

ANALYZING RIGHTS OBLIGATIONS: A STUDY OF EDUCATION FINANCING OF LOCAL GOVERNMENTS IN NEPAL (2025/26)



**NCE
NEPAL**

National Campaign for Education Nepal
(NCE Nepal)

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Research and analysis

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Published on:

December 2025

Supported by:

EDUCATION OUTLOUD
advocacy & social accountability

**Design and Production**

Pentagram Pvt. Ltd.

Preface

National Campaign for Education (NCE) Nepal is a leading civil society movement advocating for the right to education to realize free and compulsory, equitable quality public education in Nepal and beyond. NCE Nepal is a national credible network with more than 508 member organizations including national, provincial and local NGOs, INGOs, teacher organizations, media groups, and Community-Based Organizations (CBOs) working collectively to strengthen the public education system for equitable, inclusive, and quality education for all.

NCE Nepal advocates that education must remain an uncompromised state priority, with the Government of Nepal allocating at least 20% of its total budget and at least 6% of the GDP to the education sector as committed in the national and international forums. This report analyzes education budget allocations across 91 local governments in Nepal's seven provinces for FY 2025/26. It examines allocations for education, including funding sources (federal grants, provincial grants and internal revenue) and their share of total budgets. Key findings highlight heavy reliance on federal funds, limited internal revenue contributions of 7.74% and disparities by province, region, LG type alongside modest allocations for gender responsive. Thus, continuous advocacy is essential to increase LG's internal revenue and gender responsive share for education budgeting, supported by technical assistance to build their capacity.

NCE Nepal recommends strengthening local revenue mobilization, enhancing provincial investments, prioritizing equity for marginalized groups like girls and children with disabilities, and improving accountability mechanisms to align with constitutional mandates, SDG 4 and sustainable development goals.

We extend our sincere gratitude to Education out Loud (EOL) for their generous support in this study. This research report serves as a valuable resource material for policymakers, political leaders, community stakeholders, member organization and civil society to better understand budget priorities and dimensions for FY 2025/26. NCE Nepal also thanks its member organizations, board members and advisors for their valuable suggestions, Research and Publication team of NCE Nepal for finalizing the report. My special thanks to NCE Nepal Secretariat team for their coordination in producing this report.

Regards
Lab Raj Oli
President
NCE Nepal

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1. Introduction

1.1. Background

Education is a fundamental right under Nepal's Constitution (2015), mandating free and compulsory basic education (Grades 1 to 8) and free secondary education (Grades 9 to 12) for all citizens.¹² For ensuring this Government of Nepal has committed to allocated 20% of the national budget into education sector and 4 to 6% of GDP into education sector. Despite of this commitment, Nepal government has allocated NPR 211.17 billion to Education sector (10.75% of the total national budget) which is less than commitment and not sufficient for ensuring quality education for all.

The constitution & the Local Government Operation Act (LGOA) 2017 specifics 23 rights, such as ensuring free and compulsory education, drafting policies, operating community schools, managing teachers and monitoring the quality and access. LG align with federal and provincial laws, per Article 235 and the Coordination and Interrelation Law, adapting acts like the Education Act and Compulsory Education Act to local needs. LGs promote inclusive education for marginalized groups, enforce parental enrollment, regulate public/private institutions (including mother tongue options), support vocational education to secondary level, and collaborate on higher education, emphasizing community participation. Allocating 15 to 20% of the national budget to education ensures quality, equity, and sustainability. Nepal falls short at 10.94% (2022/23), 11.27% (2023/24), 11.6% (2024/25) and 10.75% in 2025/26. This year's priorities include quality, modernization, restructuring, teacher training, digital/inclusive learning, scholarships, infrastructure, vocational education and traditional knowledge preservation. Inadequate funding causes teacher shortages, poor infrastructure, and inadequate struggle for girls, children with disabilities, and rural students, undermining SDG 4, the Incheon Declaration and constitutional duties. It widens gaps, limits opportunities and hampers national development. Thus, adequate funding is essential for equitable progress.

In this context, the National Campaign for Education Nepal (NCE Nepal) has undertaken a brief analysis of local-level budgets from a public education perspective, covering 91 local governments across all seven provinces, following the completion of federal and provincial budget analyses. The analysis examines the disaggregation of total local budgets and their composition by funding sources: federal, provincial, and internal revenue. It further assesses the share of education budgets and analyzes their composition by the same funding sources. This year, the analysis also incorporates the budget allocations for Girls and Inclusive Education Network (GIEN) activities by LGs.

1.2. Objective of the study

The objectives of the study are:

- To review the education budgets allocated by the local governments.
- To analyze the share of total and education budget by funding sources at the local governments level.
- To assess the budget portion allocated to Girls and Inclusive Education Networks (GIEN) and Gender Equality and Social Inclusion (GEDSI).

1.3. Methodology

1.3.1 Sampling

Secondary data collection methods were employed to conduct the study by reviewing of budget speeches, red books, annual development programs and budget reports from local governments. In addition, fiscal reports from federal and provincial sources, including documents from the Office of the Auditor General and the Financial Comptroller General, were analyzed. The study also drew upon previous budget monitoring studies and research publications by NCE Nepal to strengthen the analytical framework.

Sampling was determined based on the availability of both total and education budget data. Websites of all 753 LGs were reviewed to assess data accessibility. From this process, a representative sample of 91 LGs, accounting for 12.08%

¹ Constitution of Nepal (2015), Article 31: Right to Education

² Education Act and Federalism Provisions in Nepal

of the total, was selected across all seven provinces to ensure balanced regional representation as shown in figure 1. The distribution shows that Koshi and Madhesh each account for 12.09% of the sample, Bagmati and Gandaki each represent 16.48%, Lumbini covers 15.38%, Karnali 14.29%, and Sudurpaschim 13.19%.

Table 1 presents the proportion of LGs covered within each province relative to the total number of LGs in that province. Coverage rates include 8.03% in Koshi, 8.09% in Madhesh, 12.61% in Bagmati, 17.65% in Gandaki, 12.84% in Lumbini, 16.46% in Karnali, and 13.64% in Sudurpaschim.

Figure 1: Percentage of samples from each province of sampled LGs

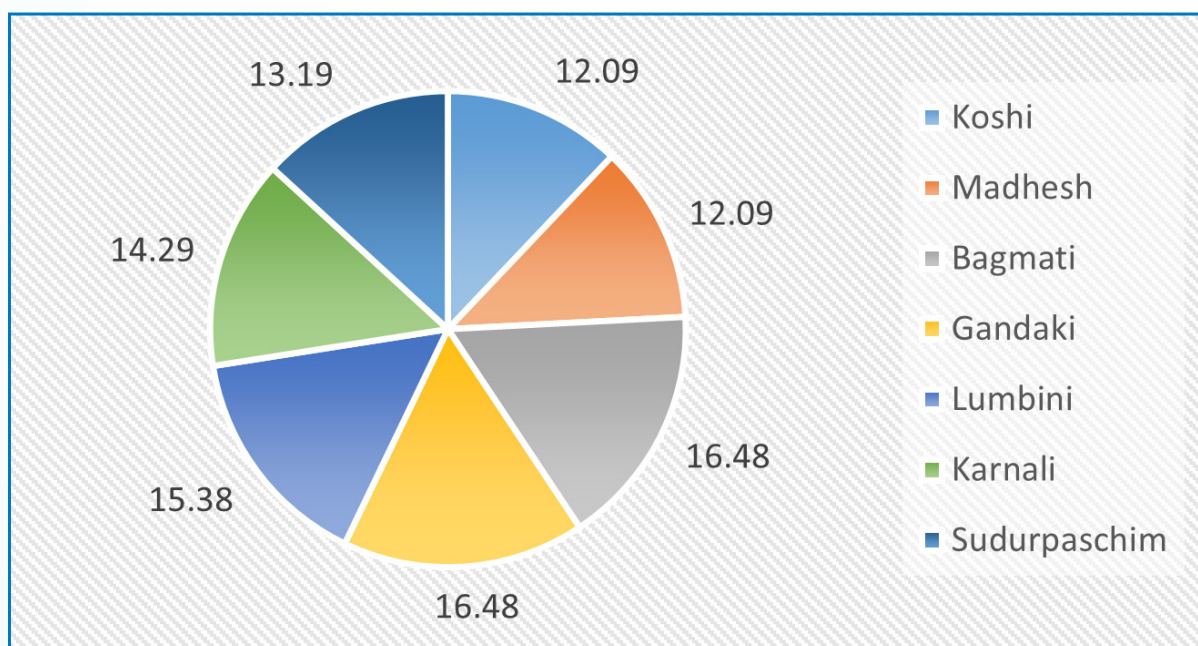


Table 1: Sample details of LG and percent of LG coverage in total LGs

Types of LG	Total local level	Data Collected From	% of LGs covered
Koshi	137	11	8.03
Madhesh	136	11	8.09
Bagmati	119	15	12.61
Gandaki	85	15	17.65
Lumbini	109	14	12.84
Karnali	79	13	16.46
Sudurpaschim	88	12	13.64
Total	753	91	12.08

Source: Red books/Budget Speech of 91 LGs

Figure 2 represents the analysis of sample size according to types of local government. In the sample composition, Metropolitan and Sub-Metropolitan cities account for 2.20% each, Municipalities for 37.36% and Rural Municipalities for 58.24% for the total sampled LGs.

By type in Table 2, the Metropolitan City LGs are 6 in total, with data collected from 2 LGs, covering 33.33%. Similarly, Sub-Metropolitan City LGs are 11 in total with 2 covered (18.18%), Municipalities are 276 in total with 34 covered (12.32%), and Rural Municipalities are 460 in total with 53 covered (11.52%) respectively.

