

GENDER AND SOCIAL INCLUSION PRIORITIES IN BUDGET 2078/79

Background.

The road map for the long-term vision in the fifteenth National Development Plan, Government of Nepal (GoN), commits to create the foundation for a socialism-oriented economy and to *guarantee the rights to food security, equality, clean environment, dignified life, and freedom from exploitation and discrimination*. The vision emphasizes on the importance of the *inclusion of women, Dalits, and other disadvantaged groups in the state structures and guarantees their access to education, health, food, housing, employment, and social justice*.

The GoN has demonstrated through progressive policy measures a strong commitment to advance Gender Equality and Social Inclusion (GESI) issues and has centre staged GESI principles in public policies and budget processes. Gender Responsive Budgeting was endorsed as an important strategy to promote GESI principles in national plans and budgets.¹ In 2005, the government made it mandatory for all national ministries to publish GRB data from 2007/08.² The GRB approach employs a 'scoring system' that requires all expenditures to be assessed on the basis of fixed criteria, sub-indicators and weightage.³ All Ministries, departments, project/program units are instructed to assess and classify their demands for grants according to the scoring criterion and rank their programs as directly gender responsive; indirectly gender-responsive; gender-neutral.⁴

The Budget 2078/79.

The budget for the financial year 2078/79 was presented by Hon'ble Finance Minister *Bishnu Prasad Poudel* on May 29, 2021. With a total outlay of 1.647 trillion NPR, the budget aims to overcome the human and economic challenges posed by the COVID-19 pandemic and sustain the development trajectory to achieve a '*Prosperous Nepal and Happy Nepali*'.

Trend Analysis - Federal Budget and Gender Responsive Investments. The analysis of the GRB categorization of the outlays across four fiscal years indicate that the proportional share of gender-based investments, is consistently maintained across the three categories with minor variations (Figure 1). The first category of directly responsive allocations is most significant, given its importance in achieving gender equality goals across sectors. With 39 per cent of investments booked under this category in the fiscal year 2078/79, it is allocated the largest proportion of the budget. The trends across the same category indicate that the proportional share of directly responsive programs is also highest in the four financial years. The data for the other two categories show that there is a slight dip in the share of indirectly responsive investments by 1.5 percent, in comparison with the fiscal year 2077/78. The share of the 'neutral' category has shown an upward trend in 2078/79 with a minor increase of 0.1

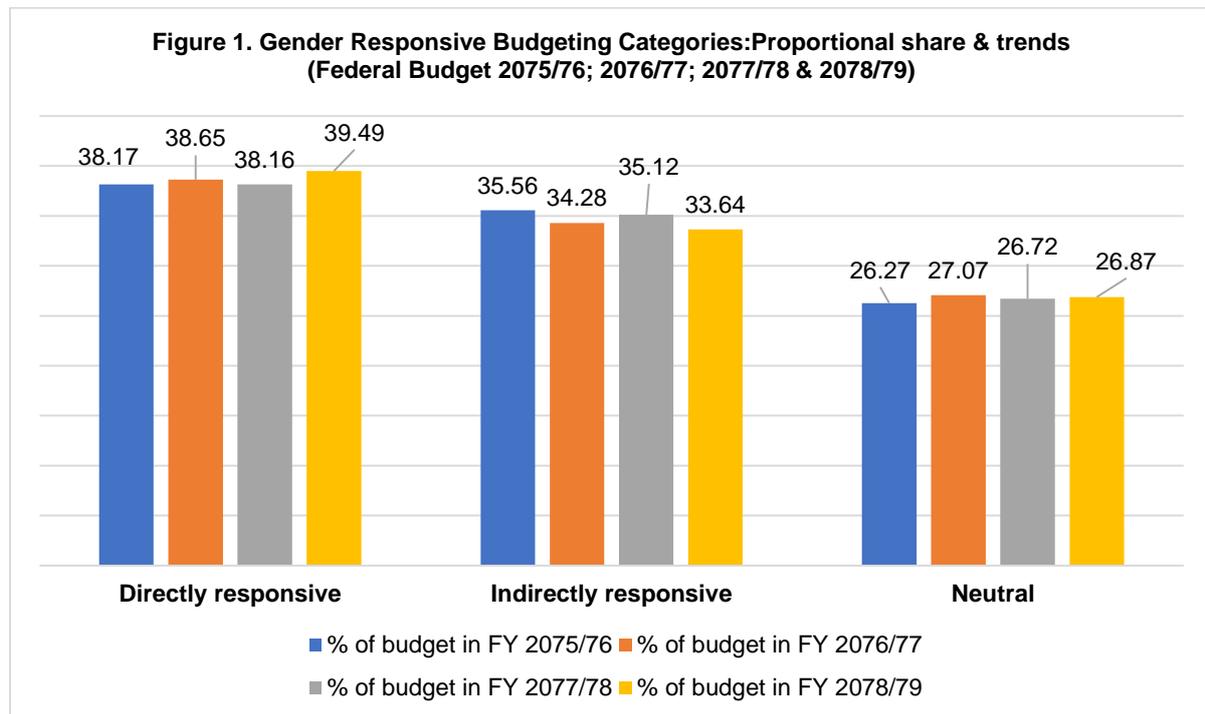
¹ Gender Responsive Budgeting seeks to incorporate a gender equality perspective into the budgetary process to ensure an efficient allocation of resources based on identified needs and to restructure revenues and expenditures to strengthen gender equality and empowerment of women.

