

No preparations for supplementary budget MoF

The Ministry of Finance (MoF) has dismissed rumours regarding a supplementary budget stating that there have been no preparations in that direction.

“The government is geared up to execute the budget properly and there is no shortfall of funds earmarked for development expenses and we have not faced any sudden expenses liability till date,” said Revenue Secretary Shishir Kumar Dhungana. “So, there is no question about a supplementary budget.”

After the fiscal budget 2018-19 was unveiled, Finance Minister Yubaraj Khatiwada has been cornered by leaders of the Nepal Communist Party (NCP) – a political party that he is affiliated with. The leaders have repeatedly stated the budget has failed to meet the expectations of the people and does not convey any message that the stable government will expedite the development process.

A major dissatisfaction has been on the size of the budget, which is relatively modest, according to Nepal Communist Party (NCP) leaders who have provided leadership in the finance ministry in the past. Finance Minister Khatiwada had unveiled a budget worth Rs 1,315.16 billion for this fiscal. Unlike in the past, the current fiscal budget has not entertained populist and political pet programmes, which has disappointed some sections of the Nepal Communist Party (NCP), according to political analysts.

Meanwhile, the issue of supplementary budget has been prioritised by the political leadership of the NCP (NCP). Recently, during his visit to India, Pushpa Kamal Dahal, chairman of the ruling party and former prime minister, had mentioned that the government will bring a supplementary budget to address the announcements made through the election manifesto, like increasing the allowance of senior citizens and disabled people.

Talking to journalists upon his arrival, Dahal had said that he will hold further discussions with Prime Minister KP Sharma Oli to bring a supplementary budget to fill the gaps in current budget.

However, Finance Minister Khatiwada has been averse to the idea of bringing a supplementary budget when the budget execution has just started and there is no rationale of a supplementary budget, according to MoF officials.

“A supplementary budget can be brought only when there is a shortfall of earmarked funds. For instance, when reconstruction works or development projects need to be accelerated and the allotted funds are insufficient to cater the need.”

Officials have said that government expenses will start rising only after the first half of the fiscal and it is too early now to imagine of a shortfall of resources in priority areas. A supplementary budget can also be brought when there is a sudden unforeseen liability to the government at times like natural disasters and recovery, purchase of arms and ammunition or when a situation occurs that had not been envisaged during the formulation of the budget, according to officials.

Source: The Himalayan Times, 13th September 2018