Figure 2: Percent of sampled LGs covered Vs types of LGs

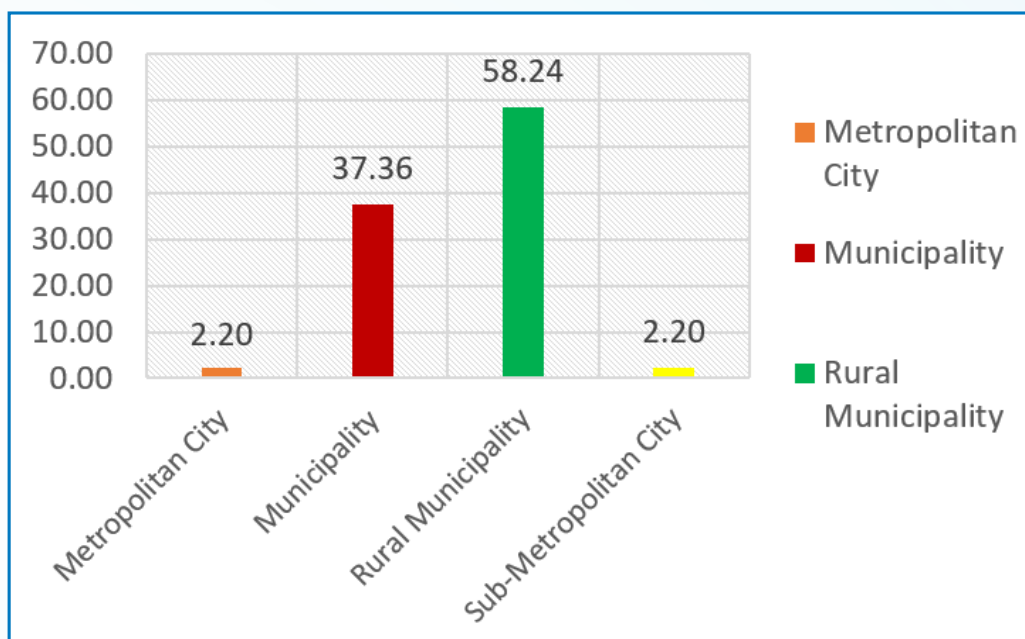


Table 2: Percent of LGs covered with respect to total LG according to types of LGs

Types of LG	Total LG Number	Data Collected From	% of LGs covered
Metropolitan City	6	2	33.33
Sub-Metropolitan City	11	2	18.18
Municipality	276	34	12.32
Rural Municipality	460	53	11.52
Total	753	91	12.08

Source: Red books/Budget Speech of 91 LGs

Figure 3 highlights sampled LGs covered as per region. In the sample composition by region, Hilly comprises of 61.54%, Tarai constitutes of 24.18% and Mountain covers 14.29% of the sampled LGs.

Table 3 reflects percent of sampled LGs with respect to total LGs according to different regions. The hilly region has 349 total LGs, with data collected from 56 (16.05% covered), the mountain region has 128 total LGs, with data from 13 (10.16% covered), and the Tarai region has 276 total LGs, with data from 22 (7.97% covered).

Figure 3: Percent of sampled LGs covered as per region

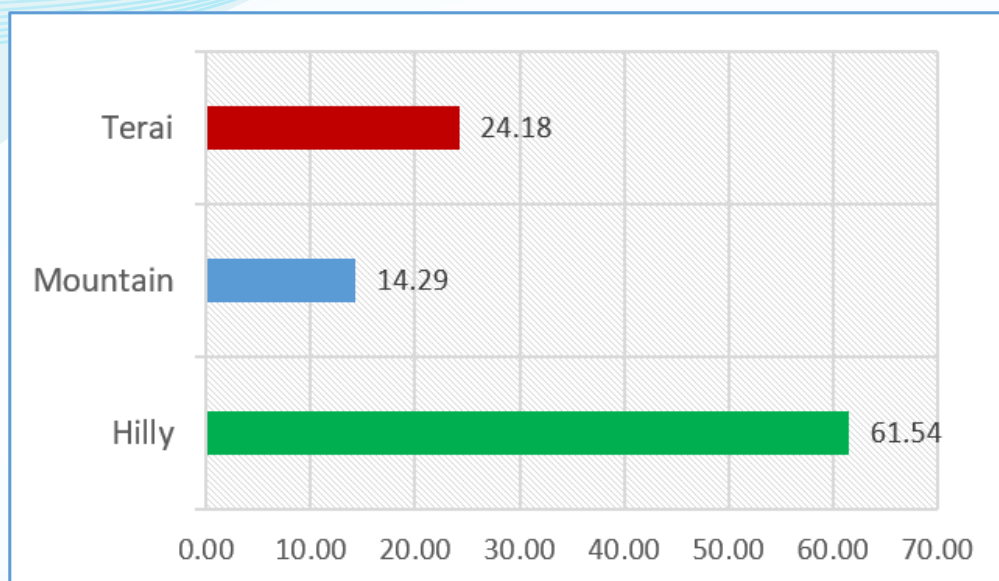


Table 3: Sample size with respect to total LGs as per regions

Types of Regions	Total LG Number	Data Collected From	% of LGs covered
Hilly	349	56	16.05
Mountain	128	13	10.16
Terai	276	22	7.97
Total	753	91	12.08

Source: Red books/Budget Speech of 91 LGs

1.4. Limitations

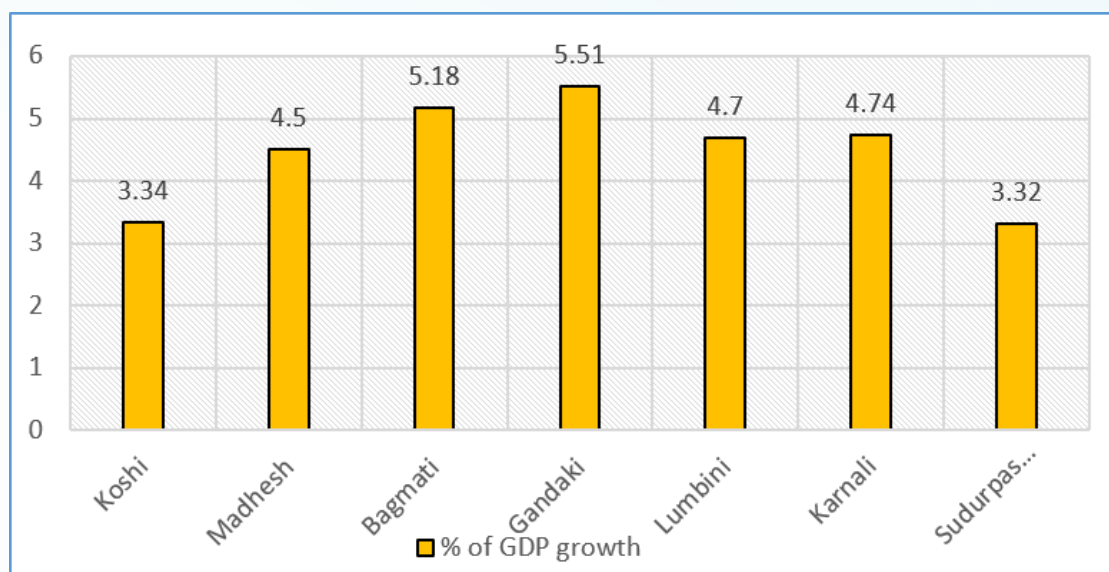
The main limitation of this budget analysis is the sample size, which covers only 12.08% of all LGs in Nepal. Additionally, while 91 LGs were selected for the sample, actual budget information was received from only 70 LGs, and internal revenue data related to education budgets was available from just 52 LGs. Moreover, specific data and information related to GIEN proved difficult to obtain, GIEN allocations were often included within broader sectors or merged into the education sector in the sampled LGs. Despite these constraints, efforts were made to compare the available data among local units and extract meaningful insights for the report's analysis.

2. Context (Financial and education context of LG, national and local education priorities)

2.1 Financial Context at Federal, Province and Local level

Findings from the Economic Survey 2023/24 indicate that Nepal's GDP growth rate was 3.87% with inflation at 5.44%. Growth rose by 1.92 percentage points from 1.95% the previous year, while inflation fell by 2.3 percentage points from 7.74%. The National Statistics Office estimates (as shown in Figure 4) GDP growth at 4.61%, led by Gandaki province at 5.51%, followed by Bagmati at 5.18%, Karnali at 4.74%, Lumbini at 4.7% and Madhesh at 4.5% respectively. Koshi and Sudurpashchim have the lowest rates at 3.34% and 3.32%. The 2025/26 budget totals Rs 1.964 trillion, with Rs 211.17 billion allotted to education. The federal government dedicates 10.75% of its budget to education. Provincially, Sudurpashchim invests the most at over 11.51%, Madhesh the least at 2.06%. Locally, Bagmati leads in education funding, while Karnali lags, highlighting enduring regional disparities.