² Decision 2062-5 of 2005 of the Government of Nepal and announced in the Budget Speech for FY 2007/08 (NFY 2064/65).

³ In 2012, the Ministry of Finance (MOF) issued the '[Gender Responsive Budget Formulation Guideline](#)' for methodological clarity and to ensure a consistent approach.

⁴ The projects that score 50 points or more are classified as being directly supportive to women; those scoring 20 to 50 points as indirectly supportive; and those scoring less than 20 points are classified as gender-neutral.

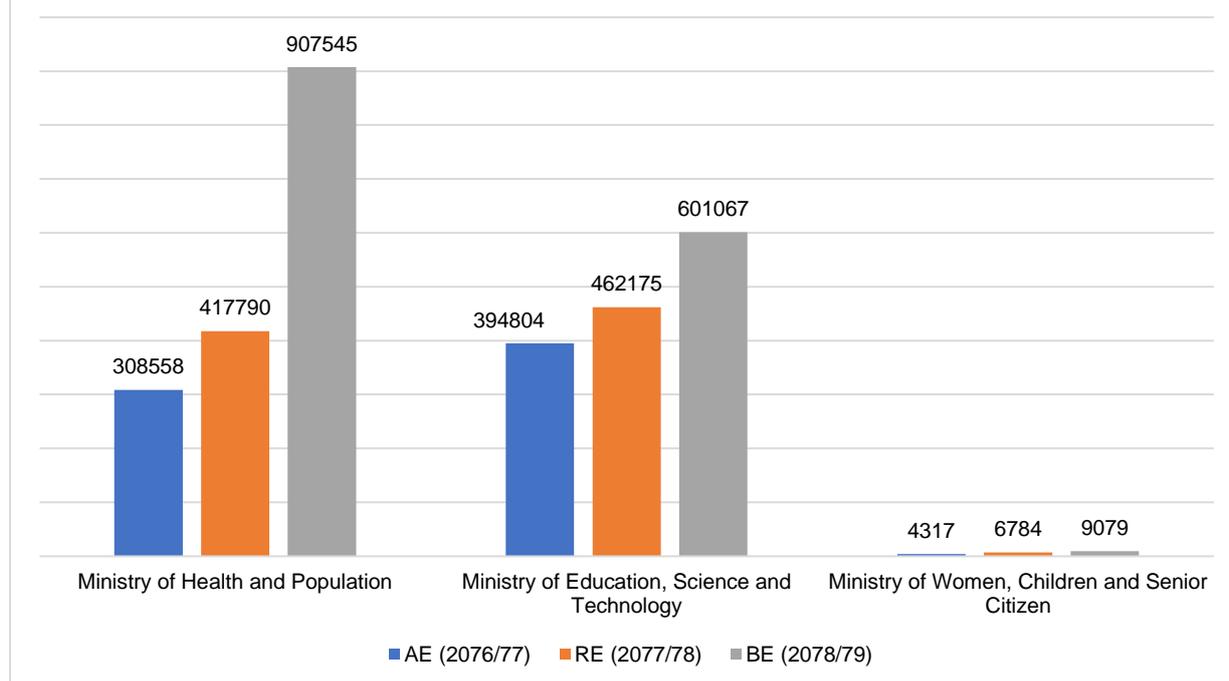
percent, indicating that either allocations were increased in the already existing 'neutral' category programs or new schemes were introduced with a 'neutral' tag.



