,000	770,000
1.1.10.22	Sales of Government Goods	32,600		32,600
1.1.10.23	Other Sales	41,600		41,600
1.1.12.00	Donation, Gift and Miscellaneous Income	1,700,000		1,700,000
1.1.12.10	Donations and Gift	5,000		5,000
1.1.12.20	Miscellaneous	1,695,000		1,695,000
Non Tax Revenue Total		13,751,000	799,000	14,550,000
1.1.11.00	Principal Repayment	2,000,000		2,000,000
1.1.11.10	Financial Institutions	621,400		621,400
1.1.11.20	Trading Concerns	100		100
1.1.11.30	Industrial Undertakings	33,500		33,500
1.1.11.40	Service Oriented Institutions	1,309,000		1,309,000
1.1.11.50	Others	36,000		36,000
Principal Refund		2,000,000		2,000,000
Revenue Total		66,264,640	4,055,360	70,320,000

**Summary of Budget Estimate
2004/05**

**Annex - 3
(Rs. In '000)**

Description	Actual Expenditure of 2002/03	Revised Estimate of 2003/04	Estimate of 2004/05
Total Expenditure	84,00,60,81	92,10,72,50	1,11,68,99,00
Recurrent	52,09,04,85	56,72,04,93	67,60,84,31
Capital	22,35,61,02	24,46,93,25	31,57,75,21
Principal Repayment	9,55,94,94	10,91,74,32	12,50,39,48
Central Recurrent	48,37,93,85	52,69,22,88	60,87,61,20
Central Capital	18,33,59,48	19,83,28,10	25,52,86,98
Central Principal Repayment	9,55,94,94	10,91,74,32	12,50,39,48
Central Total	76,27,48,27	83,44,25,30	98,90,87,66
District Recurrent	3,71,11,00	4,02,82,05	6,73,23,11
District Capital	4,02,01,54	4,63,65,15	6,04,88,23
District Total	7,73,12,54	8,66,47,20	12,78,11,34
Chargeable	16,80,35,87	18,37,72,65	20,73,73,20
Recurrent	7,24,35,38	7,45,80,85	8,23,13,47
Capital	5,55	17,48	20,25
Principal Repayment	9,55,94,94	10,91,74,32	12,50,39,48
Appropriated	67,20,24,94	73,72,99,85	90,95,25,80
Recurrent	44,84,69,47	49,26,24,08	59,37,70,84
Capital	22,35,55,47	24,46,75,77	31,57,54,96

Constitutional Organ/Ministry-Wise Estimate of Expenditure for Fiscal Year 2004/05

Annex - 4

(Rs. In '000)

Code	Description	Capital and Principal		Total	Cash			Direct Payment and Commodity Grant
		Recurrent	Repayment		Cash Total	HMG	Foreign Cash	
11	His Majesty the King, Royal Family and Royal Palace	330,075	0	330,075	330,075	330,075	0	0
12	State Council	11,236	300	11,536	11,536	11,536	0	0
13	Parliament	210,180	14,715	224,895	224,895	224,895	0	0
14	Court	575,087	185,015	760,102	730,102	595,102	135,000	30,000
15	Commission for Investigation of Abuse of Authority	54,134	21,255	75,389	40,730	40,730	0	34,659
16	Office of the Auditor General	86,167	1,375	87,542	66,302	66,302	0	21,240
17	Public Service Commission	64,505	4,300	68,805	68,805	68,805	0	0
18	Election Commission	585,110	1,150	586,260	586,260	586,260	0	0
19	Office of the Attorney General	92,345	1,975	94,320	94,320	94,320	0	0
20	Council of Justice	4,370	0	4,370	4,370	4,370	0	0
26	Deputy Prime Minister's Office	1,500	0	1,500	1,500	1,500	0	0
27	National Vigilance Center	8,571	33,460	42,031	10,734	10,734	0	31,297
30	Prime Minister and Council of Minister's Office	117,347	1,400	118,747	83,747	83,747	0	35,000
35	Ministry of Finance	635,960	424,460	1,060,420	908,925	809,275	99,650	151,495
38	Ministry of Industry, Commerce & Supply	911,582	111,053	1,022,635	822,635	600,535	222,100	200,000
39	Ministry of Law, Justice and Parliamentary Affairs	35,398	415	35,813	25,813	25,813	0	10,000
40	Ministry of Agriculture & Cooperatives	2,503,475	188,809	2,692,284	2,620,967	1,502,618	1,118,349	71,317
45	Ministry of Home	6,948,810	669,893	7,618,703	7,618,703	7,618,703	0	0
46	Ministry of Population & Environment	47,729	5,000	52,729	52,729	46,269	6,460	0
47	Ministry of Water Resources	487,315	3,038,303	3,525,618	3,033,663	1,136,597	1,897,066	491,955
48	Ministry of Physical Planning and Works	1,092,259	7,984,287	9,076,546	7,613,920	2,551,687	5,062,233	1,462,626
49	Ministry of Culture, Tourism and Civil Aviation	270,023	182,797	452,820	382,820	332,820	50,000	70,000
50	Ministry of Foreign Affairs	1,031,502	17,260	1,048,762	1,048,762	1,048,762	0	0
55	Ministry of Land Reform and Management	662,582	74,292	736,874	736,874	707,174	29,700	0
56	Ministry of Women, Children & Social Welfare	302,547	5,568	308,115	288,115	233,193	54,922	20,000
58	Ministry of Defence	6,922,146	1,083,250	8,005,396	8,005,396	8,005,396	0	0
59	Ministry of Forest and Soil Conservation	1,574,803	336,986	1,911,789	1,858,402	1,588,971	269,431	53,387
61	Ministry of Science & Technology	201,052	826,951	1,028,003	542,542	227,145	315,397	485,461
65	Ministry of Education & Sports	16,684,643	1,375,011	18,059,654	16,981,074	12,621,577	4,359,497	1,078,580
66	Ministry of General Administration	51,218	1,630	52,848	52,848	52,848	0	0
67	Ministry of Information and Communication	1,079,000	945,711	2,024,711	1,155,706	1,087,329	68,377	869,005
69	Ministry of Local Development	2,441,452	5,049,487	7,490,939	6,428,231	3,707,302	2,720,929	1,062,708
70	Ministry of Health	5,435,572	1,117,869	6,553,441	5,025,879	3,812,103	1,213,776	1,527,562

Code	Description	Recurrent	Capital and Principal Repayment	Total	Cash			Direct Payment and Commodity Grant
					Cash Total	HMG	Foreign Cash	
71	Ministry of Labour & Transport Management	208,892	10,645	219,537	175,930	175,930	0	43,607
72	National Planning Commission Secretariat	226,651	304,354	531,005	448,605	199,435	249,170	82,400
81	Ministry of Finance - Repayment of Domestic Debt	4,973,112	5,528,803	10,501,915	10,501,915	10,501,915	0	0
82	Ministry of Finance - Repayment of Foreign Debt - Multilateral	2,195,749	4,893,100	7,088,849	7,088,849	7,088,849	0	0
83	Ministry of Finance - Repayment of Foreign Debt - Bilateral	440,089	2,082,045	2,522,134	2,522,134	2,522,134	0	0
87	Ministry of Finance - Investments - Public Enterprises	0	6,262,663	6,262,663	1,707,663	1,340,863	366,800	4,555,000
95	Ministry of Finance - Miscellaneous	8,104,243	1,295,882	9,400,125	9,350,125	7,716,381	1,633,744	50,000
Total		67,608,431	44,081,469	111,689,900	99,252,601	79,380,000	19,872,601	12,437,299

Summary of Revenue Collection

Annex-5
(Rs. in '000)

Code No.	Head	2002/03 Actual	2003/04 Revised Estimate
1.1.01.00	Commodity Tax based on Foreign Trade	14,236,393	15,444,000
1.1.01.10	Import Duties	10,567,676	11,518,000
1.1.01.30	Indian Excise Refund	2,370,609	2,786,000
1.1.01.40	Export Duties	354,676	630,000
1.1.01.50	Export Service Charge	500,972	
1.1.01.60	Other Income of Customs	16,551	77,930
1.1.01.70	Agriculture Improvement Duties	425,722	431,900
1.1.01.90	Other Duties	187	170
1.1.02.00	Internal Commodity Tax based on Goods and Services	18,804,312	21,151,200
1.1.02.10	Value Added Tax	13,459,709	14,302,300
1.1.02.11	Production	1,896,696	1,873,400
1.1.02.12	Imports	8,628,581	8,829,200
1.1.02.13	Sales and Distribution	676,266	834,800
1.1.02.14	Contract and Consultancy	757,947	776,300
1.1.02.15	Tourism Industries	251,395	338,000
1.1.02.19	Other Services	1,248,824	1,650,600
1.1.02.20	Excise Duties	4,785,123	6,166,100
1.1.02.21	Cigarettes	2,052,537	2,353,500
1.1.02.22	Bidi	4,654	3,400
1.1.02.23	Liquor	1,179,979	1,207,600
1.1.02.25	Beer	1,032,472	1,045,100
1.1.02.26	Other Industrial Production	324,642	280,500
1.1.02.27	Excise on Import	190,839	1,276,000
1.1.02.50	Vehicle Tax	559,480	682,800
Indirect Tax Total		33,040,705	36,595,200
1.1.03.00	Income Tax	8,131,893	9,483,700
1.1.03.10	Corporate Income Tax	5,549,786	6,771,200
1.1.03.11	Government Corporations	1,251,017	2,036,100
1.1.03.12	Public Limited Companies	1,236,268	1,319,800
1.1.03.13	Private Limited Companies	1,166,298	1,233,200
1.1.03.14	Personal or Sole Trading Firm	1,799,638	2,061,500
1.1.03.19	Other Institutions	96,565	120,600
1.1.03.20	Remuneration Tax	1,252,597	1,389,600
1.1.03.21	Remuneration Tax	1,252,597	1,389,600
1.1.03.50	Income Tax on Investment	1,321,818	1,313,800
1.1.03.51	Lease or Rent	390,936	389,800
1.1.03.52	Interest	863,977	785,400
1.1.03.53	Capital Gains	6,592	1,000
1.1.03.54	Dividends	58,789	137,500
1.1.03.59	Other Income from Investment	1,524	100
1.1.03.60	Tax on Windfall Gain	2,296	5,100
1.1.03.90	Others	5,396	4,000
1.1.04.00	Tax on House, Land and Other Property	1,414,337	1,900,000
1.1.04.30	House and Land Registration	1,414,301	1,900,000