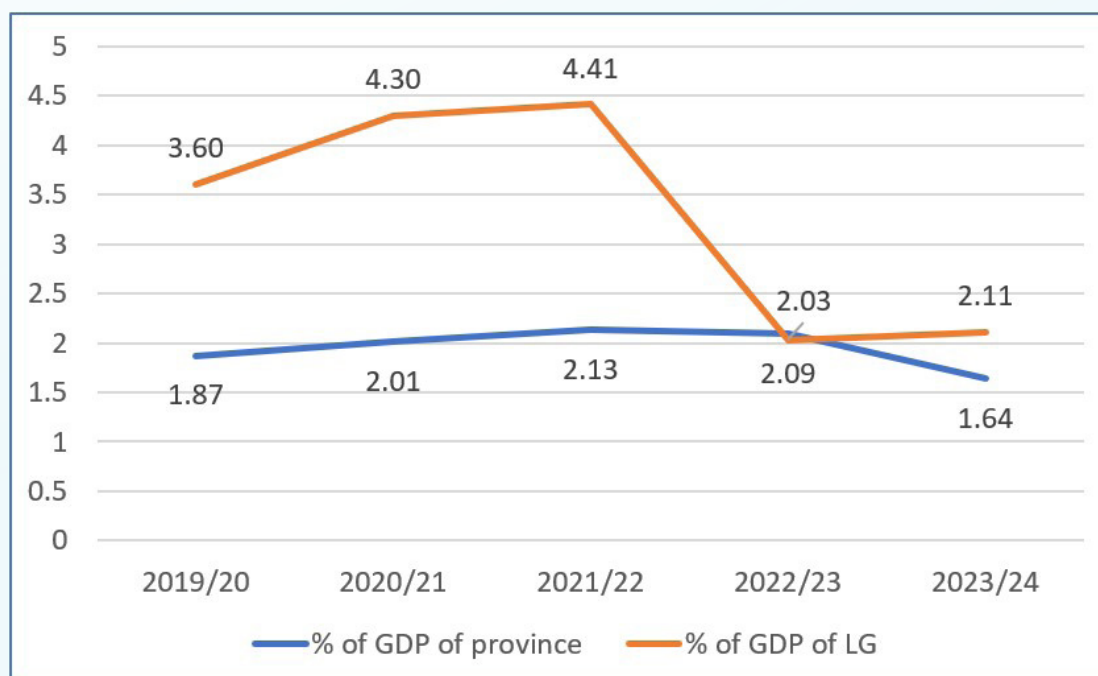
Figure 4: Percent of annual GDP growth as per province



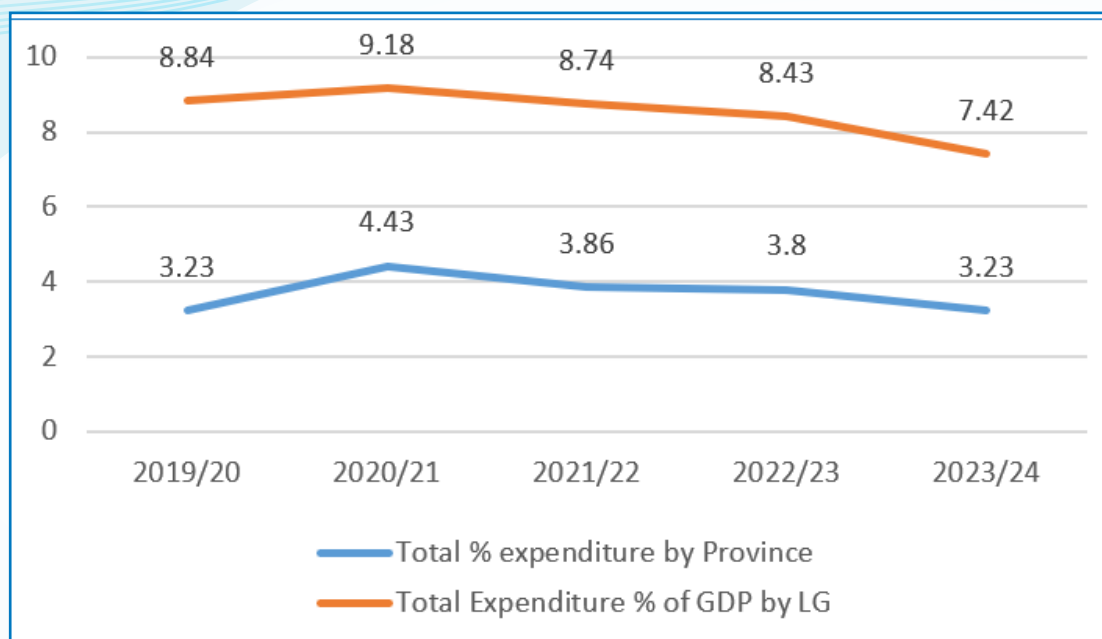
Source: Red books/Budget Speech of 91 LGs

Figure 5 outline, in FY 2023/24, internal revenue generation by local governments as a percentage of GDP decreased to 2.11%, while provincial revenue fell to 1.64%, resulting in total revenue of 3.75% of GDP, a decline from the previous year.

Figure 5: Internal revenue generation of LGs as percent of GDP



Source: FCGO 2024

Figure 6: Total expenditure percent of GDP by LG & Province

Source: FCGO 2024

Figure 6 gives overview of total expenditure by local governments rose to 7.42% of GDP, with provinces accounting for 3.23%, making the total expenditure 10.65% of GDP. This shows a clear trend: local governments are spending more as share of GDP while their internal revenue generation has decreased.

For the fiscal year 2025/26, Nepal's total budget is Rs 1,964.11 billion, with 78.02% allocated to the federal government, 5.18% to provincial governments, and 16.79% to local governments.

Table 4: Federal budget transfer to province and LGs

Grant Type	Provinces (NPR Billion)	Percent	LGs (NPR Billion)	Percent	Total (NPR Billion)
Equalization Grant	60.66	3.09%	88.97	4.53%	149.63
Conditional Grant	30.35	1.55%	211.46	10.77%	241.81
Special Grant	3.27	0.17%	9.78	0.50%	13.05
Complimentary Grant	3.28	0.17%	10.06	0.51%	13.34
Revenue Sharing	165				165
	262.56		320.27		582.83
Total	5.18%		16.79%		78.02%

Source: FCGO 2024

The federal government transfers Rs 582.83 billion (as shown in Table 4) to provinces and local levels through various grants, which represent 29.68% of the total budget. These transfers are broken down as follows: fiscal equalization grants (Rs 60.66 billion to provinces, 3.09%; Rs 88.97 billion to local, 4.53%), conditional grants (Rs 30.35 billion to provinces, 1.55%; Rs 211.46 billion to local, 10.77%), special grants (Rs 3.27 billion to provinces, 0.17%; Rs 9.78 billion to local, 0.50%), and complimentary grants (Rs 3.28 billion to provinces, 0.17%; Rs 10.06 billion to local, 0.51%).

Table 5 presents the breakdown of intergovernmental fiscal transfer to local governments in Nepal for FY 2025/26, showing that rural municipalities receive largest share 48.1% of the total grant, followed by municipalities 44.7%, while metropolitan and sub-metropolitan cities receive much smaller shares 3.7% and 3.6% respectively.

Table 5: Internal revenue generation of LGs as percent of GDP

LG type	Amount (NPR billion)	% of Total LG grant
Metropolitan	11.74	3.7
Sub-Metropolitan	11.38	3.6
Municipality	143.1	44.7
RM	154.2	48.1

Source: Red books/Budget Speech of 91 LGs

The distribution supports the federal government's aim of equitable source allocation, prioritizing areas with greater needs and larger populations to promote inclusive development.

The table 6 shows the percentage of Nepal's education budget transferred to local governments from FY 2018/19 to 2025/26. The share has fluctuated but generally increased, rising from 63.27% in 2018/19 to a projected 70% in 2025/26. This reflects a consistent move toward decentralizing education financing and empowering local governments under fiscal federalism.

Table 6: Education budget transferred to LGs

FY	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Local Government	63.27%	57.53%	64.49%	63.82%	61.61%	68.83%	69.41%	70%

Source: FCGO 2024

This reflects a consistent move toward decentralizing education financing and empowering local governments under fiscal federalism.

2.2 Education Context of Nepal

Nepal's education system is structured with one year of ECD, followed by eight years of basic education (Grade 1 to 8) and four years of secondary education (Grades 9 to 12), as outlined in the Constitution, which guarantees free and compulsory basic education and free secondary education for all children. The system is delivered through government aided public/community schools and privately funded institutional schools, with all institutions following the national curriculum.

According to the Flash Report 2024/25, the Net Enrolment Rate (NER) for Grades 1 to 5 is 94.4%, for Grades 6 to 8 is 93.6%, and for Grades 1 to 8 is 94.1%. For secondary levels, NER is 75.8% for Grades 9 to 10, 37.1% for Grades 11 to 12, and 55.8% for Grades 9 to 12. The Gender Parity Index (GPI) is 0.92 for Grades 1 to 8 and 0.96 for Grades 9 to 12, showing progress toward gender equity. About 47.2% of enrolment is in government-supported Early Childhood Education Development (ECED).

The dropout rate at Grade 8 is 6.4%, and about 32% of students do not progress beyond Grade 10, with higher rates for marginalized groups. Children from Dalit communities make up about 17.0% of Grades 1 to 8 enrolment and 12.5% in Grades 9 to 12. In Madhesh Province, 14% of children have never attended school, and 5.5% have dropped out, both higher than the national average. Children with disabilities face higher dropout rates and are less likely to enroll or complete school, especially in rural and remote areas. The national net enrolment rate is 96.6%, and more than eight million children are enrolled in basic and secondary schools. The National Planning Commission reports 35,055 schools in Nepal, with private schools covering about 23% of school-level education.

Despite progress, local government in Nepal struggle to provide quality education due to lack of resources, trained teachers, and proper infrastructures especially for girls and children with disabilities. There are not adequate teaching materials, and schools often face funding shortages. Governance system is weak, with poor monitoring and limited support from higher levels. Parental involvement is minimal followed by poverty, social exclusion, discrimination among the students at community and schools make things worse. Mass migration of youth to urban area and abroad for better opportunity and due to weather pattern change due to climate impact additionally made it harder to local governments to improve education standards.

Therefore, recent reforms focus on inclusivity, quality and the integration of technical and vocational education to meet the national and global workforce demands. The National Education Policy (NEP) emphasizes access, equity and excellence, with target to improve enrollment and address gaps for marginalized communities and children with disabilities. The government's strategic plans aim to make education qualitative, professional, and employment-oriented, ensuring safe and inclusive learning environments for all students.