Gender and Social Inclusion Priorities. Pandemic response and recovery are priority of the Federal Budget 2078/79. Relevant budgetary commitments are made across the social and economic sectors. Prevention and treatment of COVID-19 through expansion of testing, quarantine, treatment and vaccination facilities including revamping of the health care infrastructure is given utmost importance. Protection and relief measures for health care providers, frontline workers, COVID affected families including relief packages for unemployed, poor and disadvantaged groups is another priority area for the government. The Federal Budget has incentivized the private sector to kickstart the economy and expand employment opportunities. The Federal Budget 2078/79 through various programs has given special attention to advancing the social and economic wellbeing of citizens through equal rights and opportunities to ensure an equitable access to services and resources.

Social Sectors. The Ministry of Health and Population and Ministry of Education, Science and Technology are allocated the largest share of the Federal Budget. The budget estimates and outlays in the select social sector Line Ministries are presented in figure 2. The proportional share committed to the health sector is 7.45 per cent and 10.93 per cent is allocated for Education with a substantial increase in outlays over the revised estimates 2077/78 (Figure 2).

Figure 2. Resource Envelope - Select Social Sectors, (Rs in 100,000)



Source. Redbook, Federal Budget 2078/79

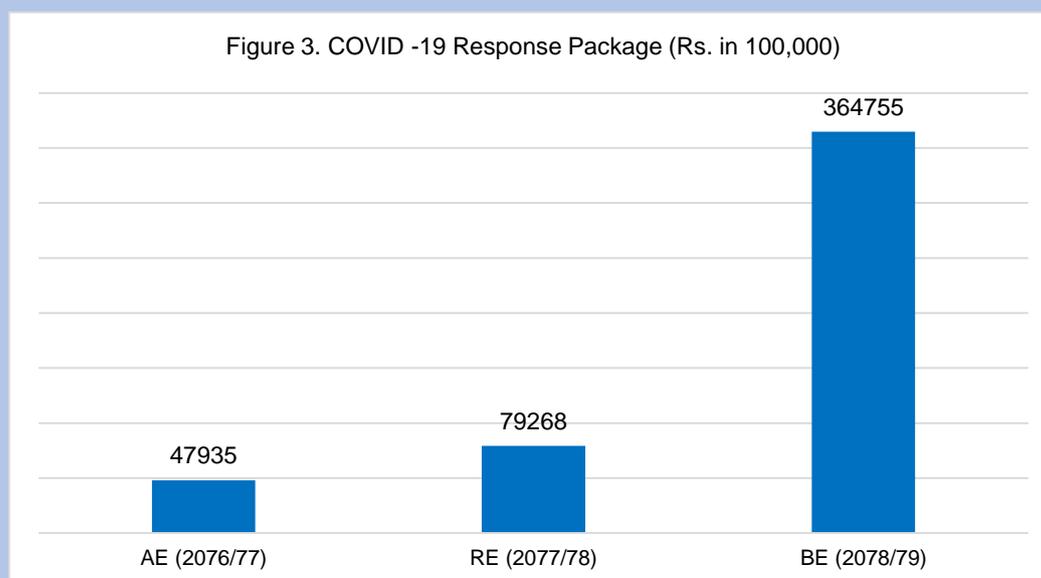
Ministry of Health and Population. The Federal Budget has made significant investments to promote health and well-being of citizens with a focus on disadvantaged groups. The primary health services strive to ensure free and emergency response, improved and safe reproductive and child care services and better-quality conditions of work for the health care providers and front-line workers. The outlay for the Ministry in 2078/79 increased by almost 117 percent compared to the revised estimates 2077/78 (Figure 2). The key highlights include:

