

NEPAL GOVERNMENT

Annual Policies & Programs

Comparative Strategic Analysis

FY 2082/83
2025/26

VS

FY 2083/84
2026/27

Similarities • Unique Differences • Sector-Wise Analysis

AT A GLANCE: TWO YEARS OF REFORM

FY 2082/83 (2025/26)

- GDP Target: 6.0%
- Budget: \$14,516 mn
- Inflation Target: 4.0%
- Focus: Foundation & Reform
- Key: Employment Decade Launch
- Hydropower: ~3,000 MW baseline

FY 2083/84 (2026/27)

- GDP Target: 7.0% (est.)
- Budget: ~\$15,500 mn (est.)
- Inflation Target: 4.5% (est.)
- Focus: Deepen & Scale
- Key: Employment Decade Year 2
- Hydropower: 30,000 MW (LT)

Both years form a continuous reform arc — 2082/83 sets foundations; 2083/84 accelerates and deepens each pillar.

KEY SIMILARITIES ACROSS BOTH PLANS

Energy & Hydropower

Both plans commit to renewable energy expansion and Energy Development Roadmap 2081 implementation. Clean energy access is a cross-year constant.

Agricultural Modernization

National Integrated Agricultural Modernization Program (restructured from PM Agriculture Project) appears in both, emphasizing food self-sufficiency and market development.

Employment Generation

The Employment Decade is a multi-year program — launched in 2082/83 and progressing in Year 2 during 2083/84, with public-private-cooperative collaboration.

Governance Reform

Federal governance strengthening, anti-corruption measures, legal framework harmonization, and public financial management reform are priorities in both years.

Healthcare Expansion

Both plans expand health insurance, strengthen healthcare professionals' training, and improve service infrastructure including telemedicine.

Independent Foreign Policy

Principle of 'friendship with all, enmity with none' remains constant, with emphasis on economic diplomacy and multilateral engagement.

Assets Management Company

New national AMC to manage non-performing assets and distressed banks — a direct response to record-high NPLs (4.9%).

SDG 2030 & LDC Graduation Focus

Explicit emphasis on achieving SDGs by 2030 and smooth LDC graduation by 2026 as near-term structural targets.

National Planning Commission Reform

Reforming NPC as an efficient federal coordinator for three-tier government — establishing the institutional architecture.

Entrepreneurship Education Policy

Addressing labor market mismatch through an 'Entrepreneurship-Oriented Education Policy' targeting skilled workforce gaps.

Fiscal Foundation & Trade Deficit

Specific focus on productivity-driven import substitution and reducing trade deficits through structural economic reform.

Public-Private-Cooperative Model

Introducing a tripartite (PPP + cooperative) collaboration framework as a new economic governance architecture.

IT as Strategic National Industry

Software, AI, cloud, and cybersecurity declared strategic national industries with digital parks, data centres, and R&D tax incentives.

Diaspora Capital Mobilization

Nepal Investment Visa, Diaspora Investment Authority, remittance-to-investment fund, and NRN capital market access — entirely new framework.

30,000 MW Hydropower Target

Long-term 30,000 MW hydropower vision with one-door approval, community equity shares, and green hydrogen/ammonia pilots toward Net Zero 2045.

Carbon Economy & REDD+

Nepal Carbon Authority formed; REDD+ expansion; community forests earn direct carbon credits — new climate finance architecture.

AI-Powered Education

AI-based learning in 10,000 schools, 'Earn While You Learn' apprenticeships, and a Remote Work Policy law — digitally transformed human capital.

SWOT & Strategic Roadmap

Formal 3-horizon strategic roadmap (immediate/medium/long-term) with SWOT analysis and fiscal credibility framework — more structured governance.

SECTOR ANALYSIS: Economy & Fiscal Policy

Aspect	2082/83		2083/84	
	FY 2082/83	FY 2083/84	Direction	
GDP Growth Target	6.0%	7.0% (+100 bps)	↑ More Ambitious	
Budget Size	\$14,516 mn	~\$15,500 mn (est.)	↑ +6.8% increase	
Capital Expenditure	\$2,749 mn (+3%)	\$3,360 mn (est.)	↓ Fiscal discipline	
Fiscal Deficit	~5% of GDP	~3.5% of GDP (target)	↓ Consolidation	
Financial Sector	AMC + NPL fix	Basel III, PCA reforms	→ Deeper reform	
Tax Policy	Revenue mobilization	Cashless, auto VAT refund	→ Digitised system	
Foreign Investment	Policy framework	Investment Express (30-day)	↑ Fast-tracked	
Digital Finance	Digital Bank promoted	Capital markets, NRN access	↑ Expanded	

SECTOR ANALYSIS: Energy & Environment

FY 2082/83 — Foundations

Energy Roadmap 2081

Legal, policy & institutional reforms activated.