Summary of Revenue Collection

Annex-5
(Rs. in '000)

Code No.	Head	2002/03 Actual	2003/04 Revised Estimate
1.1.04.40	House and Land tax	36	
	Direct Tax Total	9,546,230	11,383,700
	Tax Revenue Total	42,586,935	47,978,900
1.1.05.00	Duty and Fees	2,201,280	3,050,300
1.1.05.10	Firm Registration	75,792	76,000
1.1.05.20	Agency Registration	2,878	2,600
1.1.05.30	Arms Registration	1,589	1,600
1.1.05.40	Transportation Sector Fee	119,546	578,100
1.1.05.41	Vehicle Licence fee	0	253,600
1.1.05.42	Road Improvement Fee	0	197,700
1.1.05.43	Urban Road Construction and Maintenance Fee	0	126,800
1.1.05.50	Export Import Licence Fees	16,320	15,200
1.1.05.60	Examination Fees	28,263	71,700
1.1.05.70	Passport Fees	923,897	1,448,800
1.1.05.80	Tourism Fees	864,680	617,600
1.1.05.81	Visa Fees	629,912	583,100
1.1.05.82	Mountaineering and Trekking Fees	234,224	33,800
1.1.05.83	Other Fees	544	700
1.1.05.90	Other Administrative Fees	168,315	238,700
1.1.05.95	Telephone Ownership and Service Fees	98,684	122,200
1.1.05.99	Others	69,631	116,500
1.1.06.00	Penalty, Fines and Forfeitures	166,914	149,700
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	104,317	116,200
1.1.06.20	Administrative Penalty, Fines and Forfeiture	62,597	33,500
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Commodities	1,274,439	1,370,100
1.1.07.10	Receipt From Water Resources	7,028	6,200
1.1.07.11	Drinking Water	5,646	5,500
1.1.07.12	Irrigation	1,379	600
1.1.07.13	Electricity	3	100
1.1.07.20	Postal Services	219,892	282,300
1.1.07.30	Food and Agriculture	42,297	43,300
1.1.07.40	Education	112,271	140,100
1.1.07.50	Forest	683,639	673,000
1.1.07.60	Transport	93,464	151,200
1.1.07.70	Others	115,848	74,000
1.1.08.00	Dividends	2,497,644	3,540,000
1.1.08.10	Financial Institutions	1,904,301	1,812,300
1.1.08.20	Trading Concerns	11,030	21,100
1.1.08.30	Industrial Undertakings	6,145	8,300
1.1.08.40	Service oriented Institutions	576,168	1,600,000
1.1.08.50	Others	0	98,300
1.1.09.00	Interests	924,616	1,065,000
1.1.09.10	Financial Institutions	152,106	121,300

Summary of Revenue Collection

Annex-5
(Rs. in '000)

Code No.	Head	2002/03 Actual	2003/04 Revised Estimate
1.1.09.20	Trading Concerns	0	100
1.1.09.30	Industrial Undertakings	36,568	28,300
1.1.09.40	Services Oriented Institutions	722,490	912,100
1.1.09.50	Others	13,452	3,200
1.1.10.00	Royalty and Sales of Government Property	1,945,459	1,300,000
1.1.10.10	Royalty	1,154,013	754,300
1.1.10.11	Royalty From Mining	11,897	10,000
1.1.10.12	Royalty Related to Water Resource	822,775	274,700
1.1.10.13	Casino Royalties	50,644	39,600
1.1.10.19	Other Royalties	268,697	430,000
1.1.10.20	Sales	791,446	545,700
1.1.10.21	Sales of Government Land and Buildings	746,779	12,000
1.1.10.22	Sales of Government Goods	24,728	12,000
1.1.10.23	Other Sales	19,939	521,700
1.1.12.00	Donation, Gift and Miscellaneous Income	3,092,845	2,223,000
1.1.12.10	Donations and Gift	306	100
1.1.12.20	Miscellaneous	3,092,539	2,222,900
Non Tax Revenue Total		12,103,197	12,698,100
1.1.11.00	Principal Repayment	1,539,659	1,550,000
1.1.11.10	Financial Institutions	396,516	481,600
1.1.11.20	Trading Concerns	0	100
1.1.11.30	Industrial Undertakings	57,325	26,000
1.1.11.40	Service Oriented Institutions	1,062,841	1,014,400
1.1.11.50	Others	22,977	27,900
Principal Refund		1,539,659	1,550,000
Revenue Total		56,229,791	62,227,000

Constitutional Organ/Ministry-wise Actual Expenditure and Revised Estimate

Annex - 6
(Rs. In '000)

Code	Description	Actual Expenditure of 2002/03			Revised Estimate of 2003/04		
		Capital and Principal Recurrent	Repayment	Total	Capital and Principal Recurrent	Repayment	Total
11	His Majesty the King, Royal Family and Royal Palace	387,890		387,890	329,175		329,175
12	State Council	9,248		9,248	11,170		11,170
13	Parliament	73,189	506	73,695	77,354	8,468	85,822
14	Court	415,650	37,736	453,386	449,485	71,639	521,124
15	Commission for Investigation of Abuse of Authority	20,378	125	20,503	35,015	982	35,997
16	Office of the Auditor General	56,099	750	56,849	72,632	500	73,132
17	Public Service Commission	62,186	1,530	63,716	60,290	4,162	64,452
18	Election Commission	144,780	9,843	154,623	96,176		96,176
19	Office of the Attorney General	79,401	2,499	81,900	87,667	2,909	90,576
20	Council of Justice	4,330	675	5,005	5,381	8	5,389
25	Prime Minister's Office	15,346	74	15,420	20,400	128	20,528
27	National Vigilance Center			0	6,648	4,028	10,676
30	Prime Minister and Council of Minister's Office	37,979	270	38,249	36,274	198	36,472
35	Ministry of Finance	579,080	294,948	874,028	737,699	84,350	822,049
38	Ministry of Industry, Commerce & Supply	652,591	497,092	1,149,683	769,380	132,645	902,025
39	Ministry of Law, Justice and Parliamentary Affairs	19,291	17	19,308	25,704	131	25,835
40	Ministry of Agriculture & Cooperatives	1,877,894	209,369	2,087,263	1,901,480	254,441	2,155,921
45	Ministry of Home	6,863,331	509,848	7,373,179	6,826,475	476,751	7,303,226
46	Ministry of Population & Environment	23,272	333	23,605	36,333	6,236	42,569
47	Ministry of Water Resources	400,174	1,779,150	2,179,324	406,906	1,722,354	2,129,260
48	Ministry of Physical Planning and Works	812,221	5,004,656	5,816,877	869,344	5,364,869	6,234,213
49	Ministry of Culture, Tourism and Civil Aviation	172,988	284,896	457,884	147,631	190,499	338,130
50	Ministry of Foreign Affairs	822,886	13,361	836,247	967,982	8,674	976,656
55	Ministry of Land Reform and Management	519,423	32,000	551,423	558,152	74,318	632,470
56	Ministry of Women, Children & Social Welfare	213,770	1,905	215,675	235,295	1,137	236,432
58	Ministry of Defence	6,207,127	1,213,213	7,420,340	6,954,315	1,432,261	8,386,576
59	Ministry of Forest and Soil Conservation	1,283,446	373,813	1,657,259	1,382,319	342,424	1,724,743
61	Ministry of Science & Technology	139,689	188,188	327,877	115,386	439,856	555,242
65	Ministry of Education & Sports	12,345,098	941,508	13,286,606	13,405,257	1,120,566	14,525,823
66	Ministry of General Administration	47,895	2,019	49,914	50,675	2,877	53,552
67	Ministry of Information and Communication	928,894	65,117	994,011	993,652	467,996	1,461,648
69	Ministry of Local Development	1,755,981	2,813,021	4,569,002	2,216,432	3,475,100	5,691,532

Code	Description	Actual Expenditure of 2002/03			Revised Estimate of 2003/04		
		Capital and Principal Recurrent	Repayment	Total	Capital and Principal Recurrent	Repayment	Total
70	Ministry of Health	3,448,315	159,357	3,607,672	4,113,923	249,718	4,363,641
71	Ministry of Labour & Transport Management	102,040	7,540	109,580	105,214	13,380	118,594
72	National Planning Commission Secretariat	172,859	4,167	177,026	377,137	14,794	391,931
81	Ministry of Finance - Repayment of Domestic Debt	4,600,166	4,063,282	8,663,448	4,402,190	5,029,035	9,431,225
82	Ministry of Finance - Repayment of Foreign Debt - Multilateral	1,667,882	3,623,068	5,290,950	1,963,263	3,983,780	5,947,043
83	Ministry of Finance - Repayment of Foreign Debt - Bilateral	353,757	1,873,144	2,226,901	512,262	1,904,617	2,416,879
86	Ministry of Finance - Investments in Foreign Institutions		2,043	2,043			0
87	Ministry of Finance - Investments - Public Enterprises		5,766,481	5,766,481		6,410,324	6,410,324
95	Ministry of Finance - Miscellaneous	4,773,939	2,138,052	6,911,991	5,358,420	2,090,602	7,449,022
	Total	52,090,485	31,915,596	84,006,081	56,720,493	35,386,757	92,107,250

Fiscal Year 2004/05 Sectoral and Ministry Detail

Annex - 7
(Rs. In '000)