- Improved infrastructure, free medicines and treatment.** With an allocation *Rs.5.6 billion* for medicines, 70 types of free medicines will be made available in all health care institutions. *Rs 2.5 billion* is allocated towards the treatment of non-communicable diseases including injuries to cover poor and disadvantaged ensuring every citizens' fundamental right to healthcare services. The earlier grant for free treatment of heart disease of children under the age of 14 and elderly citizens over the age of 70 years is also continued in the fiscal year. *34 crores allocated for the construction of infrastructure* including ICU ward of *Kanti Children's Hospital*. *Rs. 580 million* allocated for the operation of children cardiac unit and up-gradation of operation theatre by expanding services of *Shahid Ganga Lal* cardiac disease hospital. Access and outreach to health care services will be expanded through increased investments in telemedicine, *ghumti* services to address issues of HIV and drug abuse, community rehabilitation and counselling.
- Improved reproductive and child health (RCH) services.** The RCH services will be brought into operation in all district hospitals. The prenatal health treatment will be upscaled in 20 districts including remote areas like *Humla, Dolpa, Mugu* and *Bajhang* to provide free pregnancy checks and associated services. The facilities will include maternal waiting and examination rooms; and dispensaries. Air rescue services will be made more effective for pregnant and post-delivery women with newborns. The government hospitals in *Biratnagar, Birgunj, Batwal* and *Dhangadhi* will expand infertility treatment facilities and in vitro fertilisation services. The child immunization program is expanded to ensure thirteen types of crucial vaccines reach out to 620,000 children in the fiscal year.

- **Special category of care.** To promote an inclusive health care system, a mandatory provision is made to ensure minimum ten beds are reserved for patients with mental illness in all government and private hospitals with two hundred bed capacity. It is also mandated for all fifty bedded hospitals to ensure a senior citizen treatment room and facility. Free medical treatment will be made available for senior citizens, especially those who are single women, widowers and seniors with disability. **Geriatric care** facilities will be revamped including free treatment of age-related ailments including free treatment for Alzheimer's.
- **Improved conditions of work for health care workers.** The federal budget recognizes the importance of front-line workers in the sector and has increased the transportation cost by 100 per cent to benefit 52,000 female health care volunteers. The decision to provide Rs. 12000 as the annual transportation allowance is a step forward towards promoting safe mobility of the country's frontline service providers.

Federal Budget and COVID 19 Response

An allocation of *Rs 37.53 billion* is earmarked for COVID -19 prevention, control, treatment and vaccination (Figure 3). Detailed and comprehensive budgetary allocations are made for the prevention and management of the pandemic.



Source. Redbook, Federal Budget 2078/79

Free testing, treatment and vaccination. Arrangements for free testing and treatment of Covid-19 in all government laboratories and hospitals. Regular supply and sufficient stocks of medicines, testing kits and personnel protection gear will be ensured. An allocation of *Rs 26.75 billion* is made for COVID-19 vaccine to ensure that all eligible citizens are vaccinated.

Ensuring sustained oxygen sufficiency. Necessary measures are planned and budgeted to ensure uninterrupted oxygen supply in hospitals –oxygen plants, cylinders, equipment, and transportation. It is mandated for all hundred bedded hospitals to build oxygen generation plants in the facility. The government has taken special measures to exempt custom and value added taxes on raw material imported for setting the oxygen generation systems. The budget also makes the provision to cost share the expense by 50 per cent

for community and private hospitals. The federal budget also provides cost exemptions of 50 percent on the electricity costs incurred in operating these plants.

Revamping facilities. Allocation of *Rs 4 billion* for the treatment of COVID-19 patients' by revamping the facilities – increased intensive care units and adequate medical equipment (ventilators, scanners and testing kits). Customs duties on the import of medicines for COVID-19 treatment are also waived to reduce the costs of treatment.

Health care providers. The budget makes provision for the contract recruitment of health care providers given the increase in demand and to overcome human resource shortages. A component of 50 per cent risk benefit cover is included in the contract recruitment salary component to encourage retired doctors, nurses and auxiliary health workers. Adequate budgetary provision is made to ensure that risk benefits are extended to all health care providers engaged in COVID -19 management.

Screening, contact tracing, and counselling. Health desks will be operational at holding ports and airports for screening to control the risk of spreading COVID-19. Budget will also be used for the construction and operation of quarantine facilities, isolation centers and contact tracing. Arrangement to provide mobile testing services and call centers for psycho-social consultations and information on emergency treatment and support.