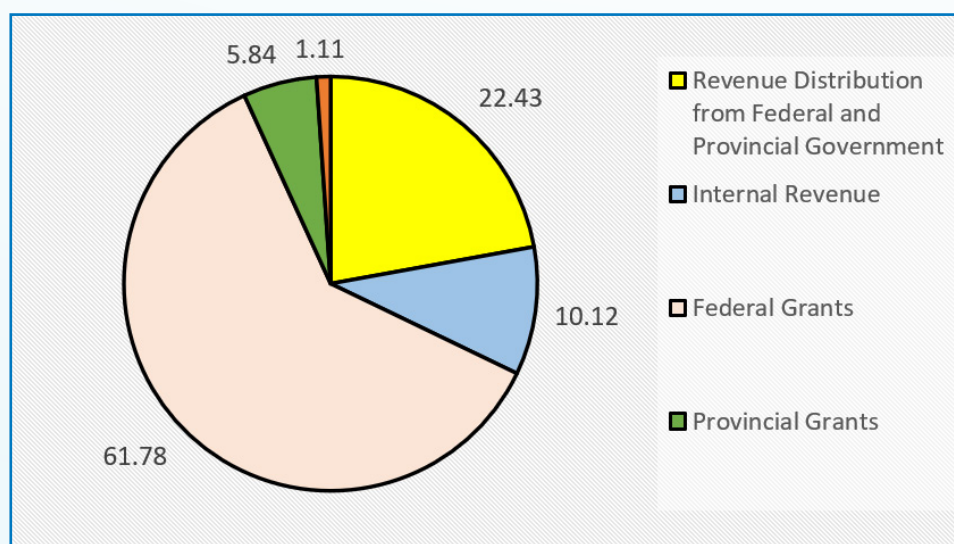
The MoEST's allocation for FY 2025/26 is 10.75% of the total national budget, amounting to NPR 211.17 billion. The midday meal program receives 4.8% (NPR 10.19 billion), benefitting 2.8 million students, especially in rural and underserved areas. Free sanitary pads for female students are funded with 0.6% (NPR 1.29 billion), supporting 1.3 million students and promoting gender equity. Scholarships for marginalized communities such as Mushahar, Dom and Chamar, receive 1.2% (NPR 2.44 billion), focusing on higher education in medicine to foster inclusive access.

3. Share of total budget source of LG

3.1: Proportion of the sources of the total budget allocated to sampled LGs

The figure 7 depicts that federal grants constitute the largest portion of sources of the total budget (61.78%), indicating a heavy reliance on direct federal support for local governments operations. Revenue distribution from the federal and provincial sources follows with 22.43%, highlighting the significance of intergovernmental transfers. Provincial grants contribute a much smaller portion (5.84%), while internal revenue accounts for only 10.12%, suggesting limited local revenue generation capacity. The remaining 1.11% comes from other sources such as I/NGO and fundraising, which play a minor role in the overall funding structure. This distribution underscores the critical role of federal grants in local government financing and highlights the need for enhancing local revenue mobilization for greater financial autonomy and sustainability.

Figure 7: Proportion of the sources of total budget allocated to LGs



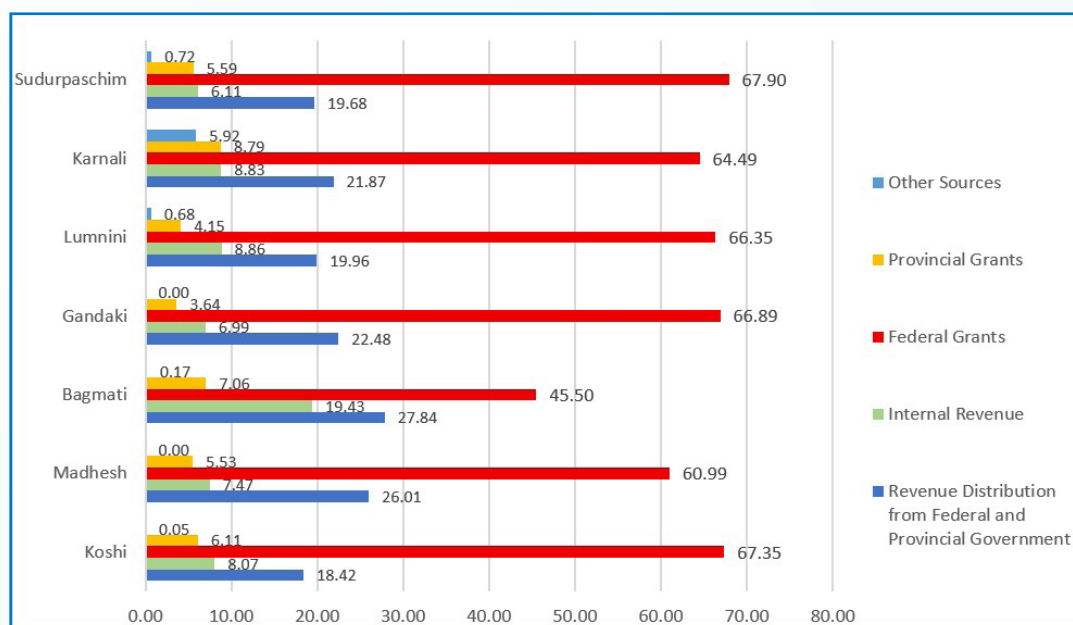
Source: Red book/budget speech of 91 LGs

3.2: Proportion of sources of the total budget of LGs allocated by province

Figure 8 illustrates the percent of total budget for local governments distributed by revenue source- federal grants, provincial grants, internal revenue, and other sources across provinces. The total budget of LGs by province is mainly funded by federal grants, with internal revenue and federal/provincial government contributions also playing significant roles. Federal grants make up the largest share, ranging from 45.5% in Bagmati to 67.9% in Sudurpaschim. Internal revenue is the second-largest source, especially in Bagmati (19.4%), while other provinces generally have lower internal revenue (6.11 to 8.86%). Revenue from federal and provincial governments varies between 18.4% (Koshi) and 27.8% (Bagmati), with provincial grants contributing minimally (3.64 to 8.79%). Other sources are negligible in most provinces except Karnali (5.9%) and Lumbini (0.68%).

This shows that LGs in Nepal are heavily dependent on federal grants for their budgets, indicating limited financial autonomy. Internal revenue generation is higher in urbanized provinces like Bagmati, while rural provinces rely more on federal and provincial support. Provincial grants and other sources are minor, suggesting a need for stronger local revenue systems and more equitable distribution from provincial governments to ensure sustainable and independent local development.

Figure 8: Percent of total budget of LGs by province

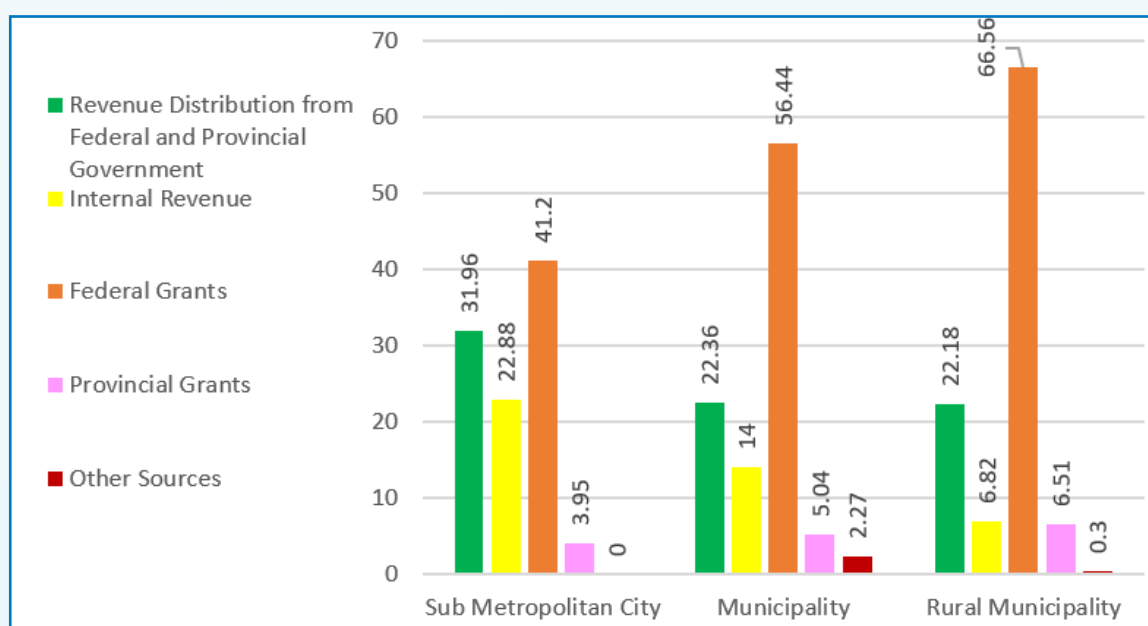


Source: Red books/Budget Speech of 91 LGs

3.3: Proportion of sources of the total budget of LGs with respect to types of LG

In Figure 9, the proportion of sources of the total budget for LGs shows a clear pattern by type of local government. No any data was obtained from the Metropolitan City and based on available data, the highest proportion from federal grants is in rural municipalities at 66.56% while the lowest is in sub metropolitan cities at 41.2%. Conversely, internal revenue is highest in sub-metropolitan cities at 22.88% and lowest in rural municipalities at 6.82% respectively.

Figure 9: Proportion of sources of the total budget of LGs by types of LGs



Municipalities receive 56.44% of their sources of the total budget from federal grants, which is lower than rural municipalities but higher than sub-metropolitan cities (41.2%). Their internal revenue is 14% higher than rural municipalities but lower than sub-metropolitan cities.