Description	Fiscal Year 2004/05 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	330,075	330,075	0	0.30
101 His Majesty the King, Royal Family and Royal Palace	330,075	330,075	0	0.30
11 His Majesty the King, Royal Family and Royal Palace	330,075	330,075	0	0.30
Constitutional Bodies	1,870,579	1,640,789	229,790	1.67
102 Constitutional Bodies	1,870,579	1,640,789	229,790	1.67
12 State Council	11,536	11,236	300	0.01
13 Parliament	224,895	210,180	14,715	0.20
14 Court	717,462	532,742	184,720	0.64
15 Commission for Investigation of Abuse of Authority	75,389	54,134	21,255	0.07
16 Office of the Auditor General	87,542	86,167	1,375	0.08
17 Public Service Commission	68,805	64,505	4,300	0.06
18 Election Commission	586,260	585,110	1,150	0.52
19 Office of the Attorney General	94,320	92,345	1,975	0.08
20 Council of Justice	4,370	4,370	0	0.00
General Administration	10,137,042	9,237,130	899,912	9.08
103 General Administration	2,474,023	2,360,492	113,531	2.22
14 Court	42,640	42,345	295	0.04
26 Deputy Prime Minister's Office	1,500	1,500	0	0.00
27 National Vigilance Center	42,031	8,571	33,460	0.04
30 Prime Minister and Council of Minister's Office	118,747	117,347	1,400	0.11
35 Ministry of Finance	39,055	39,055	0	0.03
38 Ministry of Industry, Commerce & Supply	20,337	19,925	412	0.02
39 Ministry of Law, Justice and Parliamentary Affairs	35,813	35,398	415	0.03
40 Ministry of Agriculture & Cooperatives	18,535	18,445	90	0.02
45 Ministry of Home	807,369	754,180	53,189	0.72
46 Ministry of Population & Environment	9,579	9,579	0	0.01
47 Ministry of Water Resources	9,454	9,384	70	0.01
48 Ministry of Physical Planning and Works	24,331	24,319	12	0.02
49 Ministry of Culture, Tourism and Civil Aviation	18,270	18,270	0	0.02
50 Ministry of Foreign Affairs	1,048,762	1,031,502	17,260	0.94
55 Ministry of Land Reform and Management	8,565	7,765	800	0.01
56 Ministry of Women, Children & Social Welfare	20,015	17,815	2,200	0.02
58 Ministry of Defence	5,139	5,039	100	0.00
59 Ministry of Forest and Soil Conservation	12,685	12,570	115	0.01
61 Ministry of Science & Technology	12,545	12,395	150	0.01
65 Ministry of Education & Sports	34,043	34,043	0	0.03
66 Ministry of General Administration	52,848	51,218	1,630	0.05
67 Ministry of Information and Communication	9,985	9,985	0	0.01
69 Ministry of Local Development	35,190	35,190	0	0.03
70 Ministry of Health	13,917	13,917	0	0.01
71 Ministry of Labour & Transport Management	9,368	7,793	1,575	0.01
72 National Planning Commission Secretariat	23,300	22,942	358	0.02
104 Police	6,749,834	6,133,130	616,704	6.04
45 Ministry of Home	6,749,834	6,133,130	616,704	6.04
105 Revenue & Financial Administration	722,385	578,120	144,265	0.65
35 Ministry of Finance	722,385	578,120	144,265	0.65
106 Planning & Statistics	190,800	165,388	25,412	0.17

Description	Fiscal Year 2004/05 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
72 National Planning Commission Secretariat	190,800	165,388	25,412	0.17
Defence	8,000,257	6,917,107	1,083,150	7.16
107 Defence	8,000,257	6,917,107	1,083,150	7.16
58 Ministry of Defence	8,000,257	6,917,107	1,083,150	7.16
Social Services	37,381,932	26,392,651	10,989,281	33.47
108 Education	17,923,061	16,548,050	1,375,011	16.05
65 Ministry of Education & Sports	17,903,061	16,528,050	1,375,011	16.03
69 Ministry of Local Development	20,000	20,000	0	0.02
109 Health	6,704,524	5,586,655	1,117,869	6.00
38 Ministry of Industry, Commerce & Supply	55,000	55,000	0	0.05
69 Ministry of Local Development	110,000	110,000	0	0.10
70 Ministry of Health	6,539,524	5,421,655	1,117,869	5.86
110 Drinking Water	3,585,688	442,693	3,142,995	3.21
48 Ministry of Physical Planning and Works	2,985,521	441,143	2,544,378	2.67
69 Ministry of Local Development	152,004	1,550	150,454	0.14
87 Ministry of Finance - Investments - Public Enterprises	448,163	0	448,163	0.40
111 Local Development	6,162,671	1,587,619	4,575,052	5.52
69 Ministry of Local Development	5,982,671	1,477,619	4,505,052	5.36
95 Ministry of Finance - Miscellaneous	180,000	110,000	70,000	0.16
Other Social Services	3,005,988	2,227,634	778,354	2.69
112 Population & Environment	43,150	38,150	5,000	0.04
46 Ministry of Population & Environment	43,150	38,150	5,000	0.04
113 Women, Children & Social Welfare	348,100	344,732	3,368	0.31
56 Ministry of Women, Children & Social Welfare	288,100	284,732	3,368	0.26
95 Ministry of Finance - Miscellaneous	60,000	60,000	0	0.05
114 Youth, Sports & Culture	423,920	248,403	175,517	0.38
49 Ministry of Culture, Tourism and Civil Aviation	301,370	125,853	175,517	0.27
65 Ministry of Education & Sports	122,550	122,550	0	0.11
115 Housing	580,413	352,461	227,952	0.52
45 Ministry of Home	55,000	55,000	0	0.05
48 Ministry of Physical Planning and Works	517,413	292,961	224,452	0.46
49 Ministry of Culture, Tourism and Civil Aviation	8,000	4,500	3,500	0.01
116 Others - Social	1,610,405	1,243,888	366,517	1.44
45 Ministry of Home	6,500	6,500	0	0.01
61 Ministry of Science & Technology	52,000	48,600	3,400	0.05
69 Ministry of Local Development	865,000	780,467	84,533	0.77
72 National Planning Commission Secretariat	316,905	38,321	278,584	0.28
95 Ministry of Finance - Miscellaneous	370,000	370,000	0	0.33
Economic Services	27,270,488	9,010,600	18,259,888	24.42
117 Agriculture	2,682,819	2,445,030	237,789	2.40
35 Ministry of Finance	49,070	0	49,070	0.04
40 Ministry of Agriculture & Cooperatives	2,533,749	2,445,030	88,719	2.27
87 Ministry of Finance - Investments - Public Enterprises	100,000	0	100,000	0.09
118 Irrigation	3,342,984	472,939	2,870,045	2.99
35 Ministry of Finance	99,000	0	99,000	0.09
40 Ministry of Agriculture & Cooperatives	140,000	40,000	100,000	0.13
47 Ministry of Water Resources	3,103,984	432,939	2,671,045	2.78

Description	Fiscal Year 2004/05 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
119 Land Reform & Survey	728,309	654,817	73,492	0.65
55 Ministry of Land Reform and Management	728,309	654,817	73,492	0.65
120 Forest	1,899,104	1,562,233	336,871	1.70
59 Ministry of Forest and Soil Conservation	1,899,104	1,562,233	336,871	1.70
121 Industry	656,837	564,607	92,230	0.59
38 Ministry of Industry, Commerce & Supply	619,837	546,527	73,310	0.55
61 Ministry of Science & Technology	37,000	18,080	18,920	0.03
122 Communications	2,263,926	1,071,915	1,192,011	2.03
61 Ministry of Science & Technology	9,200	2,900	6,300	0.01
67 Ministry of Information and Communication	2,014,726	1,069,015	945,711	1.80
87 Ministry of Finance - Investments - Public Enterprises	240,000	0	240,000	0.21
Transportation	5,928,765	397,552	5,531,213	5.31
123 Road Transportation	5,928,765	397,552	5,531,213	5.31
48 Ministry of Physical Planning and Works	5,549,281	333,836	5,215,445	4.97
69 Ministry of Local Development	326,074	16,626	309,448	0.29
71 Ministry of Labour & Transport Management	53,410	47,090	6,320	0.05
125 Electricity	6,362,490	119,697	6,242,793	5.70
47 Ministry of Water Resources	412,180	44,992	367,188	0.37
61 Ministry of Science & Technology	850,310	74,705	775,605	0.76
87 Ministry of Finance - Investments - Public Enterprises	5,100,000	0	5,100,000	4.57
Other Economic Services	3,405,254	1,721,810	1,683,444	3.05
126 Tourism	125,180	121,400	3,780	0.11
49 Ministry of Culture, Tourism and Civil Aviation	125,180	121,400	3,780	0.11
127 Metereology	66,948	44,372	22,576	0.06
61 Ministry of Science & Technology	66,948	44,372	22,576	0.06
128 Supply	211,275	211,275	0	0.19
38 Ministry of Industry, Commerce & Supply	211,275	211,275	0	0.19
129 Commerce	116,186	78,855	37,331	0.10
38 Ministry of Industry, Commerce & Supply	116,186	78,855	37,331	0.10
130 Labour	156,759	154,009	2,750	0.14
71 Ministry of Labour & Transport Management	156,759	154,009	2,750	0.14
131 Others - Economic	2,728,906	1,111,899	1,617,007	2.44
35 Ministry of Finance	135,410	8,785	126,625	0.12
87 Ministry of Finance - Investments - Public Enterprises	374,500	0	374,500	0.34
95 Ministry of Finance - Miscellaneous	2,218,996	1,103,114	1,115,882	1.99
Loan Payment	20,112,898	7,608,950	12,503,948	18.01
132 Internal Loan Payment	10,501,915	4,973,112	5,528,803	9.40
81 Ministry of Finance - Repayment of Domestic Debt	10,501,915	4,973,112	5,528,803	9.40
133 External Loan Payment	9,610,983	2,635,838	6,975,145	8.61
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	7,088,849	2,195,749	4,893,100	6.35
83 Ministry of Finance - Repayment of Foreign Debt - Bilateral	2,522,134	440,089	2,082,045	2.26
Miscellaneous	6,586,629	6,471,129	115,500	5.90
134 Miscellaneous	6,586,629	6,471,129	115,500	5.90
35 Ministry of Finance	15,500	10,000	5,500	0.01
95 Ministry of Finance - Miscellaneous	6,571,129	6,461,129	110,000	5.88
Grand Total	111,689,900	67,608,431	44,081,469	1.00.00

Constitutional Organ/Ministry-wise Budget of Fiscal Year 2004/05

Annex - 7 A

(Rs. In '000)