Ministry of Education, Science, and Technology. The proportional share of the Ministry is the second highest after Health and there is a 30 per cent increase over the revised estimates 2077/78 (Figure 2). The progressive investments in the sector will sustain the outcomes in human capital development and promote equitable access to opportunities. The key highlights in the federal budget include:

- **Climate resilient and inclusive infrastructure facilities.** The federal budget proposes disaster-sensitive, gender and differently abled educational infrastructure facilities. Affirmative measures are planned and budgeted to increase enrolment and retention of children from spatially disadvantaged area including poor, at risk-minorities and endangered marginalized community by operating secondary level residential schools in thirteen districts.
- **Education sector workers.** The increase in the minimum wages to *Rs.15000* per month for all teachers engaged in early childhood education is a huge step in recognizing womens' underpaid care work in the sector.
- **Special initiatives towards early childhood development.** *Rs. 8.73 billion* is allocated to provide mid-day meal to 3.5 million primary students enrolled in the government school. The initiative is to improve the nutritional status, retain the students and reduce early school dropouts.
- **Increase access to remote learning.** The federal budget plans to provide free broadband services to all community schools within the next two years with 60 per cent coverage in the first year. As a move towards expanding distance learning, *Rs. 1.2 billion* is allocated for an 'alternative education learning action plan'. This plan will target students unable to attend formal schooling and will focus on developing learning portals that will be telecasted through educational channels on television.
- **Inclusive education.** Affirmative measures are planned to ensure inclusive and equitable access in the sector. Scholarship budget is allotted for students belonging to the marginalized and endangered communities (*Chepang, Raute, Badi, Majhi and Musahar*); persons with disabilities and HIV; children of a martyred parent or those affected by insurgency or victim of COVID 19. Scholarship programs and free higher education assurance is extended to *Dalit*, Muslim and freed *Kamlari* female students. Special

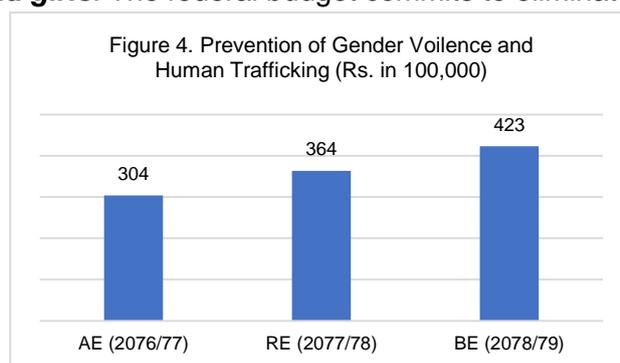
provision is made for students with vision disability that include availability of education material in Braille and latest technology. There is provision for residential schools that will be established in each province for students with special needs (intellectual disability).

- **Menstrual hygiene and health.** Rs. 4.79 billion is allocated for free distribution of menstrual sanitary napkins for girl students. The announcement to provide free sanitary products to girls studying in public schools is a commendable step to promote menstrual hygiene management amongst girls, especially those who cannot afford these products.

Ministry of Women, Children and Senior Citizens. The proportional share of the Ministry budget is one of the lowest amongst the social sector allocations. With an outlay of 907 million NPR in 2078/79, there has been a marginal increase of 34 per cent over the revised estimates 2077/78. Several measures were announced and the key highlights include:

- **Women’s empowerment, skilling and income generation.** There is a substantial increase in the allocations for the President’s Women Empowerment Program. Facilitation centres will be established at the local government level to impart skill-based training for women. Income generation, capacity development and empowerment programs will be implemented for the disadvantaged women belonging to Dalit, *Adhibasi, Janajati (Badi, Kamalari, Kamaiya, Chepang and Raute) community*; other categories of disadvantaged women - single and women with disabilities.

- **Preventing violence against women and girls.** The federal budget commits to eliminate all forms of discrimination, violence, exploitation including dowry system by undertaking awareness programs. The legal system will also be strengthened for strict enforcement of laws. *Mangala Shahana* Rehabilitation Centre will be built to protect neglected women at *Suryabinayak, Bhaktapur*. There is a slight increase in the allocation for the program on prevention of Gender Based Violence and Human Trafficking (Figure 4).