Renewable Mix

Solar, wind, and hydrogen promoted as alternatives.

Hydropower Base

Multipurpose reservoir projects for energy security.

Grid Development

National grid improvements and regional cooperation.

Import Substitution

Reduce reliance on imported energy through local generation.

FY 2083/84 — Scale & Innovation

30,000 MW Hydropower

Long-term vision; one-door approval; community equity shares.

Green Hydrogen & Ammonia

Pilot projects launched toward Net Zero 2045 AD roadmap.

Carbon Economy / REDD+

Nepal Carbon Authority; community forests earn carbon credits.

Climate Finance

Green Bond Framework; international climate funds mobilized.

Off-Grid Solar

Remote area off-grid solar for energy equity and inclusion.

SECTOR ANALYSIS: Agriculture & Food Security

Policy Dimension	FY 2082/83	FY 2083/84	Trend
Core Program	National Integrated Agricultural Modernization Program	Same program + MSP enforcement, land bank, contract farming	→ Deepened
Technology	Modern technology in agricultural production	AgriTech platforms, agro-processing zones, organic certification	↑ Upgraded
Market Structure	Wholesale vegetable markets with cold storage in cities	Agro-processing zones, digital crop price platforms	↑ Expanded
Food Security	Self-sufficiency in major food grains and vegetables	MSP enforced digitally; crop diversification targets	↑ Formalized
Irrigation	Agriculture water management mentioned broadly	Groundwater irrigation in Terai; lift irrigation in hills	↑ Specific
Financing	Agricultural investment incentives	Climate finance mobilized for agriculture sector	↑ New source

Continuity: Both plans share the National Integrated Agricultural Modernization Program as the primary instrument; 2083/84 layers in digital enforcement and climate finance.

SECTOR ANALYSIS: Governance & Institutions

Aspect	FY 2082/83	FY 2083/84
Federal Structure ★ Shared	National Planning Commission reformed; three-tier coordination framework.	e-KYC, Citizen App (100+ services); e-governance mainstreamed.
Legal Reform	Expeditious enactment of remaining federalism-related laws; harmonize legal frameworks.	FITTA reform; automatic FDI thresholds; procurement law simplification.
Anti-Corruption ★ Shared	Corruption control, good governance, and austerity in public spending.	Zero-tolerance anti-corruption unit restructured; asset disclosure for senior officials.
Digital Governance	Digital Bank promoted; fintech integration started.	Cashless economy; automated VAT; customs digitisation; 100-point reform plan.
Judicial & Local	Local-level judicial strengthening; harmonized federal laws.	Security sector restructuring; Border management and sovereignty enforcement.

★ = Shared priority across both plans

SECTOR ANALYSIS: Health, Education & Social Development

HEALTHCARE

2082/83

- Expand health insurance (serious illness)
- Telemedicine access
- Restructure Insurance Board
- Train healthcare professionals

2083/84

- Minimum standard in all facilities
- National Health Accreditation Authority
- Telehealth platform (remote areas)
- Mental health national policy (new)

EDUCATION & SKILLS

2082/83

- TVET curriculum reform
- National skill standards (labor market)
- Teacher capacity building
- Entrepreneurship education policy (new)

2083/84

- AI-based learning: 10,000 schools
- 'Earn While You Learn' apprenticeships
- Remote Work Policy law enacted
- Internal Employment Promotion Decade

SOCIAL PROTECTION

2082/83

- Contribution-based social security expanded
- Informal sector workers included
- Labor formalization (paid labor)
- Youth employment & labor culture

