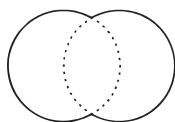


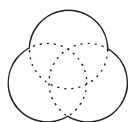
Nepal

Overview



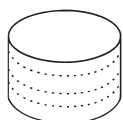
Transparency:

52 /100



Public
Participation:

28 /100



Oversight:

52 /100

About the survey

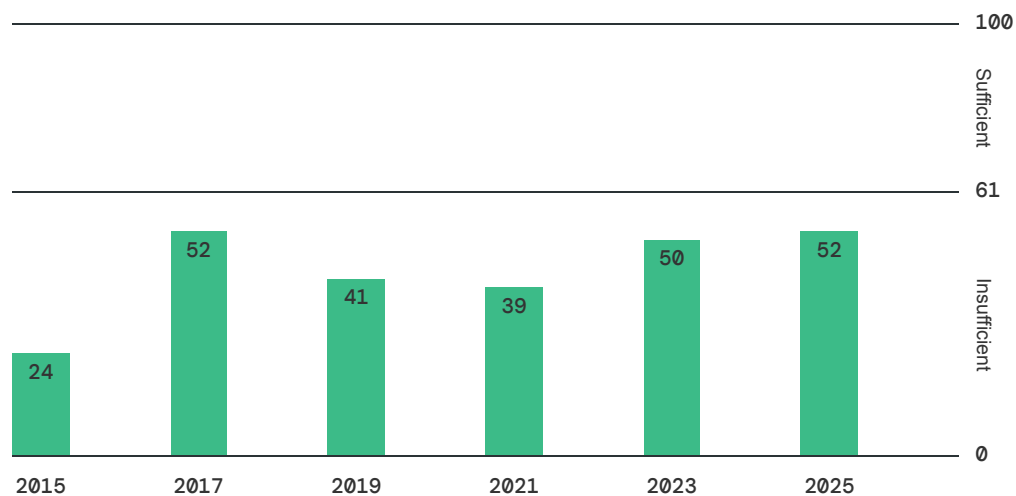
Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 10th edition of the OBS covers 82 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, findings for all surveyed countries, and the Data Explorer.

How has the transparency score for Nepal changed over time?



Public availability of budget documents in Nepal

KEY	
●	Available to the Public
●	Published Late, or Not Published Online, or Produced for Internal Use Only
⊘	None

Document	2015	2017	2019	2021	2023	2025
Pre-Budget Statement	⊘	⊘	⊘	⊘	⊘	⊘
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	⊘	⊘	⊘	⊘	⊘	⊘
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

How comprehensive is the content of the key budget documents that Nepal makes available to the public?

KEY	
●	61-100 / 100
●	41-60 / 100
●	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2024-25	Not Produced
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2024-25	60
Enacted Budget	The budget that has been approved by the legislature.	2024-25	28
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2024-25	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2024-25	67
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2023-24	63
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2022-23	48
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2022-23	62

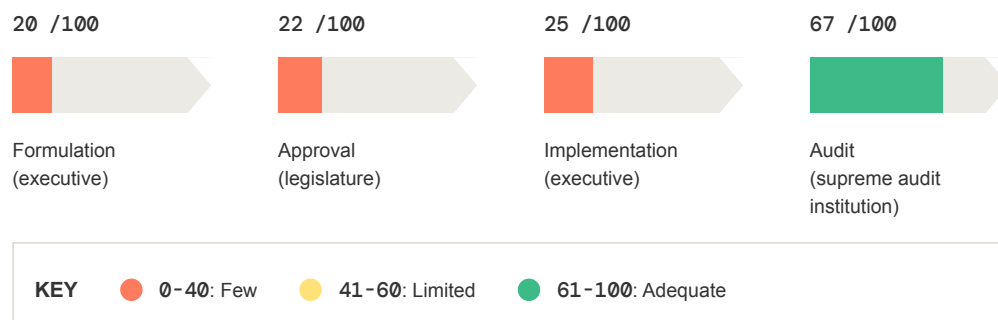
Nepal's transparency score of **52** in the OBS 2025 is near its score in 2023.