Ministry/Sector	Fiscal year 2004/05 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
11 His Majesty the King, Royal Family and Royal Palace	33,00,75	33,00,75	0	0.30
101 His Majesty the King, Royal Family and Royal Palace	33,00,75	33,00,75	0	0.30
12 State Council	1,15,36	1,12,36	3,00	0.01
102 Constitutional Bodies	1,15,36	1,12,36	3,00	0.01
13 Parliament	22,48,95	21,01,80	1,47,15	0.20
102 Constitutional Bodies	22,48,95	21,01,80	1,47,15	0.20
14 Court	76,01,02	57,50,87	18,50,15	0.68
102 Constitutional Bodies	71,74,62	53,27,42	18,47,20	0.64
103 General Administration	4,26,40	4,23,45	2,95	0.04
15 Commission for Investigation of Abuse of Authority	7,53,89	5,41,34	2,12,55	0.07
102 Constitutional Bodies	7,53,89	5,41,34	2,12,55	0.07
16 Office of the Auditor General	8,75,42	8,61,67	13,75	0.08
102 Constitutional Bodies	8,75,42	8,61,67	13,75	0.08
17 Public Service Commission	6,88,05	6,45,05	43,00	0.06
102 Constitutional Bodies	6,88,05	6,45,05	43,00	0.06
18 Election Commission	58,62,60	58,51,10	11,50	0.52
102 Constitutional Bodies	58,62,60	58,51,10	11,50	0.52
19 Office of the Attorney General	9,43,20	9,23,45	19,75	0.08
102 Constitutional Bodies	9,43,20	9,23,45	19,75	0.08
20 Council of Justice	43,70	43,70	0	0.00
102 Constitutional Bodies	43,70	43,70	0	0.00
26 Deputy Prime Minister's Office	15,00	15,00	0	0.00
103 General Administration	15,00	15,00	0	0.00
27 National Vigilance Center	4,20,31	85,71	3,34,60	0.04
103 General Administration	4,20,31	85,71	3,34,60	0.04
30 Prime Minister and Council of Minister's Office	11,87,47	11,73,47	14,00	0.11
103 General Administration	11,87,47	11,73,47	14,00	0.11
35 Ministry of Finance	1,06,04,20	63,59,60	42,44,60	0.95
103 General Administration	3,90,55	3,90,55	0	0.03
105 Revenue & Financial Administration	72,23,85	57,81,20	14,42,65	0.65
117 Agriculture	4,90,70	0	4,90,70	0.04
118 Irrigation	9,90,00	0	9,90,00	0.09
131 Others - Economic	13,54,10	87,85	12,66,25	0.12
134 Miscellaneous	1,55,00	1,00,00	55,00	0.01
38 Ministry of Industry, Commerce & Supply	1,02,26,35	91,15,82	11,10,53	0.92
103 General Administration	2,03,37	1,99,25	4,12	0.02
109 Health	5,50,00	5,50,00	0	0.05
121 Industry	61,98,37	54,65,27	7,33,10	0.55
128 Supply	21,12,75	21,12,75	0	0.19
129 Commerce	11,61,86	7,88,55	3,73,31	0.10
39 Ministry of Law, Justice and Parliamentary Affairs	3,58,13	3,53,98	4,15	0.03
103 General Administration	3,58,13	3,53,98	4,15	0.03

Ministry/Sector	Fiscal year 2004/05 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
40 Ministry of Agriculture & Cooperatives	2,69,22,84	2,50,34,75	18,88,09	2.41
103 General Administration	1,85,35	1,84,45	90	0.02
117 Agriculture	2,53,37,49	2,44,50,30	8,87,19	2.27
118 Irrigation	14,00,00	4,00,00	10,00,00	0.13
45 Ministry of Home	7,61,87,03	6,94,88,10	66,98,93	6.82
103 General Administration	80,73,69	75,41,80	5,31,89	0.72
104 Police	6,74,98,34	6,13,31,30	61,67,04	6.04
115 Housing	5,50,00	5,50,00	0	0.05
116 Others - Social	65,00	65,00	0	0.01
46 Ministry of Population & Environment	5,27,29	4,77,29	50,00	0.05
103 General Administration	95,79	95,79	0	0.01
112 Population & Environment	4,31,50	3,81,50	50,00	0.04
47 Ministry of Water Resources	3,52,56,18	48,73,15	3,03,83,03	3.16
103 General Administration	94,54	93,84	70	0.01
118 Irrigation	3,10,39,84	43,29,39	2,67,10,45	2.78
125 Electricity	41,21,80	4,49,92	36,71,88	0.37
48 Ministry of Physical Planning and Works	9,07,65,46	1,09,22,59	7,98,42,87	8.13
103 General Administration	2,43,31	2,43,19	12	0.02
110 Drinking Water	2,98,55,21	44,11,43	2,54,43,78	2.67
115 Housing	51,74,13	29,29,61	22,44,52	0.46
123 Road Transportation	5,54,92,81	33,38,36	5,21,54,45	4.97
49 Ministry of Culture, Tourism and Civil Aviation	45,28,20	27,00,23	18,27,97	0.41
103 General Administration	1,82,70	1,82,70	0	0.02
114 Youth, Sports & Culture	30,13,70	12,58,53	17,55,17	0.27
115 Housing	80,00	45,00	35,00	0.01
126 Tourism	12,51,80	12,14,00	37,80	0.11
50 Ministry of Foreign Affairs	1,04,87,62	1,03,15,02	1,72,60	0.94
103 General Administration	1,04,87,62	1,03,15,02	1,72,60	0.94
55 Ministry of Land Reform and Management	73,68,74	66,25,82	7,42,92	0.66
103 General Administration	85,65	77,65	8,00	0.01
119 Land Reform & Survey	72,83,09	65,48,17	7,34,92	0.65
56 Ministry of Women, Children & Social Welfare	30,81,15	30,25,47	55,68	0.28
103 General Administration	2,00,15	1,78,15	22,00	0.02
113 Women, Children & Social Welfare	28,81,00	28,47,32	33,68	0.26
58 Ministry of Defence	8,00,53,96	6,92,21,46	1,08,32,50	7.17
103 General Administration	51,39	50,39	1,00	0.00
107 Defence	8,00,02,57	6,91,71,07	1,08,31,50	7.16
59 Ministry of Forest and Soil Conservation	1,91,17,89	1,57,48,03	33,69,86	1.71
103 General Administration	1,26,85	1,25,70	1,15	0.01
120 Forest	1,89,91,04	1,56,22,33	33,68,71	1.70
61 Ministry of Science & Technology	1,02,80,03	20,10,52	82,69,51	0.92
103 General Administration	1,25,45	1,23,95	1,50	0.01

Ministry/Sector	Fiscal year 2004/05 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
116 Others - Social	5,20,00	4,86,00	34,00	0.05
121 Industry	3,70,00	1,80,80	1,89,20	0.03
122 Communications	92,00	29,00	63,00	0.01
125 Electricity	85,03,10	7,47,05	77,56,05	0.76
127 Metereology	6,69,48	4,43,72	2,25,76	0.06
65 Ministry of Education & Sports	18,05,96,54	16,68,46,43	1,37,50,11	16.17
103 General Administration	3,40,43	3,40,43	0	0.03
108 Education	17,90,30,61	16,52,80,50	1,37,50,11	16.03
114 Youth, Sports & Culture	12,25,50	12,25,50	0	0.11
66 Ministry of General Administration	5,28,48	5,12,18	16,30	0.05
103 General Administration	5,28,48	5,12,18	16,30	0.05
67 Ministry of Information and Communication	2,02,47,11	1,07,90,00	94,57,11	1.81
103 General Administration	99,85	99,85	0	0.01
122 Communications	2,01,47,26	1,06,90,15	94,57,11	1.80
69 Ministry of Local Development	7,49,09,39	2,44,14,52	5,04,94,87	6.71
103 General Administration	3,51,90	3,51,90	0	0.03
108 Education	2,00,00	2,00,00	0	0.02
109 Health	11,00,00	11,00,00	0	0.10
110 Drinking Water	15,20,04	15,50	15,04,54	0.14
111 Local Development	5,98,26,71	1,47,76,19	4,50,50,52	5.36
116 Others - Social	86,50,00	78,04,67	8,45,33	0.77
123 Road Transportation	32,60,74	1,66,26	30,94,48	0.29
70 Ministry of Health	6,55,34,41	5,43,55,72	1,11,78,69	5.87
103 General Administration	1,39,17	1,39,17	0	0.01
109 Health	6,53,95,24	5,42,16,55	1,11,78,69	5.86
71 Ministry of Labour & Transport Management	21,95,37	20,88,92	1,06,45	0.20
103 General Administration	93,68	77,93	15,75	0.01
123 Road Transportation	5,34,10	4,70,90	63,20	0.05
130 Labour	15,67,59	15,40,09	27,50	0.14
72 National Planning Commission Secretariat	53,10,05	22,66,51	30,43,54	0.48
103 General Administration	2,33,00	2,29,42	3,58	0.02
106 Planning & Statistics	19,08,00	16,53,88	2,54,12	0.17
116 Others - Social	31,69,05	3,83,21	27,85,84	0.28
81 Ministry of Finance - Repayment of Domestic Debt	10,50,19,15	4,97,31,12	5,52,88,03	9.40
132 Internal Loan Payment	10,50,19,15	4,97,31,12	5,52,88,03	9.40
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	7,08,88,49	2,19,57,49	4,89,31,00	6.35
133 External Loan Payment	7,08,88,49	2,19,57,49	4,89,31,00	6.35
83 Ministry of Finance - Repayment of Foreign Debt - Bilateral	2,52,21,34	44,00,89	2,08,20,45	2.26
133 External Loan Payment	2,52,21,34	44,00,89	2,08,20,45	2.26
87 Ministry of Finance - Investments - Public Enterprises	6,26,26,63	0	6,26,26,63	5.61
110 Drinking Water	44,81,63	0	44,81,63	0.40
117 Agriculture	10,00,00	0	10,00,00	0.09

Ministry/Sector	Fiscal year 2004/05 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
122 Communications	24,00,00	0	24,00,00	0.21
125 Electricity	5,10,00,00	0	5,10,00,00	4.57
131 Others - Economic	37,45,00	0	37,45,00	0.34
95 Ministry of Finance - Miscellaneous	9,40,01,25	8,10,42,43	1,29,58,82	8.42
111 Local Development	18,00,00	11,00,00	7,00,00	0.16
113 Women, Children & Social Welfare	6,00,00	6,00,00	0	0.05
116 Others - Social	37,00,00	37,00,00	0	0.33
131 Others - Economic	2,21,89,96	1,10,31,14	1,11,58,82	1.99
134 Miscellaneous	6,57,11,29	6,46,11,29	11,00,00	5.88
Grand Total	1,11,68,99,00	67,60,84,31	44,08,14,69	100.00

Sector-wise Prioritization of Budget, Fiscal Year - 2004/05

Annex-8
(Rs. in '000)