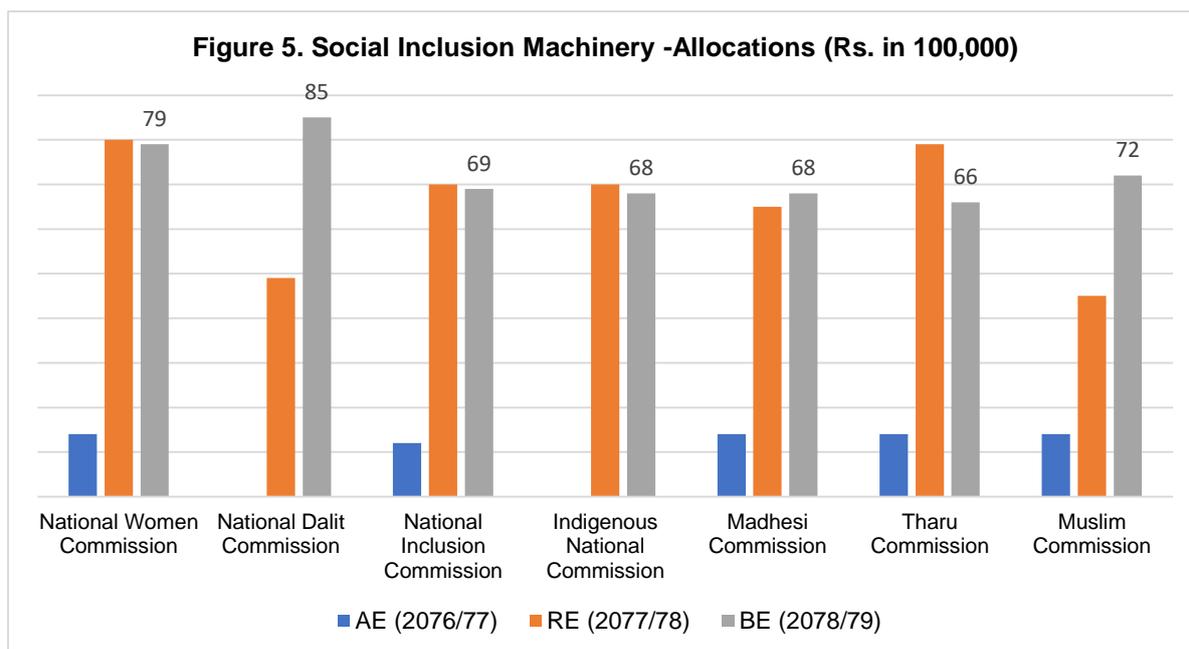


Source. Redbook, Federal Budget 2078/79

- **Child care and rights.** Nutritious food, access to quality health services and opportunities for leisure, sports and recreation will be provided for the mental and physical development of the children. 15 child care and recreation centers will be established in partnership with the local government. *Bal Pragya Pratisthan* will be established for the children’s development and promotion of children’s literature. Children Paradise will be established at *Jhapa* to bring out the innate talent and multidimensional development of the children with national-level quality education. Children Rehabilitation Centers will be operated at *Morang, Bhaktapur, Kaski* and *Banke* districts and budget is also allotted to establish a child rehabilitation center at *Dhakaltar, Tanahu*. A child welfare officer will be appointed at all the local level to protect, promote and regulate child rights.

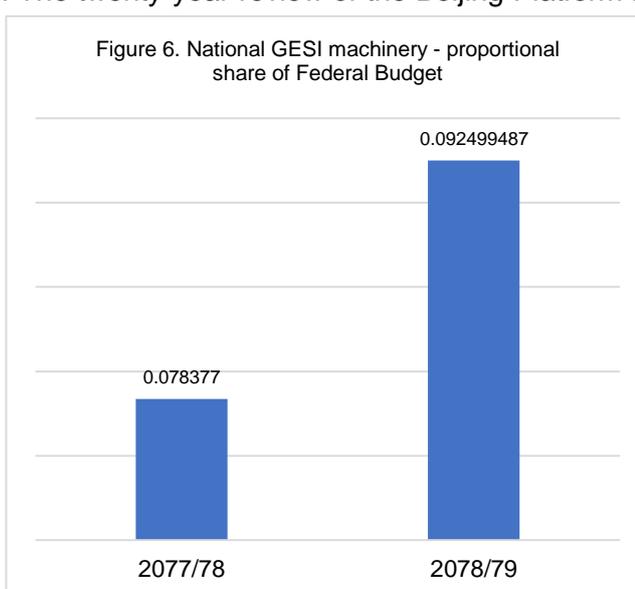
The Gender and Social Inclusion Machinery and Budgetary Commitments.