Recommendations

Nepal should prioritize the following actions to improve budget transparency:

- Produce and publish the Pre-Budget Statement and Citizens Budget online in a timely manner.
- Include in the Executive's Budget Proposal more comprehensive multi-year projections (including BY+2 estimates) and macroeconomic forecast data, by strengthening the disclosure of sensitivity analysis detail, multi-year expenditure projections, multi-year revenue projections, and the fiscal sustainability of finances in the long-term.
- Publish a glossary of budget terms along with Executive's Budget Proposal to improve budget literacy.
- Improve the comprehensiveness of the Enacted Budget, by strengthening the disclosure of debt level and servicing detail, program-level expenditure detail, revenue category (tax and non-tax) information, and individual sources of revenue.
- Include in the Year-End Report more comprehensive macroeconomic forecast data, disclosures of fiscal risks, and policy and performance information, by strengthening the disclosure of comparisons between original estimates of extra-budgetary funds and actual outcomes, a financial statement, comparisons between original macroeconomic forecast and actual outcome, comparisons between planned nonfinancial outcomes and actual outcomes, and original level of funds for policies impacting the most impoverished and actual amounts.
- Improve the comprehensiveness of the Audit Report, by strengthening the disclosure of extra-budgetary fund information and steps taken by the executive to address audit recommendations.

Extent of opportunities for public participation in the budget process



Recommendations

Nepal's Ministry of Finance has established online platforms and digital consultations during budget formulation and during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Continue and sustain the practice of pre-budget consultations with stakeholders, including at the provincial level, and submit its report to the Parliament. Additionally, the Ministry of Finance and the Revenue Advisory Committee should have a practice to inform the citizens on which recommendations and inputs received were used to improve budget policies.
- The Government of Nepal has launched its Third National Public Financial Management (PFM) Reform Strategy for 2025–2030. The Ministry of Finance should ensure effective implementation of this national framework, with particular emphasis on inclusivity and alignment with the National Strategy for Citizen Engagement in Public Financial Management.
- Actively engage with underrepresented communities, directly or through civil society organizations representing them.

Nepal's Federal Parliament has established public hearings related to the approval of the annual budget, but should also prioritize the following actions:

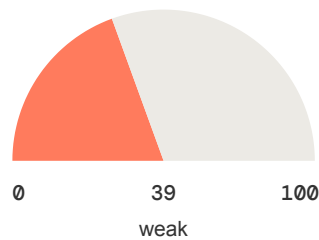
- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Oversight

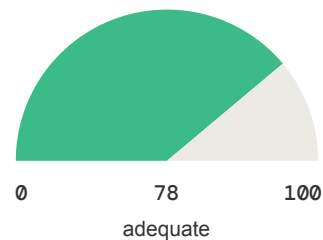
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in overseeing the budget process, including how effectively they scrutinize budget proposals, monitor budget implementation and review government accounts. Using 18 equally weighted indicators, the OBS assesses the strength and independence of these oversight institutions and scores each country on a scale from 0 to 100. In addition, the survey collects supplementary information on the existence and role of independent fiscal institutions (IFIs), which can contribute to informed debate and enhanced oversight of fiscal policy (see box below).

The legislature and supreme audit institution in Nepal, together, provide limited oversight during the budget process, with a composite oversight score of **52** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Nepal's Federal Parliament provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.

- Legislative committees should examine the Executive's Budget Proposal and publish reports with their analysis online.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.
- Legislative Committees, such as PAC, should adopt a more proactive stance in monitoring debt accountability and ensuring rigorous transparency across all inter-budgetary fiscal transfers.
- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units or reduces spending due to revenue shortfalls during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.
- Legislative Committees, such as PAC, should strengthen its legislative oversight role by prioritizing the timely follow-up and resolution of OAG audit recommendations.

The benefit of establishing independent fiscal institutions

Nepal does not have an independent fiscal institution (IFI). IFIs are widely recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2024 were assessed in the OBS 2025.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Taranath Dahal and Subash Dahal
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