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	330,075	0	0	0	0	0	330,075
10 His Majesty the King, Royal Family and Royal Palace	330,075	0	0	0	0	0	330,075
11 His Majesty the King, Royal Family and Royal Palace	330,075	0	0	0	0	0	330,075
Constitutional Bodies	1,640,789	229,790	0	0	0	0	1,870,579
11 Constitutional Bodies	1,640,789	229,790	0	0	0	0	1,870,579
12 State Council	11,236	300	0	0	0	0	11,536
13 Parliament	210,180	14,715	0	0	0	0	224,895
14 Court	532,742	184,720	0	0	0	0	717,462
15 Commission for Investigation of Abuse of Authority	54,134	21,255	0	0	0	0	75,389
16 Office of the Auditor General	86,167	1,375	0	0	0	0	87,542
17 Public Service Commission	64,505	4,300	0	0	0	0	68,805
18 Election Commission	585,110	1,150	0	0	0	0	586,260
19 Office of the Attorney General	92,345	1,975	0	0	0	0	94,320
20 Council of Justice	4,370	0	0	0	0	0	4,370
General Administration	8,985,541	856,517	233,629	18,620	17,960	24,775	10,137,042
12 General Administration	2,307,253	86,836	37,964	1,970	15,275	24,725	2,474,023
14 Court	42,345	295	0	0	0	0	42,640
25 Prime Minister's Office	0	0	0	0	0	0	0
26 Deputy Prime Minister's Office	1,500	0	0	0	0	0	1,500
27 National Vigilance Center	8,571	33,460	0	0	0	0	42,031
30 Prime Minister and Council of Minister's Office	117,347	1,400	0	0	0	0	118,747
35 Ministry of Finance	39,055	0	0	0	0	0	39,055
38 Ministry of Industry, Commerce & Supply	19,925	412	0	0	0	0	20,337
39 Ministry of Law, Justice and Parliamentary Affairs	35,398	415	0	0	0	0	35,813
40 Ministry of Agriculture & Cooperatives	18,445	90	0	0	0	0	18,535
45 Ministry of Home	724,274	28,334	14,631	130	15,275	24,725	807,369
46 Ministry of Population & Environment	9,579	0	0	0	0	0	9,579
47 Ministry of Water Resources	9,384	70	0	0	0	0	9,454
48 Ministry of Physical Planning and Works	24,319	12	0	0	0	0	24,331
49 Ministry of Culture, Tourism and Civil Aviation	18,270	0	0	0	0	0	18,270

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
50 Ministry of Foreign Affairs	1,025,338	17,100	6,164	160	0	0	1,048,762
55 Ministry of Land Reform and Management	7,765	800	0	0	0	0	8,565
56 Ministry of Women, Children & Social Welfare	17,815	2,200	0	0	0	0	20,015
58 Ministry of Defence	5,039	100	0	0	0	0	5,139
59 Ministry of Forest and Soil Conservation	12,570	115	0	0	0	0	12,685
61 Ministry of Science & Technology	7,671	0	4,724	150	0	0	12,545
65 Ministry of Education & Sports	34,043	0	0	0	0	0	34,043
66 Ministry of General Administration	40,248	100	10,970	1,530	0	0	52,848
67 Ministry of Information and Communication	9,985	0	0	0	0	0	9,985
69 Ministry of Local Development	33,715	0	1,475	0	0	0	35,190
70 Ministry of Health	13,917	0	0	0	0	0	13,917
71 Ministry of Labour & Transport Management	7,793	1,575	0	0	0	0	9,368
72 National Planning Commission Secretariat	22,942	358	0	0	0	0	23,300
13 Police	6,133,130	616,704	0	0	0	0	6,749,834
45 Ministry of Home	6,133,130	616,704	0	0	0	0	6,749,834
14 Revenue & Financial Administration	495,323	139,940	80,112	4,275	2,685	50	722,385
35 Ministry of Finance	495,323	139,940	80,112	4,275	2,685	50	722,385
15 Planning & Statistics	49,835	13,037	115,553	12,375	0	0	190,800
72 National Planning Commission Secretariat	49,835	13,037	115,553	12,375	0	0	190,800
Defence	6,888,061	1,081,750	19,318	1,400	9,728	0	8,000,257
21 Defence	6,888,061	1,081,750	19,318	1,400	9,728	0	8,000,257
58 Ministry of Defence	6,888,061	1,081,750	19,318	1,400	9,728	0	8,000,257
Social Services	21,921,632	8,426,609	3,935,088	2,432,365	535,931	130,307	37,381,932
31 Education	13,794,645	720,985	2,707,076	653,651	46,329	375	17,923,061
65 Ministry of Education & Sports	13,774,645	720,985	2,707,076	653,651	46,329	375	17,903,061
69 Ministry of Local Development	20,000	0	0	0	0	0	20,000
32 Health	4,481,029	521,146	750,782	557,020	354,844	39,703	6,704,524
38 Ministry of Industry, Commerce & Supply	55,000	0	0	0	0	0	55,000
69 Ministry of Local Development	0	0	110,000	0	0	0	110,000
70 Ministry of Health	4,426,029	521,146	640,782	557,020	354,844	39,703	6,539,524

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
33 Drinking Water	432,902	2,902,446	3,071	229,769	6,720	10,780	3,585,688
48 Ministry of Physical Planning and Works	432,902	2,514,283	1,521	19,315	6,720	10,780	2,985,521
69 Ministry of Local Development	0	0	1,550	150,454	0	0	152,004
87 Ministry of Finance - Investments - Public Enterprises	0	388,163	0	60,000	0	0	448,163
34 Local Development	1,329,876	3,582,377	220,841	945,715	36,902	46,960	6,162,671
69 Ministry of Local Development	1,219,876	3,512,377	220,841	945,715	36,902	46,960	5,982,671
95 Ministry of Finance - Miscellaneous	110,000	70,000	0	0	0	0	180,000
35 Other Social Services	1,883,180	699,655	253,318	46,210	91,136	32,489	3,005,988
112 Population & Environment	38,150	0	0	0	0	0	43,150
46 Ministry of Population & Environment	38,150	5,000	0	0	0	0	43,150
113 Women, Children & Social Welfare	263,094	90	78,763	90	2,875	0	348,100
56 Ministry of Women, Children & Social Welfare	203,094	3,278	78,763	90	2,875	0	288,100
95 Ministry of Finance - Miscellaneous	60,000	0	0	0	0	0	60,000
114 Youth, Sports & Culture	61,183	21,030	103,470	21,030	83,750	20,000	423,920
49 Ministry of Culture, Tourism and Civil Aviation	61,183	134,487	13,470	21,030	51,200	20,000	301,370
65 Ministry of Education & Sports	0	0	90,000	0	32,550	0	122,550
115 Housing	312,365	25,090	35,585	25,090	4,511	12,489	580,413
45 Ministry of Home	55,000	0	0	0	0	0	55,000
48 Ministry of Physical Planning and Works	257,365	190,373	31,085	21,590	4,511	12,489	517,413
49 Ministry of Culture, Tourism and Civil Aviation	0	0	4,500	3,500	0	0	8,000
116 Others - Social	1,208,388	0	35,500	0	0	0	1,610,405
45 Ministry of Home	0	0	6,500	0	0	0	6,500
61 Ministry of Science & Technology	19,600	3,400	29,000	0	0	0	52,000
69 Ministry of Local Development	780,467	84,533	0	0	0	0	865,000
72 National Planning Commission Secretariat	38,321	278,584	0	0	0	0	316,905
95 Ministry of Finance - Miscellaneous	370,000	0	0	0	0	0	370,000
Economic Services	6,199,585	14,254,075	2,636,761	3,607,870	174,254	397,943	27,270,488
41 Agriculture	2,068,488	113,834	376,542	123,955	0	0	2,682,819
35 Ministry of Finance	0	27,500	0	21,570	0	0	49,070
40 Ministry of Agriculture & Cooperatives	2,068,488	86,334	376,542	2,385	0	0	2,533,749

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	100,000	0	0	100,000
42 Irrigation	369,955	2,107,805	43,190	753,705	59,794	8,535	3,342,984
35 Ministry of Finance	0	99,000	0	0	0	0	99,000
40 Ministry of Agriculture & Cooperatives	40,000	100,000	0	0	0	0	140,000
47 Ministry of Water Resources	329,955	1,908,805	43,190	753,705	59,794	8,535	3,103,984
43 Land Reform & Survey	436,033	47,347	218,784	26,145	0	0	728,309
55 Ministry of Land Reform and Management	436,033	47,347	218,784	26,145	0	0	728,309
44 Forest	864,770	236,182	684,610	73,881	12,853	26,808	1,899,104
40 Ministry of Agriculture & Cooperatives	0	0	0	0	0	0	0
59 Ministry of Forest and Soil Conservation	864,770	236,182	684,610	73,881	12,853	26,808	1,899,104
45 Industry	420,193	30,292	144,414	61,938	0	0	656,837
38 Ministry of Industry, Commerce & Supply	402,113	11,372	144,414	61,938	0	0	619,837
61 Ministry of Science & Technology	18,080	18,920	0	0	0	0	37,000
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	0	0	0	0
46 Communications	932,225	1,165,386	139,690	26,625	0	0	2,263,926
61 Ministry of Science & Technology	0	0	2,900	6,300	0	0	9,200
67 Ministry of Information and Communication	932,225	925,386	136,790	20,325	0	0	2,014,726
87 Ministry of Finance - Investments - Public Enterprises	0	240,000	0	0	0	0	240,000
47 Transportation	268,298	3,614,213	100,254	1,619,700	29,000	297,300	5,928,765
123 Road Transportation	268,298	1,619,700	100,254	1,619,700	29,000	297,300	5,928,765
48 Ministry of Physical Planning and Works	204,582	3,298,445	100,254	1,619,700	29,000	297,300	5,549,281
69 Ministry of Local Development	16,626	309,448	0	0	0	0	326,074
71 Ministry of Labour & Transport Management	47,090	6,320	0	0	0	0	53,410
124 Air Transportation	0	0	0	0	0	0	0
49 Ministry of Culture, Tourism and Civil Aviation	0	0	0	0	0	0	0
48 Electricity	106,348	5,585,643	11,289	592,950	2,060	64,200	6,362,490
35 Ministry of Finance	0	0	0	0	0	0	0
47 Ministry of Water Resources	31,643	310,338	11,289	50,350	2,060	6,500	412,180
61 Ministry of Science & Technology	74,705	775,605	0	0	0	0	850,310
87 Ministry of Finance - Investments - Public Enterprises	0	4,499,700	0	542,600	0	57,700	5,100,000