The social inclusion machinery comprises the Ministry of Women, Children and Senior Citizens and various commissions that help safeguard the rights of those disadvantaged and marginalized. Committed and sustained budgets for the nodal agencies are crucial factors that determine their performance and ensure an inclusive development approach. The allocations between the various commissions are presented in figure 5. It is noted that there is a substantial increase in the budget estimates for the National Dalit Commission and Muslim Commission; slight increase in the allocations for *Madhesi* Commission and a definite downtrend in the budget estimates 2078/79 for National Women Commission, National Inclusion Commission, Indigenous National Commission and *Tharu* Commission.



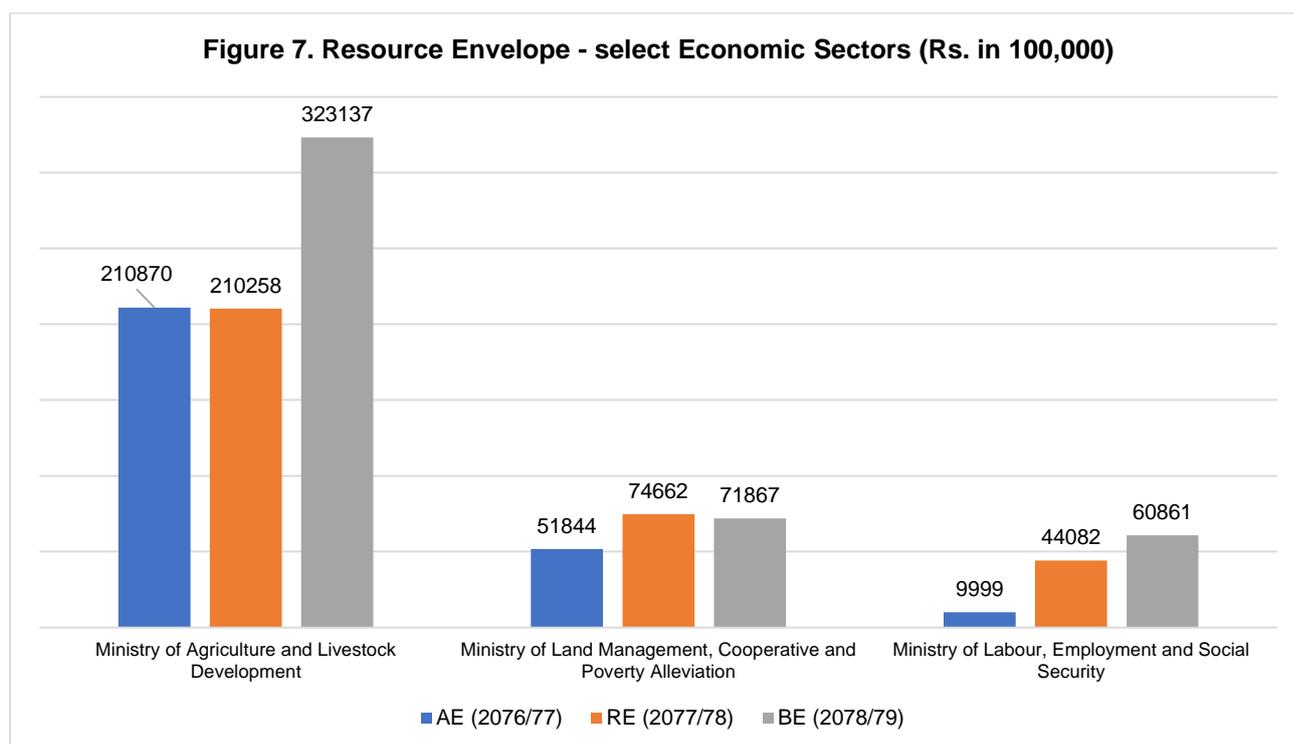
Source. Redbook, Federal Budget 2078/79

Gender Machinery and Financing gaps. The twenty-year review of the Beijing Platform for Action reveal that the financing gap for the implementation of national gender equality policies is as high as **90 per cent**. The National women machineries of 15 member states across Asia-Pacific region were allocated *less than one per cent of the national budget* and the Government spending on gender equality measures (despite strong gender equality policies), range from *0.5 to 21.9 percent of the national budgets*. In Nepal too the financial gap is apparent though the proportional share of the *gender and social inclusion machinery* (Ministry of Women, Child and Senior Citizens and all commissions combined) vis a vis the



the Federal Budget has witnessed a substantial jump from .07 per cent in 2077/78 to .09 in 2078/79, it still falls short of one per cent of the Federal Budget.