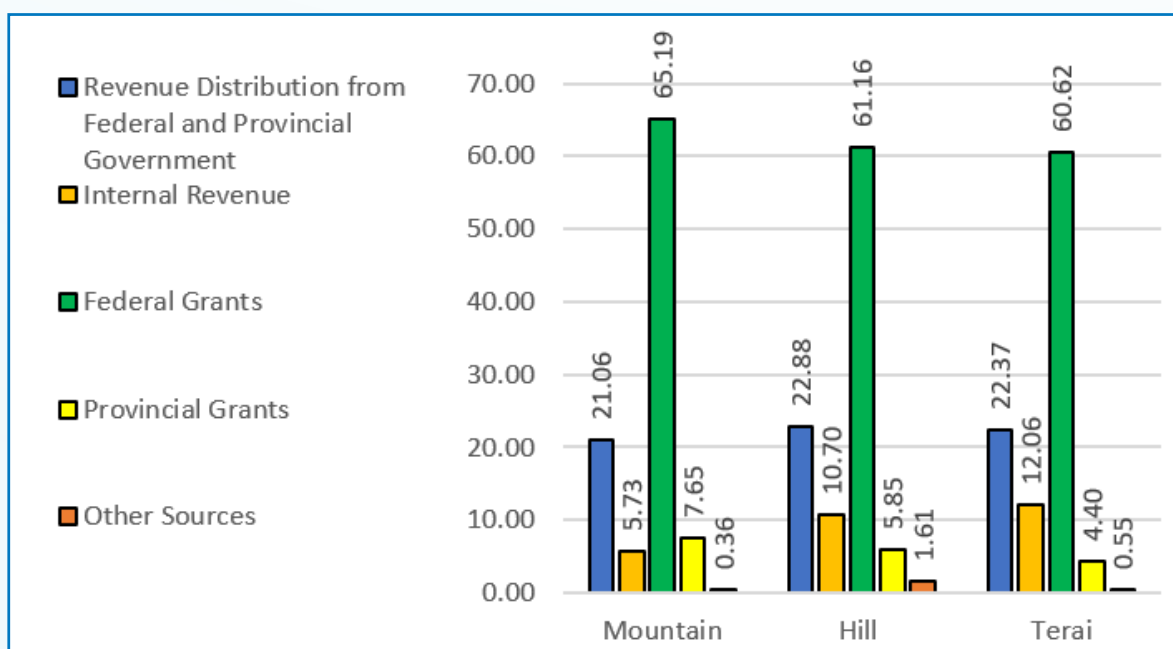
This indicates that rural municipalities are most dependent on federal grants, showing limited local revenue capacity and high reliance on central support. Municipalities have a moderate level of both federal grants and internal revenue, indicating some local financial autonomy but still significant federal dependence. Sub-metropolitan cities generate the highest internal revenue, suggesting stronger local economies and more financial independence. This pattern highlights the need for targeted efforts to build local revenue capacity, especially in rural municipalities, to ensure sustainable and equitable local governance across all types of local government.

3.4: Proportion of sources of the total budget of LGs with respect to geographic region

In Figure 10, the sources of the total budget of LGs by geographic region shows that federal grants are the largest source for all regions, with the highest proportion in mountain regions (65.19%) and the lowest in Terai (60.62%). Internal revenue is highest in Terai (12.06%) and lowest in mountain regions (5.73%). Revenue from federal and provincial government is highest in hill regions (22.88%) and lowest in mountain regions (21.06%). Provincial grants are highest in mountain regions (7.65%) and lowest in Terai (4.40%). Other sources are highest in hill regions (1.61%) and lowest in mountain regions (0.36%).

Mountain regions rely most on federal grants and provincial grants showing limited local revenue generation and higher dependency on external support. Terai regions have the highest internal revenue, indicating stronger local economic activity and better self-sufficiency. Hills regions have moderate values across all sources, with highest share from other sources.

Figure 10: Proportion of sources of total budget by geographic region



Source: Red books/Budget Speech of 91 LGs

3.5: Share of recurrent and capital budget to sampled LGs

The recurrent and capital budget for the sampled 38 local governments show that recurrent expenditure is much higher, with an average of about 63.94%, while capital expenditure makes up around 36.06%.

The highest recurrent share is in Narayan Municipality (79.6%) and the lowest in Pokhara Metropolitan City (42.1%). For capital expenditure, Pokhara has the highest share (57.9%) and Narayan the lowest (20.4%).

This pattern suggests most LGs focus on operational costs, but a few invest more in infrastructure, indicating a need for balance spending to ensure both service delivery and long-term development.

Figure 11: Share of recurrent and capital budget to sampled LGs

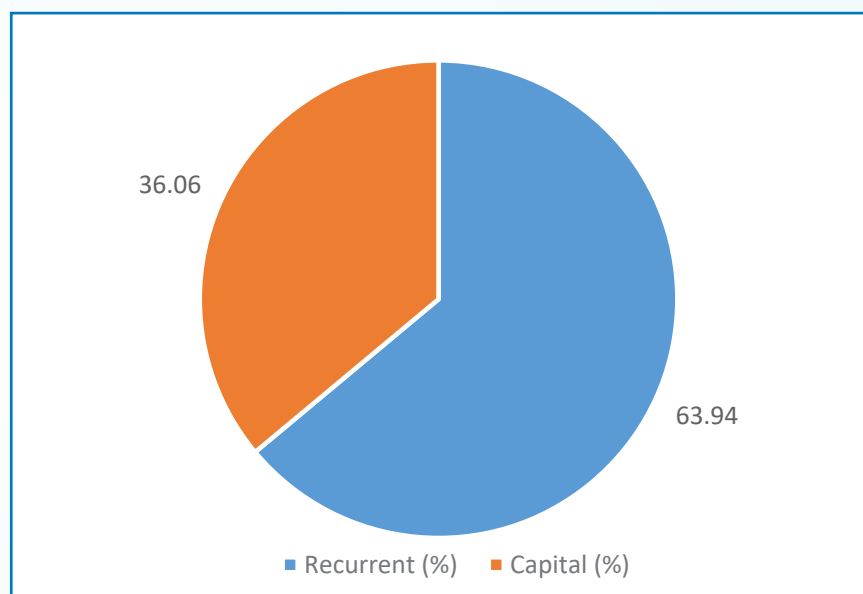


Figure 11: Share of recurrent and capital budget to sampled LGs

4: Education Financing of Local Governments

4.1: Percent of share of education budget from total budget of 91 LGs

In Table 7, out of the 91 sampled LGs, 83 met the national standard of allocating at least 20% of their total budget to education, while 8 fell short of this benchmark. The highest education budget share was 49.10% in Beni Municipality, and the lowest was 7.33% in Bardibas Municipality. The mean percent is 32.08 % among 91 sampled LGs which is mainly driven by substantial federal funding rather than strong internal revenue contributions. The majority of LGs are prioritizing education meeting or exceeding the national standard. This reflects a positive trend in decentralized education financing, showing local commitment to children's rights and inclusive development. However, the significant gap between the highest and lowest allocations indicates the need for targeted support and capacity building in underperforming LGs to ensure equitable education opportunities across Nepal.

Table 7: Percent of education budget from total budget of sampled

Rank	District	Name of Local Level	Education Share (%)
1	Myagdi	Beni Municipality	49.10
2	Achham	Turmakhad Rural Municipality	48.04
3	Palpa	Purbakhola Rural Municipality	45.21
4	Bajhang	Ribdikot Rural Municipality	44.84
5	Palpa	Bhimad Municipality	44.55
6	Tanahu	Thalara Rural Municipality	44.33
7	Darchula	Naugad Rural Municipality	43.19
8	Dailekh	Aathabis Municipality	42.64
9	Arghakhanchi	Sitganga Municipality	42.27
10	Rukum East	Sisne Rural Municipality	41.35
11	Gulmi	Dhurkot Rural Municipality	41.19

Rank	District	Name of Local Level	Education Share (%)
12	Ilam	Suryodaya Municipality	41.09
13	Palpa	Mathagadhi Rural Municipality	40.83
14	Dadeldhura	Nawadurga Rural Municipality	40.68
15	Achham	Mangalsen Municipality	40.64
16	Sindhuli	Dudhouli Municipality	40.47
17	Tanahu	Rhishing Rural Municipality	40.17
18	Doti	Badikedar Rural Municipality	40.12
19	Taplejung	Phungling Municipality	39.80
20	Dailekh	Gurans Rural Municipality	39.80
21	Tanahu	Bandipur Rural Municipality	39.31
22	Rukum West	Chaurjahari Municipality	38.93
23	Rupandehi	Kanchan Rural Municipality	38.60
24	Dailekh	Narayan Municipality	38.49
25	Tanahu	Ghiring Rural Municipality	38.46
26	Syangja	Aandhikhola Rural Municipality	38.37
27	Tanahu	Devghat Rural Municipality	37.88
28	Salyan	Siddha Kumakh Rural Municipality	37.82
29	Jajarkot	Junichande Rural Municipality	37.51
30	Pyuthan	Sarumarani Rural Municipality	37.31
31	Jhapa	Barhadashi Rural Municipality	37.14
32	Okhaldhunga	Manebhanjyang Rural Municipality	36.72
33	Salyan	Bangad Kupinde Municipality	36.51
34	Khotang	Kepilasagadhi Rural Municipality	36.26
35	Baglung	Tara Khola Rural Municipality	35.80
36	Udayapur	Udayapurgadhi Rural Municipality	35.47
37	Banke	Baijanath Rural Municipality	35.47
38	Dailekh	Mahabu Rural Municipality	35.38
39	Nuwakot	Bidur Municipality	35.35
40	Baitadi	Surnaya Rural Municipality	34.97
41	Dailekh	Bhagawatimai Rural Municipality	33.75
42	Dolakha	Bhimeshwor Municipality	33.48
43	Dhading	Tripura Sundari Rural Municipality	33.37
44	Khotang	Barahapokhari Rural Municipality	33.33
45	Mahottari	Pipra Rural Municipality	33.08
46	Rukum West	Aathbiskot Municipality	32.91
47	Rautahat	Yemunamai Rural Municipality	32.90
48	Sindhupalchok	Jugal Rural Municipality	32.90
49	Nawalparasi East	Devchuli Municipality	32.80
50	Bajura	Swami Kartik Khaapar Rural Municipality	32.79
51	Dang	Shantinagar Rural Municipality	32.33
52	Saptari	Shambhunath Municipality	31.39
53	Sindhupalchok	Balefi Rural Municipality	31.23
54	Dhading	Gajuri Rural Municipality	31.04
55	Sarlahi	Kabilasi Municipality	30.70
56	Mahottari	Gaushala Municipality	30.60