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
49 Other Economic Services	733,275	1,353,373	917,988	328,971	70,547	1,100	3,405,254
126 Tourism	96,870	3,070	16,830	3,070	7,700	600	125,180
49 Ministry of Culture, Tourism and Civil Aviation	96,870	110	16,830	3,070	7,700	600	125,180
127 Metereology	39,563	5,786	4,809	5,786	0	0	66,948
61 Ministry of Science & Technology	39,563	16,790	4,809	5,786	0	0	66,948
128 Supply	211,275	0	0	0	0	0	211,275
38 Ministry of Industry, Commerce & Supply	211,275	0	0	0	0	0	211,275
129 Commerce	37,130	115	27,085	115	14,640	0	116,186
38 Ministry of Industry, Commerce & Supply	37,130	37,216	27,085	115	14,640	0	116,186
130 Labour	96,538	0	9,264	0	48,207	500	156,759
71 Ministry of Labour & Transport Management	96,538	2,250	9,264	0	48,207	500	156,759
95 Ministry of Finance - Miscellaneous	0	0	0	0	0	0	0
131 Others - Economic	251,899	320,000	860,000	320,000	0	0	2,728,906
35 Ministry of Finance	8,785	126,625	0	0	0	0	135,410
86 Ministry of Finance - Investments in Foreign Institutions	0	0	0	0	0	0	0
87 Ministry of Finance - Investments - Public Enterprises	0	204,500	0	170,000	0	0	374,500
95 Ministry of Finance - Miscellaneous	243,114	965,882	860,000	150,000	0	0	2,218,996
Loan Payment	7,608,950	12,503,948	0	0	0	0	20,112,898
73 Internal Loan Payment	4,973,112	5,528,803	0	0	0	0	10,501,915
81 Ministry of Finance - Repayment of Domestic Debt	4,973,112	5,528,803	0	0	0	0	10,501,915
74 External Loan Payment	2,635,838	6,975,145	0	0	0	0	9,610,983
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	2,195,749	4,893,100	0	0	0	0	7,088,849
83 Ministry of Finance - Repayment of Foreign Debt - Bilateral	440,089	2,082,045	0	0	0	0	2,522,134
Miscellaneous	4,460,500	0	507,492	85,500	1,503,137	30,000	6,586,629
80 Miscellaneous	4,460,500	0	507,492	85,500	1,503,137	30,000	6,586,629
35 Ministry of Finance	0	0	10,000	5,500	0	0	15,500
95 Ministry of Finance - Miscellaneous	4,460,500	0	497,492	80,000	1,503,137	30,000	6,571,129
Grand Total	58,035,133	37,352,689	7,332,288	6,145,755	2,241,010	583,025	111,689,900
Priority Total	95,387,822		13,478,043		2,824,035		

Sector-wise Strategy Allocation ,Fiscal Year -2004/05

Annex-8 A
(Rs. in '000)

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	330,075	0	330,075
10 His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	330,075	0	330,075
11 His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	330,075	0	330,075
Constitutional Bodies	0	0	0	0	0	0	53,744	212,055	1,587,045	17,735	1,870,579
11 Constitutional Bodies	0	0	0	0	0	0	53,744	212,055	1,587,045	17,735	1,870,579
12 State Council	0	0	0	0	0	0	0	0	11,236	300	11,536
13 Parliament	0	0	0	0	0	0	0	0	210,180	14,715	224,895
14 Court	0	0	0	0	0	0	3,500	184,200	529,242	520	717,462
15 Commission for Investigation of Abuse of Authority	0	0	0	0	0	0	16,854	21,005	37,280	250	75,389
16 Office of the Auditor General	0	0	0	0	0	0	26,890	1,350	59,277	25	87,542
17 Public Service Commission	0	0	0	0	0	0	3,000	4,000	61,505	300	68,805
18 Election Commission	0	0	0	0	0	0	0	0	585,110	1,150	586,260
19 Office of the Attorney General	0	0	0	0	0	0	3,500	1,500	88,845	475	94,320
20 Council of Justice	0	0	0	0	0	0	0	0	4,370	0	4,370
General Administration	0	0	0	0	0	0	252,227	183,207	8,984,903	716,705	10,137,042
12 General Administration	0	0	0	0	0	0	101,545	26,255	2,258,947	87,276	2,474,023
14 Court	0	0	0	0	0	0	30,000	0	12,345	295	42,640
25 Prime Minister's Office	0	0	0	0	0	0	0	0	0	0	0
26 Deputy Prime Minister's Office	0	0	0	0	0	0	0	0	1,500	0	1,500
27 National Vigilance Center	0	0	0	0	0	0	0	0	8,571	33,460	42,031
30 Prime Minister and Council of Minister's Office	0	0	0	0	0	0	37,300	0	80,047	1,400	118,747
35 Ministry of Finance	0	0	0	0	0	0	0	0	39,055	0	39,055
38 Ministry of Industry, Commerce & Supply	0	0	0	0	0	0	0	0	19,925	412	20,337
39 Ministry of Law, Justice and Parliamentary Affairs	0	0	0	0	0	0	12,000	0	23,398	415	35,813
40 Ministry of Agriculture & Cooperatives	0	0	0	0	0	0	0	0	18,445	90	18,535
45 Ministry of Home	0	0	0	0	0	0	15,275	24,725	738,905	28,464	807,369
46 Ministry of Population & Environment	0	0	0	0	0	0	0	0	9,579	0	9,579
47 Ministry of Water Resources	0	0	0	0	0	0	0	0	9,384	70	9,454
48 Ministry of Physical Planning and Works	0	0	0	0	0	0	0	0	24,319	12	24,331
49 Ministry of Culture, Tourism and Civil Aviation	0	0	0	0	0	0	0	0	18,270	0	18,270
50 Ministry of Foreign Affairs	0	0	0	0	0	0	0	0	1,031,502	17,260	1,048,762

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
55 Ministry of Land Reform and Management	0	0	0	0	0	0	0	0	7,765	800	8,565
56 Ministry of Women, Children & Social Welfare	0	0	0	0	0	0	0	0	17,815	2,200	20,015
58 Ministry of Defence	0	0	0	0	0	0	0	0	5,039	100	5,139
59 Ministry of Forest and Soil Conservation	0	0	0	0	0	0	0	0	12,570	115	12,685
61 Ministry of Science & Technology	0	0	0	0	0	0	0	0	12,395	150	12,545
65 Ministry of Education & Sports	0	0	0	0	0	0	0	0	34,043	0	34,043
66 Ministry of General Administration	0	0	0	0	0	0	6,970	1,530	44,248	100	52,848
67 Ministry of Information and Communication	0	0	0	0	0	0	0	0	9,985	0	9,985
69 Ministry of Local Development	0	0	0	0	0	0	0	0	35,190	0	35,190
70 Ministry of Health	0	0	0	0	0	0	0	0	13,917	0	13,917
71 Ministry of Labour & Transport Management	0	0	0	0	0	0	0	0	7,793	1,575	9,368
72 National Planning Commission Secretariat	0	0	0	0	0	0	0	0	22,942	358	23,300
13 Police	0	0	0	0	0	0	0	0	6,133,130	616,704	6,749,834
45 Ministry of Home	0	0	0	0	0	0	0	0	6,133,130	616,704	6,749,834
14 Revenue & Financial Administration	0	0	0	0	0	0	42,437	131,540	535,683	12,725	722,385
35 Ministry of Finance	0	0	0	0	0	0	42,437	131,540	535,683	12,725	722,385
15 Planning & Statistics	0	0	0	0	0	0	108,245	25,412	57,143	0	190,800
72 National Planning Commission Secretariat	0	0	0	0	0	0	108,245	25,412	57,143	0	190,800
Defence	0	0	0	0	0	0	0	0	6,917,107	1,083,150	8,000,257
21 Defence	0	0	0	0	0	0	0	0	6,917,107	1,083,150	8,000,257
58 Ministry of Defence	0	0	0	0	0	0	0	0	6,917,107	1,083,150	8,000,257
Social Services	0	0	8,828,400	8,070,268	1,310,298	781,381	1,394,786	2,000,210	14,859,167	137,422	37,381,932
31 Education	0	0	4,303,765	1,251,614	729,444	1,600	0	0	11,514,841	121,797	17,923,061
65 Ministry of Education & Sports	0	0	4,283,765	1,251,614	729,444	1,600	0	0	11,514,841	121,797	17,903,061
69 Ministry of Local Development	0	0	20,000	0	0	0	0	0	0	0	20,000
32 Health	0	0	3,167,111	1,111,429	55,000	0	176,682	5,240	2,187,862	1,200	6,704,524
38 Ministry of Industry, Commerce & Supply	0	0	0	0	55,000	0	0	0	0	0	55,000
69 Ministry of Local Development	0	0	110,000	0	0	0	0	0	0	0	110,000
70 Ministry of Health	0	0	3,057,111	1,111,429	0	0	176,682	5,240	2,187,862	1,200	6,539,524
33 Drinking Water	0	0	415,314	3,142,120	0	0	13,510	875	13,869	0	3,585,688
48 Ministry of Physical Planning and Works	0	0	413,764	2,543,503	0	0	13,510	875	13,869	0	2,985,521

