

FM sets out budget priorities



KATHMANDU : Finance Minister Yuba Raj Khatriwada has presented the priorities and principles of the appropriations bill for the upcoming fiscal year 2018/19 in federal parliament, outlining fundamentals and areas that the government would consider while bringing the budget for the first time after the operationalization of the new federal structure.

Among other things, Finance Minister Khatriwada has announced that no resources would be allocated to small projects in the federal budget. Stating that such small projects are implemented by sub-national governments in the federal system, he said that the resources would be utilized on the basis of effectiveness of the projects.

According to the new priorities and principles that Finance Minister Khatriwada presented in parliament on Wednesday, the government would make fundamental rights and directive principles enshrined in the constitution as the guiding principles of the budget.

Presenting the principles and priorities of the government in parliament, Finance Minister Khatriwada hinted that the upcoming budget would be aligned with the election manifesto of the left-alliance.

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“The election manifesto of the left-alliance that was endorsed by the people in the election as well as the policy and institutional reform decisions taken by the government formed after the election would be the basis of the new budget,” said Finance Minister Khatiwada.

Meeting the commitment of the country made through the 14th periodic plan to graduate from the least developed country (LDC) and achieve the sustainable development goals are other major priorities of the new budget, according to Finance Minister Khatiwada.

The budget is also likely to introduce socialism-oriented programs if the priorities and principles highlighted by the Finance Minister is something to go by.

The government led by the CPN-UML has also vowed to mobilize huge investment for faster economic growth, change structure of production and allocate needed resources to ensure efficiency. “The government would play a leadership role to establish welfare state and maintain social justice,” he added.

All Nepalis will be brought under the social security net while the existing social security programs will be integrated, according to the Finance Minister Khatiwada.

The government wants to develop the private sector as a partner for economic growth while utilizing the foreign investment as a supplement to national capital formation.

As the country has moved toward the implementation of the federalism with the formation of provincial governments, Finance Minister Khatiwada stated that revenue-sharing and fiscal transfer to the provinces and the local units will be based on provisions, formula and standards set by the constitution and related laws.

Projects and programs currently run by the central government would be handed over to the respective provinces and local units along with necessary resources.

In order to gradually reduce dependence on foreign assistance, the government is going to mobilize foreign assistance on areas of national priority. “Foreign assistance will be utilized mainly on big physical and social infrastructure projects, export promotion, capacity

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development and technology transfer,” read the Priorities and Principles of the Ministry of Finance.

Finance Minister Khatiwada also announced that a separate law would be introduced to address the delay in big infrastructure projects and low quality of construction and cost escalation of projects.

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