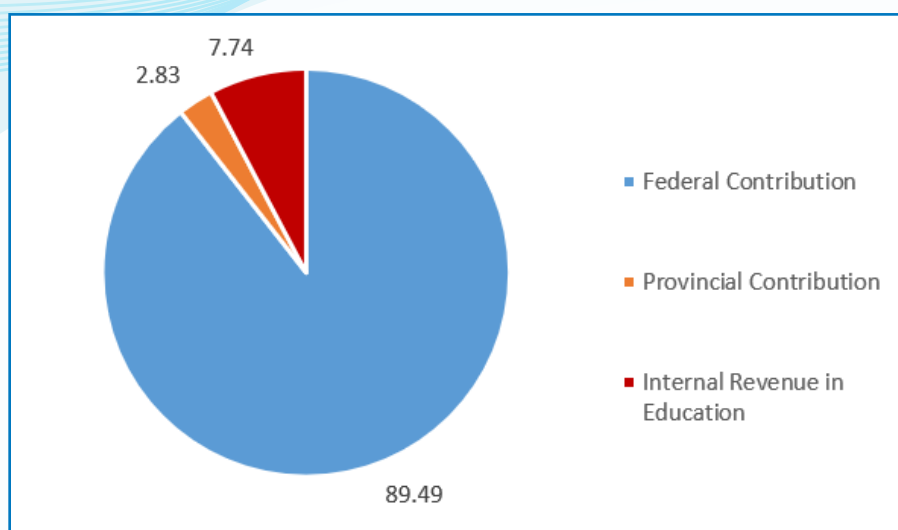
Rank	District	Name of Local Level	Education Share (%)
60	Banke	Nepalgunj Sub-Metropolitan City	29.52
61	Humla	Tanjakot Rural Municipality	29.38
62	Lamjung	Dordi Rural Municipality	29.27
63	Sarlahi	Bramhapuri Rural Municipality	28.38
64	Dailekh	Dullu Municipality	28.07
65	Parsa	Birgunj Metropolitan City	28.06
66	Dadeldhura	Ganayapdhura Rural Municipality	27.67
67	Rolpa	Sunchhahari Rural Municipality	27.46
68	Tanahu	Myagde Rural Municipality	27.18
69	Rautahat	Katahariya Municipality	27.03
70	Kavrepalanchok	Banepa Municipality	26.52
71	Jhapa	Damak Municipality	25.45
72	Syangja	Kaligandagi Rural Municipality	25.35
73	Bajura	Badimalika Municipality	25.31
74	Siraha	Karjanha Municipality	25.00
75	Bardiya	Thakurbaba Municipality	24.08
76	Bajura	Jagannath Rural Municipality	23.88
77	Manang	Narshon Rural Municipality	23.68
78	Morang	Budhiganga Rural Municipality	23.36
79	Sankhuwasabha	Chichila Rural Municipality	22.67
80	Makwanpur	Bhimphedi Rural Municipality	22.27
81	Salyan	Sharada Municipality	21.44
82	Kaski	Pokhara Metropolitan City	20.83
83	Rupandehi	Tillotama Municipality	20.56
84	Dhading	Thakre Rural Municipality	19.96
85	Lalitpur	Godawari Municipality	16.45
86	Kathmandu	Shankharapur Municipality	14.96
87	Rautahat	Baudhimai Municipality	13.79
88	Bhaktapur	Suryabinayak Municipality	12.16
89	Solukhumbu	Khumbu Pasang Lhamu Rural Municipality	11.69
90	Kailali	Lamkichuha Municipality	9.49
91	Mahottari	Bardibas Municipality	7.33

Source should be Red books/budget speech of 91 LGs

4.2: Sources of education budget of sampled LGs

The education budget of the sampled LGs is dominated by federal contributions, which account for 89.49% of the total, while provincial contributions make up only 2.83% and internal revenue sources from the LGs themselves contribute 7.74%. This depicts a high dependency on federal support for education financing, with limited direct involvement from provincial authorities and a moderate, yet secondary, role of local revenue generation, highlighting the need for LGs to strengthen their own financial capacities and for increased provincial investment to ensure balanced funding.

Figure 12: Sources of percent of education budget of sampled LGs.



Source should be Red books/Budget speech of 91 LGs

4.3: Education budget from internal revenue

The table 8 shows the percentage of education budget allocated from the internal revenue across available 52 sampled LGs in Nepal.

Table 8: Education budget from total internal revenue

Rank	District	Name of Local Level	Internal Revenue in education (%)
1	Jhapa	Damak Municipality	21.18
2	Lalitpur	Godawari Municipality	20.59
3	Dhading	Gajuri Rural Municipality	19.02
4	Kathmandu	Shankharapur Municipality	18.25
5	Dailekh	Aathabis Municipality	18.00
6	Rautahat	Yemunamai Rural Municipality	16.69
7	Sindhupalchok	Jugal Rural Municipality	16.69
8	Rupandehi	Tillotama Municipality	14.55
9	Jhapa	Barhadashi Rural Municipality	14.38
10	Palpa	Mathagadhi Rural Municipality	13.93
11	Rautahat	Katahariya Municipality	12.33
12	Makwanpur	Bhimphedi Rural Municipality	12.28
13	Mahottari	Pipra Rural Municipality	12.03
14	Dailekh	Bhagawatimai Rural Municipality	12.03
15	Dhading	Tripura Sundari Rural Municipality	12.01
16	Bhaktapur	Suryabinayak Municipality	11.77
17	Banke	Baijanath Rural Municipality	11.47
18	Sindhuli	Dudhouli Municipality	11.16
19	Nawalparasi East	Devchuli Municipality	9.96
20	Makwanpur	Hetauda Sub-Metropolitan City	9.18
21	Kavrepalanchok	Banepa Municipality	9.07
22	Tanahu	Bandipur Rural Municipality	8.68
23	Kaski	Pokhara Metropolitan City	8.52

Rank	District	Name of Local Level	Internal Revenue in education (%)
24	Tanahu	Rhishing Rural Municipality	8.29
25	Tanahu	Bhimad Municipality	7.62
26	Rupandehi	Kanchan Rural Municipality	7.18
27	Morang	Budhiganga Rural Municipality	6.50
28	Myagdi	Beni Municipality	6.30
29	Palpa	Ribdikot Rural Municipality	6.07
30	Ilam	Suryodaya Municipality	5.44
31	Bardiya	Thakurbaba Municipality	5.25
32	Gulmi	Dhurokot Rural Municipality	5.24
33	Pyuthan	Sarumarani Rural Municipality	4.26
34	Siraha	Karjanha Municipality	3.67
35	Taplejung	Phungling Municipality	3.04
36	Dailekh	Gurans Rural Municipality	3.04
37	Dang	Shantinagar Rural Municipality	2.57
38	Rolpa	Sunchhahari Rural Municipality	2.29
39	Mahottari	Bardibas Municipality	2.17
40	Sankhuwasabha	Chichila Rural Municipality	2.11
41	Salyan	Siddha Kumakh Rural Municipality	1.78
42	Khotang	Kepilasagadhi Rural Municipality	1.27
43	Bajhang	Thalara Rural Municipality	1.13
44	Dailekh	Mahabu Rural Municipality	1.00
45	Manang	Narshon Rural Municipality	0.66
46	Bajura	Jagannath Rural Municipality	0.63
47	Palpa	Purbakhola Rural Municipality	0.45
48	Dolakha	Bhimeshwor Municipality	0.43
49	Dailekh	Narayan Municipality	0.29
50	Okhaldhunga	Manebhanjyang Rural Municipality	0.00
51	Saptari	Shambhunath Municipality	0.00
52	Rautahat	Baudhimai Municipality	0.00

Source: Red books/Budget speech of 52 LGs

The highest allocation is Damak Municipality (Jhapa) at 21.18%, followed by Godawari Municipality (Lalitpur) at 20.59% and Gajuri Rural Municipality (Dhading) at 19.02%. In contrast, Baudhimai Municipality (Rautahat), Shambhunath Municipality (Saptari) and Manebhanjyang Rural Municipality (Okhaldhunga) allocates none and Narayan Municipality (Dailekh) only 0.29% indicating a significant disparity in local commitment to education. Most local governments allocate at the average of 7.74%, but the variation ranging from 21.18% to 0% reflects that some local governments prioritize education as a core development goal, while others allocate minimal or no resources, indicating differences in local priorities, revenue capacity and governance effectiveness.

Table 9 reflects that among local governments in Nepal, Damak Municipality (Jhapa) has the highest share from internal revenue in education at 21.18 %, while Manebhanjyang Rural Municipality (Okhaldhunga), Shambhunath Municipality (Saptari), and Baudhimai Municipality (Rautahat) all miss to allocate share from internal revenue allocated to education.

Table 9: Max and Min share and investment in education from internal revenue

Max and Min share of internal revenue in education budget		
Particular	Share	Name of LG
Max total education budget	49.1	Beni Municipality of Jhapa District
Min total education budget	7.33	Bardibas Municipality of Mahottari District
Max share from internal revenue	21.18	Damak Municipality of Jhapa District
Min share from internal revenue	0	Manebhanjyang Rural Municipality (Okhaldhunga), Shambhunath Municipality (Saptari), Baudhimai Municipality (Rautahat)

Source: Red books/Budget speech of 52 LGs

This indicates significant variation in education investment and revenue sharing among local governments, with some allocating a substantial portion of their internal revenue to education while others allocate nothing.

4.4. Education budget of LGs by province

Figures 13 to 19, represents the share of education budget from the total budget of local governments for 7 provinces reflecting the budget trends within and between provinces.