2083/84

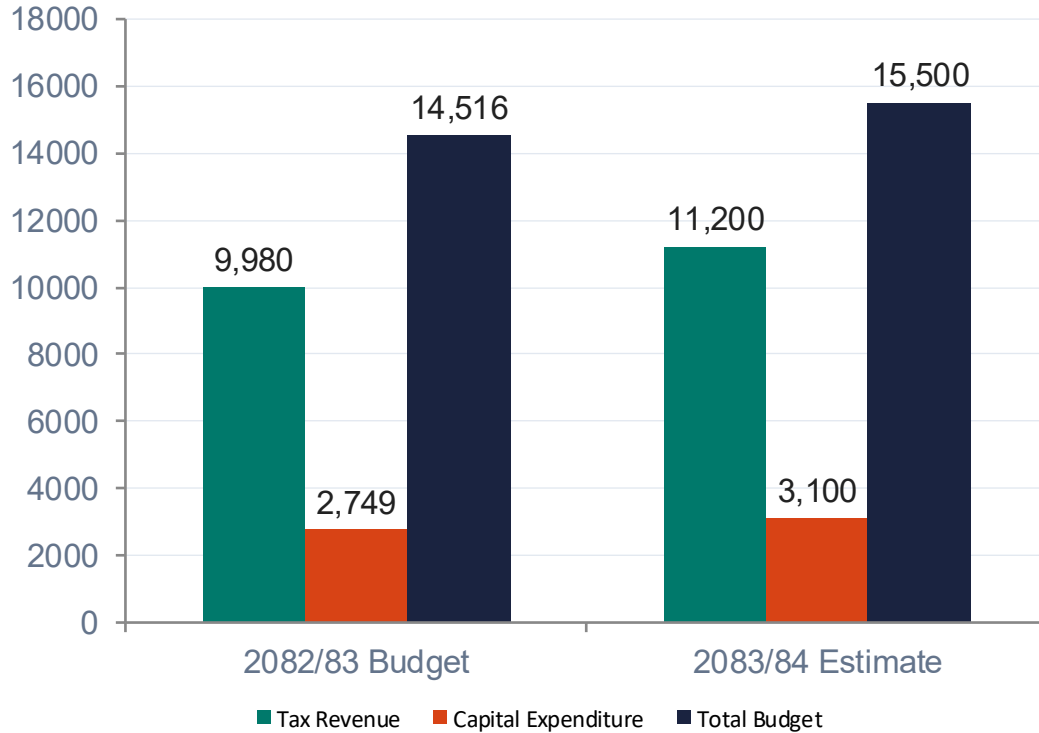
- Street children-free Nepal target
- Child-labour-free Nepal by FY-end
- Gender violence zero tolerance
- Disability rehabilitation centres established

SECTOR ANALYSIS: Trade, Tourism & Diplomacy

Dimension	FY 2082/83	FY 2083/84	Shift
Foreign Policy Principle	'Friendship with all, enmity with none' — independent, non-aligned	Same principle upheld; stronger emphasis on sovereignty enforcement	→ Consistent
Economic Diplomacy	Enhanced economic diplomacy; SDG positioning	Hydropower exports to India & Bangladesh; IT export USD 1.5bn target	↑ Operationalized
Tourism Strategy	Sustainable, inclusive, environmentally friendly tourism policy	'Devbhumi Nepal' spiritual campaign; Visit Nepal 2028 AD prep	↑ Branded
Aviation	Airport development mentioned broadly	Gautam Buddha & Pokhara intl airports activated; expanded connectivity	↑ Activated
Diaspora Engagement	Economic diplomacy for NRNs	Nepal Investment Visa; Diaspora Authority; NRN bonds and co-investment	↑ Institutional
Trade Balance	Import substitution; reduce trade deficit	IT & hydropower exports to narrow 1:10 trade imbalance structurally	↑ More specific

FISCAL COMPARISON: Budget Allocation & Key Metrics (2083/84 est.)

Budget Estimates – USD Million (1 USD ≈ NRP 136)



	2082/83	2083/84
GDP Growth	6.0%	7.0%
Total Budget	\$14,516mn	~\$15,500mn
Inflation Target	4.0%	4.5%
Fiscal Deficit	~5% GDP	~3.5% GDP
Budget Impl.	79%	82% (target)
NPL Ratio	4.9%	5.24%

Note: The 2083/84 budget figures are indicative projections based on the 2082/83 budget announcement and the estimated resource requirements necessary to achieve the policy goals and strategic directions outlined by the Government.

Expected Budget Allocation & Revenue Sources

2026/27

EXPENDITURE ALLOCATION

Head	USD (mn)	Change
Current Expenditure	5,400	-2.5% est.
Capital Expenditure	3,360	+12% est.
Financial Provisioning	1,970	-28.4% est.
Intergovt. Transfers	2,250	-16.8% est.
Total	13,290	+3.7% est.