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
69 Ministry of Local Development	0	0	1,550	150,454	0	0	0	0	0	0	152,004
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	448,163	0	0	0	0	0	0	448,163
34 Local Development	0	0	266,175	2,191,305	118,371	413,296	1,178,363	1,970,326	24,710	125	6,162,671
69 Ministry of Local Development	0	0	216,175	2,121,305	58,371	413,296	1,178,363	1,970,326	24,710	125	5,982,671
95 Ministry of Finance - Miscellaneous	0	0	50,000	70,000	60,000	0	0	0	0	0	180,000
35 Other Social Services	0	0	676,035	373,800	407,483	366,485	26,231	23,769	1,117,885	14,300	3,005,988
112 Population & Environment	0	0	38,150	5,000	0	0	0	0	0	0	43,150
46 Ministry of Population & Environment	0	0	38,150	5,000	0	0	0	0	0	0	43,150
113 Women, Children & Social Welfare	0	0	20,000	0	279,645	3,368	0	0	45,087	0	348,100
56 Ministry of Women, Children & Social Welfare	0	0	20,000	0	219,645	3,368	0	0	45,087	0	288,100
95 Ministry of Finance - Miscellaneous	0	0	0	0	60,000	0	0	0	0	0	60,000
114 Youth, Sports & Culture	0	0	116,683	175,217	2,550	0	0	0	129,170	300	423,920
49 Ministry of Culture, Tourism and Civil Aviation	0	0	86,683	175,217	0	0	0	0	39,170	300	301,370
65 Ministry of Education & Sports	0	0	30,000	0	2,550	0	0	0	90,000	0	122,550
115 Housing	0	0	102,202	193,583	55,000	0	6,631	20,369	188,628	14,000	580,413
45 Ministry of Home	0	0	0	0	55,000	0	0	0	0	0	55,000
48 Ministry of Physical Planning and Works	0	0	97,702	190,083	0	0	6,631	20,369	188,628	14,000	517,413
49 Ministry of Culture, Tourism and Civil Aviation	0	0	4,500	3,500	0	0	0	0	0	0	8,000
116 Others - Social	0	0	399,000	0	70,288	363,117	19,600	3,400	755,000	0	1,610,405
45 Ministry of Home	0	0	0	0	6,500	0	0	0	0	0	6,500
61 Ministry of Science & Technology	0	0	29,000	0	0	0	19,600	3,400	0	0	52,000
69 Ministry of Local Development	0	0	0	0	25,467	84,533	0	0	755,000	0	865,000
72 National Planning Commission Secretariat	0	0	0	0	38,321	278,584	0	0	0	0	316,905
95 Ministry of Finance - Miscellaneous	0	0	370,000	0	0	0	0	0	0	0	370,000
Economic Services	3,972,852	13,835,787	495,959	3,814,433	435,747	232,375	631,102	351,342	3,474,940	25,951	27,270,488
41 Agriculture	1,904,768	208,353	70,706	21,020	74,300	496	250,671	415	144,585	7,505	2,682,819
35 Ministry of Finance	0	49,070	0	0	0	0	0	0	0	0	49,070
40 Ministry of Agriculture & Cooperatives	1,904,768	59,283	70,706	21,020	74,300	496	250,671	415	144,585	7,505	2,533,749
87 Ministry of Finance - Investments - Public Enterprises	0	100,000	0	0	0	0	0	0	0	0	100,000
42 Irrigation	188,130	2,663,775	40,000	199,000	0	0	5,730	7,270	239,079	0	3,342,984
35 Ministry of Finance	0	0	0	99,000	0	0	0	0	0	0	99,000

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
40 Ministry of Agriculture & Cooperatives	0	0	40,000	100,000	0	0	0	0	0	0	140,000
47 Ministry of Water Resources	188,130	2,663,775	0	0	0	0	5,730	7,270	239,079	0	3,103,984
43 Land Reform & Survey	0	0	0	0	60,170	460	205,190	70,832	389,457	2,200	728,309
55 Ministry of Land Reform and Management	0	0	0	0	60,170	460	205,190	70,832	389,457	2,200	728,309
44 Forest	229,431	246,061	47,292	55,261	44,295	26,419	18,204	4,442	1,223,011	4,688	1,899,104
40 Ministry of Agriculture & Cooperatives	0	0	0	0	0	0	0	0	0	0	0
59 Ministry of Forest and Soil Conservation	229,431	246,061	47,292	55,261	44,295	26,419	18,204	4,442	1,223,011	4,688	1,899,104
45 Industry	203,928	8,547	131,055	67,945	0	0	33,711	10,273	195,913	5,465	656,837
38 Ministry of Industry, Commerce & Supply	203,928	8,547	112,975	49,025	0	0	33,711	10,273	195,913	5,465	619,837
61 Ministry of Science & Technology	0	0	18,080	18,920	0	0	0	0	0	0	37,000
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	0	0	0	0	0	0	0	0
46 Communications	106,215	1,103,411	3,450	16,750	0	0	37,470	69,140	924,780	2,710	2,263,926
61 Ministry of Science & Technology	0	0	2,900	6,300	0	0	0	0	0	0	9,200
67 Ministry of Information and Communication	106,215	863,411	550	10,450	0	0	37,470	69,140	924,780	2,710	2,014,726
87 Ministry of Finance - Investments - Public Enterprises	0	240,000	0	0	0	0	0	0	0	0	240,000
47 Transportation	90,903	4,854,437	23,118	658,456	0	0	16,480	18,320	267,051	0	5,928,765
123 Road Transportation	90,903	4,854,437	23,118	658,456	0	0	16,480	18,320	267,051	0	5,928,765
48 Ministry of Physical Planning and Works	90,903	4,854,437	6,492	349,008	0	0	0	12,000	236,441	0	5,549,281
69 Ministry of Local Development	0	0	16,626	309,448	0	0	0	0	0	0	326,074
71 Ministry of Labour & Transport Management	0	0	0	0	0	0	16,480	6,320	30,610	0	53,410
124 Air Transportation	0	0	0	0	0	0	0	0	0	0	0
49 Ministry of Culture, Tourism and Civil Aviation	0	0	0	0	0	0	0	0	0	0	0
48 Electricity	49,954	3,926,750	45,004	2,270,605	0	0	9,861	45,210	14,878	228	6,362,490
35 Ministry of Finance	0	0	0	0	0	0	0	0	0	0	0
47 Ministry of Water Resources	20,253	362,950	0	0	0	0	9,861	4,010	14,878	228	412,180
61 Ministry of Science & Technology	29,701	0	45,004	775,605	0	0	0	0	0	0	850,310
87 Ministry of Finance - Investments - Public Enterprises	0	3,563,800	0	1,495,000	0	0	0	41,200	0	0	5,100,000
49 Other Economic Services	1,199,523	824,453	135,334	525,396	256,982	205,000	53,785	125,440	76,186	3,155	3,405,254
126 Tourism	92,500	0	1,330	2,670	0	0	24,200	1,000	3,370	110	125,180
49 Ministry of Culture, Tourism and Civil Aviation	92,500	0	1,330	2,670	0	0	24,200	1,000	3,370	110	125,180
127 Metereology	0	0	29,972	22,576	0	0	0	0	14,400	0	66,948

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
61 Ministry of Science & Technology	0	0	29,972	22,576	0	0	0	0	14,400	0	66,948
128 Supply	0	0	0	0	211,275	0	0	0	0	0	211,275
38 Ministry of Industry, Commerce & Supply	0	0	0	0	211,275	0	0	0	0	0	211,275
129 Commerce	17,869	36,696	0	0	0	0	27,085	115	33,901	520	116,186
38 Ministry of Industry, Commerce & Supply	17,869	36,696	0	0	0	0	27,085	115	33,901	520	116,186
130 Labour	86,040	1,875	4,032	150	45,707	500	2,500	0	15,730	225	156,759
71 Ministry of Labour & Transport Management	86,040	1,875	4,032	150	45,707	500	2,500	0	15,730	225	156,759
95 Ministry of Finance - Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
131 Others - Economic	1,003,114	785,882	100,000	500,000	0	204,500	0	124,325	8,785	2,300	2,728,906
35 Ministry of Finance	0	0	0	0	0	0	0	124,325	8,785	2,300	135,410
86 Ministry of Finance - Investments in Foreign Institution	0	0	0	0	0	0	0	0	0	0	0
87 Ministry of Finance - Investments - Public Enterprises	0	170,000	0	0	0	204,500	0	0	0	0	374,500
95 Ministry of Finance - Miscellaneous	1,003,114	615,882	100,000	500,000	0	0	0	0	0	0	2,218,996
Loan Payment	0	0	0	0	0	0	0	0	7,608,950	12,503,948	20,112,898
73 Internal Loan Payment	0	0	0	0	0	0	0	0	4,973,112	5,528,803	10,501,915
81 Ministry of Finance - Repayment of Domestic Debt	0	0	0	0	0	0	0	0	4,973,112	5,528,803	10,501,915
74 External Loan Payment	0	0	0	0	0	0	0	0	2,635,838	6,975,145	9,610,983
82 Ministry of Finance - Repayment of Foreign Debt - Mult	0	0	0	0	0	0	0	0	2,195,749	4,893,100	7,088,849
83 Ministry of Finance - Repayment of Foreign Debt - Bilat	0	0	0	0	0	0	0	0	440,089	2,082,045	2,522,134
Miscellaneous	10,000	0	0	0	0	0	329,992	5,500	6,131,137	110,000	6,586,629
80 Miscellaneous	10,000	0	0	0	0	0	329,992	5,500	6,131,137	110,000	6,586,629
35 Ministry of Finance	0	0	0	0	0	0	10,000	5,500	0	0	15,500
95 Ministry of Finance - Miscellaneous	10,000	0	0	0	0	0	319,992	0	6,131,137	110,000	6,571,129
Grand Total	3,982,852	13,835,787	9,324,359	11,884,701	1,746,045	1,013,756	2,661,851	2,752,314	49,893,324	14,594,911	111,689,900
Strategy Total	17,818,639		21,209,060		2,759,801		5,414,165		64,488,235		

Estimate of Expenditure by Economic Heads and Line Items

Fiscal Year 2004/05

Annex - 9
(Rs. in '000s)

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
Current Expenditure	58,183,773	6,682,309	64,866,082	2,742,349	67,608,431
His Majesty the King, Royal Family and Royal Palace	330,075	0	330,075	0	330,075
His Majesty the King, Royal Family and Royal Palace	330,075	0	330,075	0	330,075
1 Consumption Expenses	25,257,527	171,342	25,428,869	67,189	25,496,058
1.01 Salary	14,920,824	80,605	15,001,429	25,198	15,026,627
1.02 Allowances	1,329,371	19,041	1,348,412	1,535	1,349,947
1.03 Transfer Travelling Allowance	210,424	732	211,156	0	211,156
1.04 Clothing	739,626	53	739,679	0	739,679
1.05 Fooding	3,148,872	2,491	3,151,363	0	3,151,363
1.06 Employee Medical Expense	815,739	0	815,739	0	815,739
1.07 Retirement Benifit	4,002,500	0	4,002,500	0	4,002,500
1.08 Staff Training	90,171	68,420	158,591	40,456	199,047
2 Office Operation and Services Expenses	3,373,462	827,315	4,200,777	337,173	4,537,950
2.01 Water and Electricity	334,300	16,740	351,040	174	351,214
2.02 Communication	248,876	13,189	262,065	477	262,542
2.03 General Office Expenses	937,716	123,683	1,061,399	29,950	1,091,349
2.04 Rent	529,211	30,113	559,324	2,928	562,252
2.05 Repair and Maintenace	448,183	30,642	478,825	3,997	482,822
2.06 Fuel and Oil	378,481	37,132	415,613	7,852	423,465
2.07 Consultancy and Other Services fee	251,015	566,531	817,546	268,458	1,086,004
2.08 Miscellaneous	245,680	9,285	254,965	23,337	278,302
3 Grants and Subsidies (Current Transfer)	16,027,537	3,462,146	19,489,683	901,307	20,390,990
3.01 Operating Subsidy - Public Enterprise	688,914	722,571	1,411,485	0	1,411,485
3.02 Operating Subsidy - Local government	2,199,584	182,685	2,382,269	220,000	2,602,269
3.03 Transfer to Non profit Institutions	12,348,039	2,556,890	14,904,929	681,307	15,586,236
3.04 Subsidy Social Security	791,000	0	791,000	0	791,000
4 Service and Production Expenses	2,677,306	1,809,646	4,486,952	1,409,280	5,896,232
4.01 Production Materials	211,351	79,359	290,710	0	290,710
4.02 Medicines	375,395	239,242	614,637	698,183	1,312,820
4.03 Books and Materials	12,814	360,952	373,766	34	373,800
4.04 Program supplies and expenses	885,903	1,005,175	1,891,078	670,786	2,561,864
4.05 Program Travelling Expenses	1,073,092	119,563	1,192,655	40,277	1,232,932
4.06 Operation and Maintenace of Public Property	118,751	5,355	124,106	0	124,106