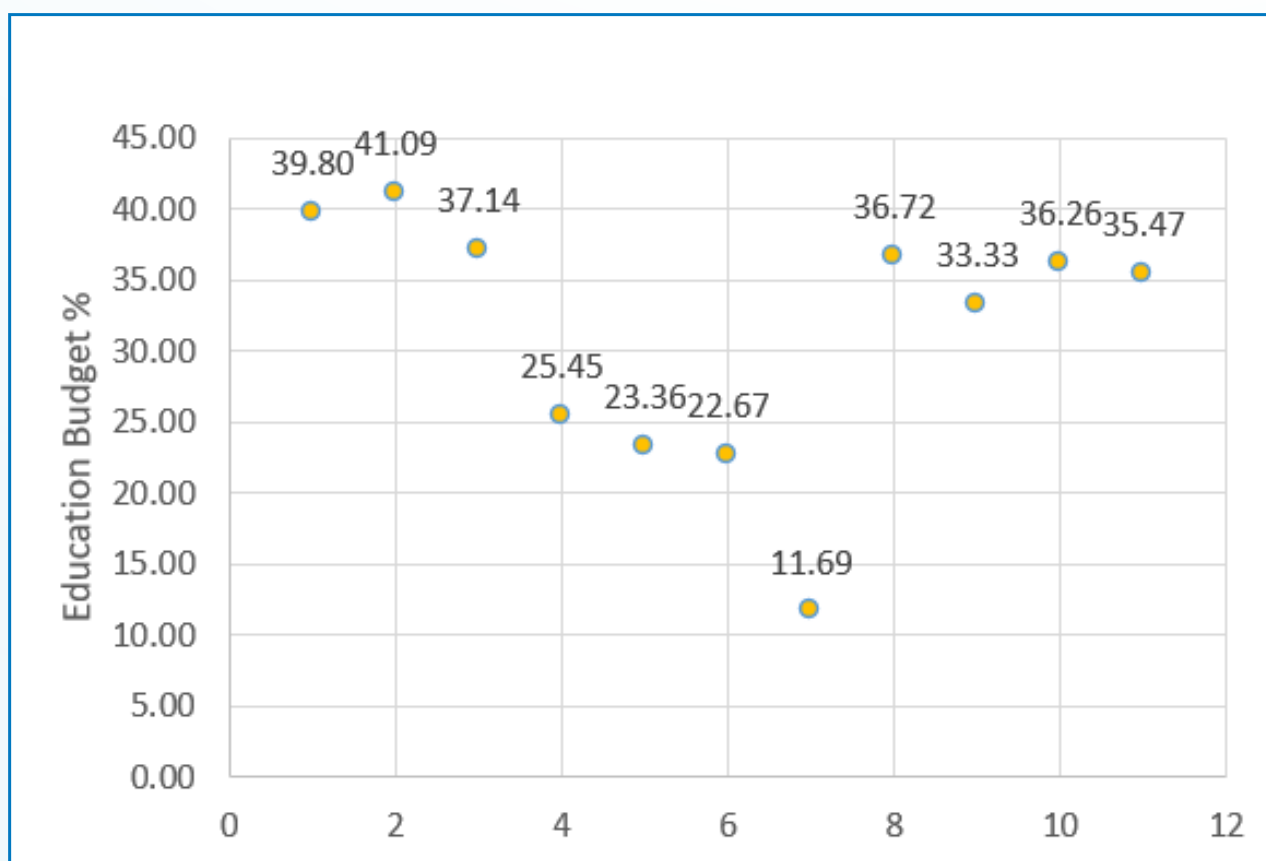
Figure 13: Share of education budget from total budget of 11 LGs of Koshi Province

Figure 14: Share of education budget from total budget of 11 LGs of Madhesh Province

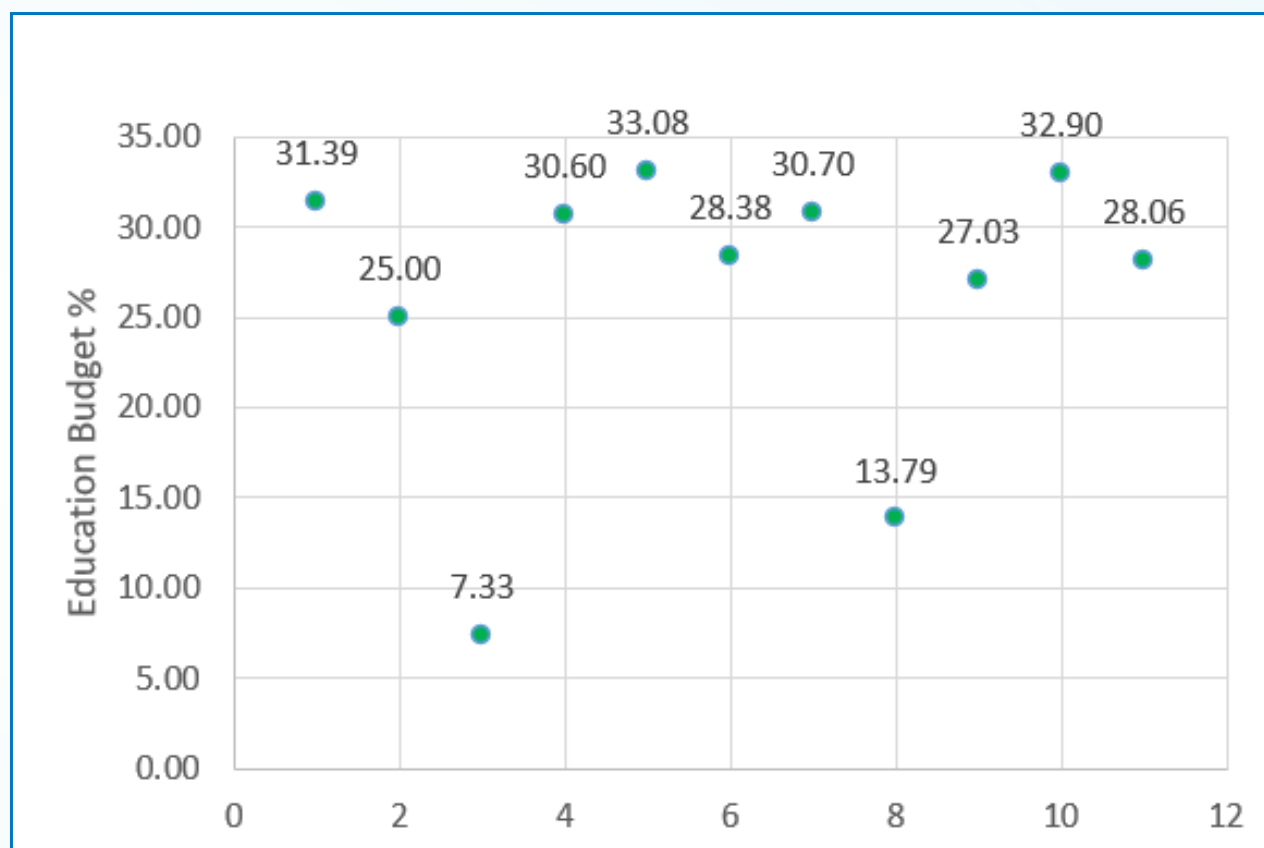


Figure 15: Share of education budget from total budget of 15 LGs of Bagmati Province

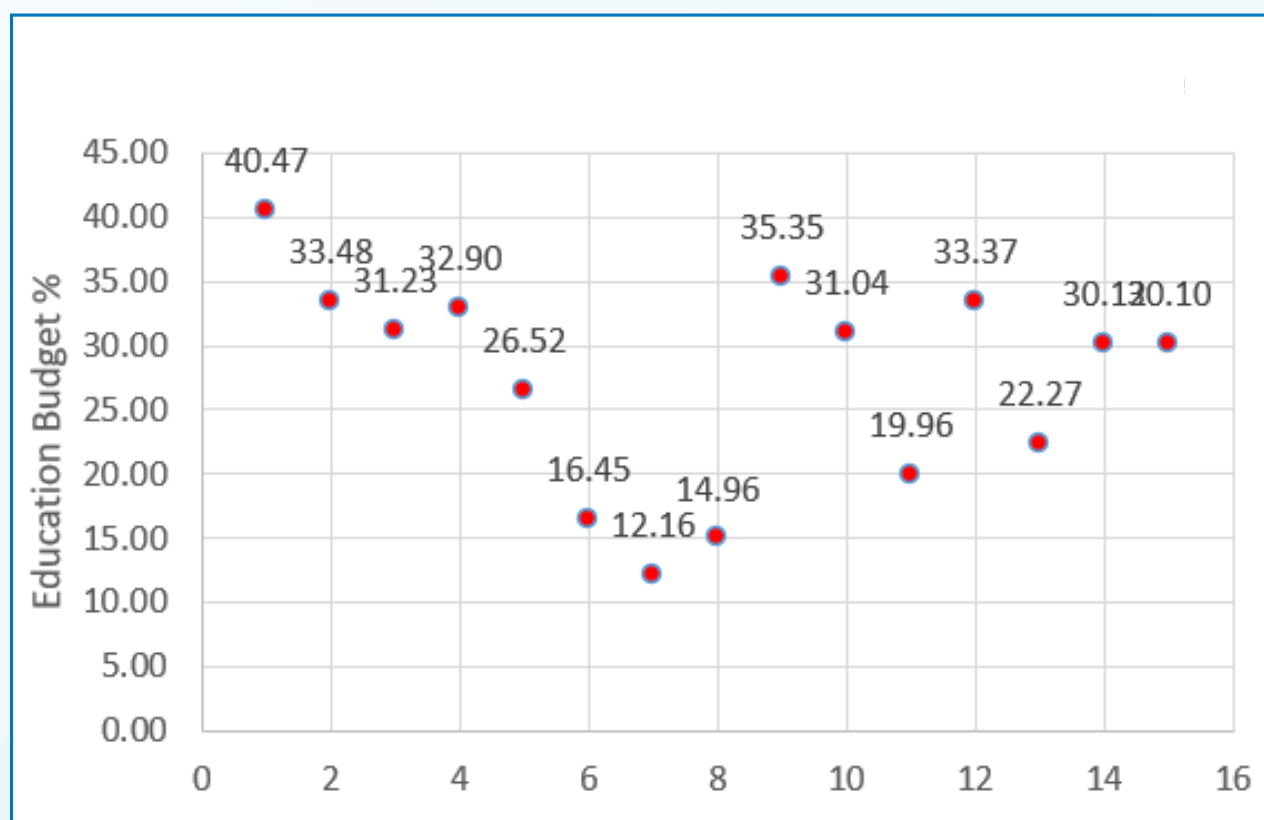


Figure 16: Share of education budget from total budget of 15 LGs of Gandaki Province