Economic Sectors. The fifteenth National Development plan's objective is to ensure equitable distribution of resources and to achieve *high economic growth supported by increased production and productivity*. It attaches high importance to the role the private, cooperative and community sectors in the economic growth of the country. The resource envelope for select economic sectors, crucial for equitable economic growth, is presented in Figure 7.



Source. Redbook, Federal Budget 2078/79

Ministry of Agriculture and Livestock Development. The budget lays emphasis on the modernization and commercialization of the agriculture sector. It is focused on *protecting food and nutrition rights by increasing productivity* through diversification and specialization of agriculture production. The unused government agricultural farms and barren lands will be leased to the private sector and this will ensure a steady flow of revenues from these land parcels. Increasing effectiveness of the *Prime Minister Agricultural Modernization Project* has also been prioritized by the budget. Private sector partnership is encouraged in horticulture supply chain (fruits) in districts of the Hilly region (Bhojpur, Nuwakot and *Baitadi*) and commercial *animal husbandry* in districts of the Himalayan region (*Manang, Mustang, Myagdi, Dolpa* etc). To strengthen the agriculture supply chain, budget is provided for the establishment of *agricultural wholesale markets* in 17 places including *Mechinagar, Rangeli, Ratnanagar, Kageswari, Manhara* and *Sandhikharka*. The budget has made a provision of 50 per cent subsidy for the purchase of agricultural lands to promote commercial apple farming in Himalayan districts including *Manang, Mustang* and *Jumla*. Mission Walnut Program will be operated in 9 districts including *Solukhumbu, Jajarkot, Baitadi*. Expansion of commercial lemon cultivation in 10 districts including *Bhojpur, Kavre, Parbat, Syangja, Dang, Dadeldhara* will be implemented. Expansion of *access to food and nutrition* programs to benefit the landless farmers, Dalits and economically and socially marginalized group and communities

to implement the government's resolution '*now no one will be hungry, no one will die of hunger*' will be prioritized in the budget.

Ministry of Land management, Cooperatives and Poverty Alleviation. There is downtrend in the allocation for the Ministry by almost 4 per cent compared to the revised estimates 2077/78 (Figure 7). An important social inclusion provision in the budget is towards settlement of land issues by identifying freed Kamaiyas, Dalit, landless settlers and other landless and marginalized families and to issue land certificates after thorough verification. An outlay of Rs. 680 million is committed for this.

Ministry of labour, Employment and Social Security. There is a 38 percent increase in the Ministry allocation for the fiscal year 2078/79. The Ministry is important towards creating a skilled force and ensuring decent employment opportunities and conditions of work. The social security role of the Ministry is significant in the pandemic response and recovery phase, to ensure that social protection provisions and benefits reach out to those most vulnerable and disadvantaged.

- **Poverty alleviation and right to work.** The *Prime Minister's Employment Program* is redesigned to guarantee employment of at least 100 days to those seeking employment. All government agencies will converge to create employment opportunities in infrastructure related works. Rs.12 billion has been allotted for this program.
- **Returnee migrants.** Given the context of the pandemic and huge influx of returnee migrants, Rs. 400 million is allotted to train and reskill 100,000 youths to develop their human capital as per their interest and market needs.
- **Skilling opportunities.** Rs. 1 billion is allocated to provide internship opportunities and on job skilling in the industrial sector in partnership with the private partners. A provision of low interest loans facility is also provided for higher education and Rs. 2.5 million is committed for this.
- **Enforcement of labor laws.** Strict compliance with the ILO conventions to ensure a decent work environment without any biases and discrimination.
- **Social Security and protection.** Rs. 100 billion is allocated for social security payments. The social security allowance for senior citizens is increased by 33 per cent and revised to Rs. 4000/Month. The children protection grants for orphans, *Dalits*, children with disabilities and disadvantaged families is also increased by one third. Provisions to ensure strict adherence and compliance with laws against child labour.

This document is prepared by Nepal Administrative Staff College (NASC Team: Ms Achala Dahal, Ms Shilu Pradhan and Ms Antovna Gyawali) collaborating with UN women in consultation with Dr Swapna Bist and Mr Pratap Kumar Pathak.