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
9 Contingency Expenses	2,755,916	411,860	3,167,776	27,400	3,195,176
9.01 Contingencies	2,755,916	411,860	3,167,776	27,400	3,195,176
11 Interest Payments	7,608,950	0	7,608,950	0	7,608,950
11.01 Interest repayment - Domestic	4,973,112	0	4,973,112	0	4,973,112
11.02 Interest repayment - Foreign	2,635,838	0	2,635,838	0	2,635,838
12 Refund	153,000	0	153,000	0	153,000
12.01 Refund Expenditure	153,000	0	153,000	0	153,000
Capital Expenditure	8,692,279	13,190,292	21,882,571	9,694,950	31,577,521
5 Capital Transfer	319,963	6,000	325,963	0	325,963
5.01 Land Acquisition	287,963	0	287,963	0	287,963
5.02 Building Purchase	32,000	6,000	38,000	0	38,000
6 Capital Formation	4,459,516	7,872,719	12,332,235	1,831,496	14,163,731
6.01 Furniture	73,019	6,662	79,681	13,650	93,331
6.02 Vehicles	312,075	49,287	361,362	80,815	442,177
6.03 Machinery and Equipment	1,153,632	283,595	1,437,227	659,444	2,096,671
6.04 Building Construction	693,966	461,815	1,155,781	73,175	1,228,956
6.05 Civil Construction	2,020,734	6,326,503	8,347,237	731,558	9,078,795
6.06 Capital Formation	103,827	277,504	381,331	0	381,331
6.07 Research and Consultancy Services Fee	102,263	467,353	569,616	272,854	842,470
7 Investment	1,421,263	507,200	1,928,463	4,705,000	6,633,463
7.01 Investment - Share	1,243,913	100,000	1,343,913	285,000	1,628,913
7.02 Investment - Loan	177,350	407,200	584,550	4,420,000	5,004,550
8 Capital Grants	2,491,537	4,804,373	7,295,910	3,158,454	10,454,364
8.01 Capital Grants to Public Enterprises	53,820	564,630	618,450	123,925	742,375
8.02 Capital Grants to Local Bodies	1,486,081	2,405,886	3,891,967	713,891	4,605,858
8.03 Capital Grants to Non Profit Institution	951,636	1,833,857	2,785,493	2,320,638	5,106,131
Principal Repayment	12,503,948	0	12,503,948	0	12,503,948
10.01 Principal repayment - Domestic	5,528,803	0	5,528,803	0	5,528,803
10.02 Principal repayment - Foreign	6,975,145	0	6,975,145	0	6,975,145
Grand Total	79,380,000	19,872,601	99,252,601	12,437,299	111,689,900

Actual Expenditure by Economic Heads and Line Items

Fiscal Year 2002/03

Annex - 9 A

(Rs.)

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
Current Expenditure	49,247,386,240	2,145,182,888	51,392,569,127	697,916,295	52,090,485,422
His Majesty the King, Royal Family and Royal Palace	387,890,475	0	387,890,475	0	387,890,475
His Majesty the King, Royal Family and Royal Palace	387,890,475	0	387,890,475	0	387,890,475
1 Consumption Expenses	22,695,901,183	242,361,130	22,938,262,313	8,615,040	22,946,877,353
1.01 Salary	13,768,030,832	112,927,670	13,880,958,501	0	13,880,958,501
1.02 Allowances	1,259,376,446	22,446,234	1,281,822,681	0	1,281,822,681
1.03 Transfer Travelling Allowance	179,390,847	4,064,239	183,455,086	0	183,455,086
1.04 Clothing	831,925,640	375,523	832,301,163	0	832,301,163
1.05 Fooding	2,851,474,334	2,047,462	2,853,521,797	0	2,853,521,797
1.06 Employee Medical Expense	631,409,417	0	631,409,417	0	631,409,417
1.07 Retirement Benifit	3,062,682,025	0	3,062,682,025	0	3,062,682,025
1.08 Staff Training	111,611,640	100,500,002	212,111,642	8,615,040	220,726,683
2 Office Operation and Services Expenses	3,651,041,795	272,679,195	3,923,720,991	90,273,258	4,013,994,248
2.01 Water and Electricity	410,503,071	15,448,165	425,951,236	0	425,951,236
2.02 Communication	279,719,080	12,702,933	292,422,013	0	292,422,013
2.03 General Office Expenses	1,055,220,957	70,224,364	1,125,445,321	966,897	1,126,412,218
2.04 Rent	592,916,447	62,238,629	655,155,076	0	655,155,076
2.05 Repair and Maintenance	476,541,412	33,455,133	509,996,545	0	509,996,545
2.06 Fuel and Oil	460,123,107	32,381,787	492,504,894	0	492,504,894
2.07 Consultancy and Other Services fee	93,400,358	38,188,337	131,588,695	84,228,147	215,816,841
2.08 Miscellaneous	282,617,363	8,039,847	290,657,210	5,078,214	295,735,424
3 Grants and Subsidies (Current Transfer)	14,343,816,916	463,930,305	14,807,747,221	295,280,696	15,103,027,917
3.01 Operating Subsidy - Public Enterprise	464,063,222	247,371,400	711,434,623	295,280,696	1,006,715,319
3.02 Operating Subsidy - Local government	956,694,479	46,300,000	1,002,994,479	0	1,002,994,479
3.03 Transfer to Non profit Institutions	12,360,400,770	170,258,905	12,530,659,675	0	12,530,659,675
3.04 Subsidy Social Security	562,658,444	0	562,658,444	0	562,658,444
4 Service and Production Expenses	1,511,129,861	1,166,212,258	2,677,342,118	303,747,301	2,981,089,419
4.01 Production Materials	175,156,553	95,565,271	270,721,824	3,221,679	273,943,503
4.02 Medicines	342,622,487	145,231,057	487,853,544	245,757,389	733,610,933
4.03 Books and Materials	9,977,670	51,920,825	61,898,495	3,625,718	65,524,213
4.04 Program supplies and expenses	376,951,999	789,629,141	1,166,581,140	43,506,616	1,210,087,756
4.05 Program Travelling Expenses	544,391,777	83,017,505	627,409,281	7,635,899	635,045,180
4.06 Operation and Maintenance of Public Property	62,029,375	848,458	62,877,833	0	62,877,833

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
9 Contingency Expenses	2,268,615	0	2,268,615	0	2,268,615
9.01 Contingencies	2,268,615	0	2,268,615	0	2,268,615
11 Interest Payments	6,621,805,073	0	6,621,805,073	0	6,621,805,073
11.01 Interest repayment - Domestic	4,600,166,394	0	4,600,166,394	0	4,600,166,394
11.02 Interest repayment - Foreign	2,021,638,679	0	2,021,638,679	0	2,021,638,679
12 Refund	33,532,322	0	33,532,322	0	33,532,322
12.01 Refund Expenditure	33,532,322	0	33,532,322	0	33,532,322
Capital Expenditure	9,313,631,959	3,049,405,253	12,363,037,212	9,993,065,039	22,356,102,251
5 Capital Transfer	304,380,012	0	304,380,012	0	304,380,012
5.01 Land Acquisition	304,380,012	0	304,380,012	0	304,380,012
5.02 Building Purchase	0	0	0	0	0
6 Capital Formation	6,005,734,956	2,259,760,711	8,265,495,667	3,570,998,262	11,836,493,930
6.01 Furniture	43,356,552	5,640,816	48,997,368	0	48,997,368
6.02 Vehicles	404,482,802	8,063,847	412,546,649	37,284,903	449,831,552
6.03 Machinery & Equipment	2,157,452,351	48,751,708	2,206,204,059	85,978,655	2,292,182,714
6.04 Building Construction	644,881,830	266,607,853	911,489,682	0	911,489,682
6.05 Civil Construction	2,694,201,317	1,807,207,905	4,501,409,221	3,415,035,960	7,916,445,182
6.06 Capital Formation	37,992,148	3,410,318	41,402,465	0	41,402,465
6.07 Research and Consultancy Services Fee	23,367,957	120,078,266	143,446,223	32,698,744	176,144,967
7 Investment	1,075,347,450	45,954,413	1,121,301,863	5,363,634,043	6,484,935,906
7.01 Investment - Share	302,865,300	18,500,000	321,365,300	1,379,932,000	1,701,297,300
7.02 Investment - Loan	772,482,150	27,454,413	799,936,563	3,983,702,043	4,783,638,606
8 Capital Grants	1,928,169,540	743,690,130	2,671,859,670	1,058,432,733	3,730,292,403
8.01 Capital Grants to Public Enterprises	135,567,062	278,367,223	413,934,284	131,846,016	545,780,300
8.02 Capital Grants to Local Bodies	1,348,688,139	102,348,133	1,451,036,273	301,829,539	1,752,865,812
8.03 Capital Grants to Non Profit Institution	443,914,339	362,974,774	806,889,113	624,757,178	1,431,646,291
Principal Repayment	9,559,493,505	0	9,559,493,505	0	9,559,493,505
10.01 Principal repayment - Domestic	4,063,282,102	0	4,063,282,102	0	4,063,282,102
10.02 Principal repayment - Foreign	5,496,211,403	0	5,496,211,403	0	5,496,211,403
Grand Total	68,120,511,703	5,194,588,141	73,315,099,844	10,690,981,334	84,006,081,178