REVENUE & FINANCING SOURCES

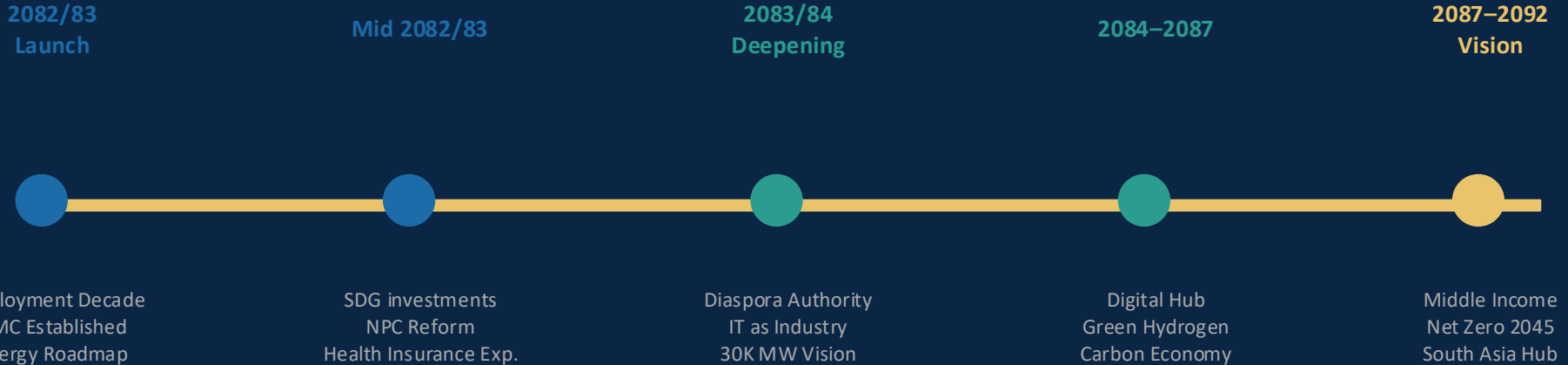
Source	USD (mn)	Change
Tax Revenue	8,460	-12.5% est.
Foreign Grants	560	High (42%)
Domestic Borrowing	2,270	+4.2% est.
Foreign Borrowing	1,600	-7.3% est.
Fiscal Deficit	4,930	+3.1 est.

Budget Estimates – USD Million (1 USD ≈ NRP 136)

Note: The 2083/84 budget figures are indicative projections based on the 2082/83 budget announcement and the estimated resource requirements necessary to achieve the policy goals and strategic directions outlined by the Government. However, the most appropriate and realistic budget size is presented in this slide. The final budget figures will be formally announced by the Government on 29 May 2026.

THE REFORM ARC: From Foundation to Acceleration

Nepal's two-year policy continuum



2082/83 Emphasis

- Institutional foundations
- SDG & LDC graduation
- Employment Decade Start
- AMC & financial stability

Shared Across Both

- Agriculture modernization
- Energy roadmap & renewables
- Healthcare & telemedicine
- Federal governance reform

2083/84 Emphasis

- Digital economy & AI industry
- 30,000 MW & Net Zero 2045
- Diaspora investment authority
- Carbon economy & REDD+

STRATEGIC ASSESSMENT: SWOT & Implementation Risks

STRENGTHS

- 100-point governance reform agenda
- Hydropower & green energy long-term vision
- Diaspora capital mobilisation framework
- Digital economy & AI leadership drive
- High revenue-to-GDP (20.3%) by regional standards

WEAKNESSES

- Weak project execution & delivery capacity
- Bureaucratic inertia; low capex utilization (~27%)
- Fiscal constraints; low tax-to-GDP ratio
- Brain drain & skilled labour shortage
- NPL ratio at 5.24% — above target

OPPORTUNITIES

- Hydropower export to India & Bangladesh
- IT & remote work service exports (USD 1.5bn)
- International climate finance & carbon markets
- Tourism recovery via spiritual & wellness segment
- NRN bonds & diaspora co-investment

THREATS

- Gulf tensions threaten USD 12.6bn remittance base
- LDC graduation: loss of trade preferences (Nov 2026)
- Only 27.3% capital budget spent — GDP drag
- Cooperative/SACCO sector financial crisis
- Geopolitical pressures between India & China

CONCLUSION

A Continuous Reform Arc

2082/83 built the institutions. 2083/84 must deliver the results.

Continuity

Both plans share the same sectoral pillars — energy, agriculture, health, governance — ensuring reform momentum.

Escalation

2083/84 raises every target: +1% GDP growth, greener energy, digitized tax, and a formal diaspora capital framework.

Critical Risk

Execution gap remains the defining challenge — low capex utilization, rising NPLs, and LDC graduation pressure.

Vision

If delivered, Nepal repositions as South Asia's green energy hub, spiritual tourism capital, and digital services economy.