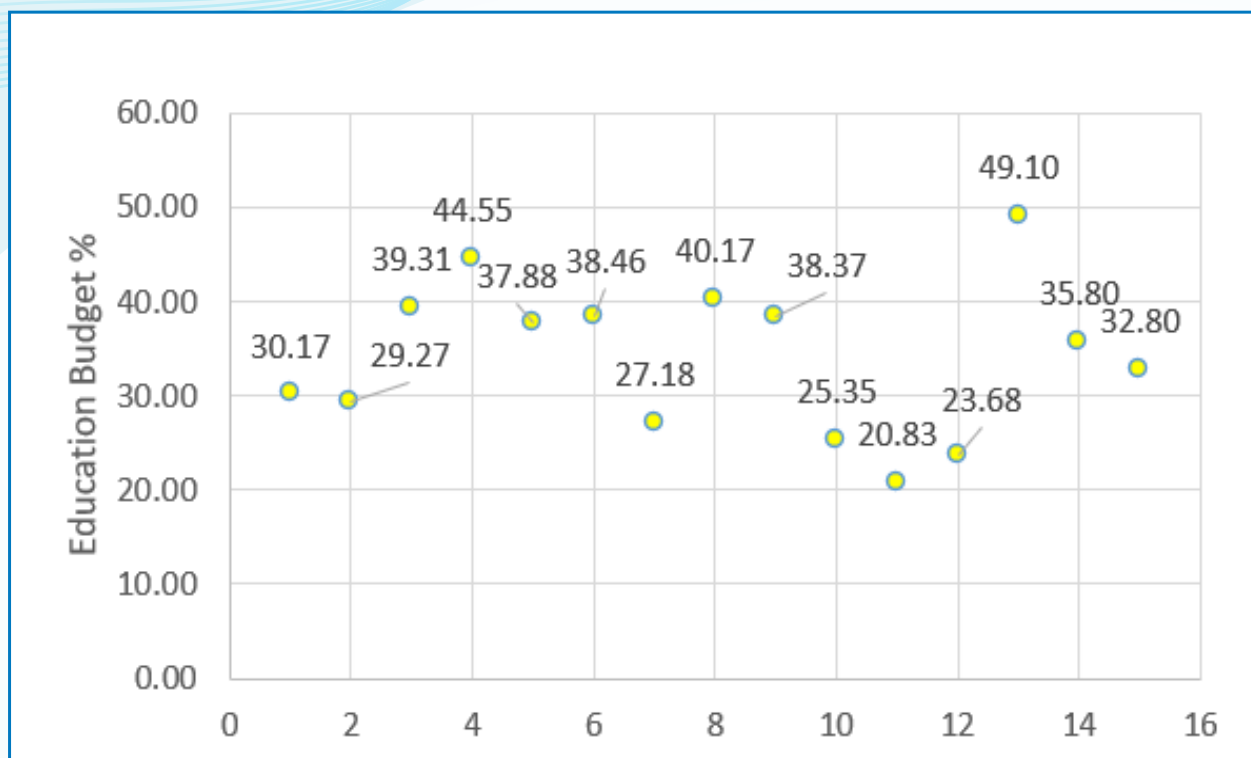


Figure 17: Share of education budget from total budget of 14 LGs of Lumbini Province

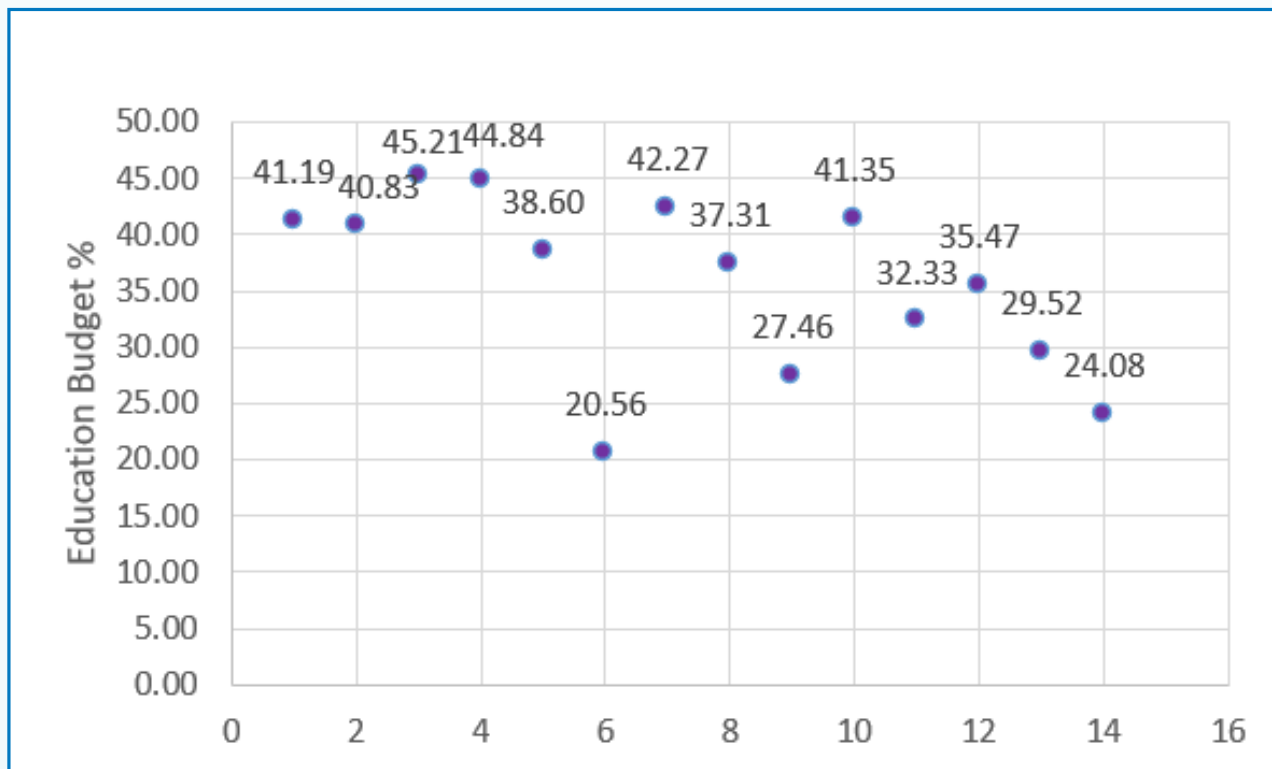


Figure 18: Share of education budget from total budget of 13 LGs of Karnali Province

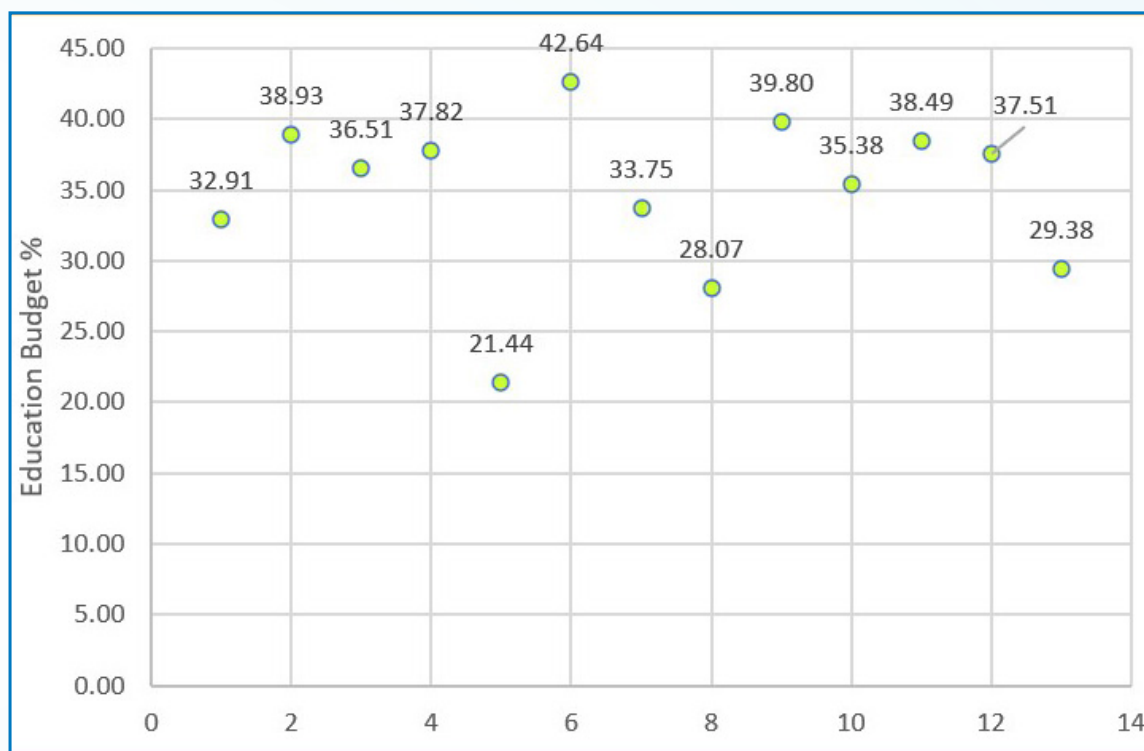
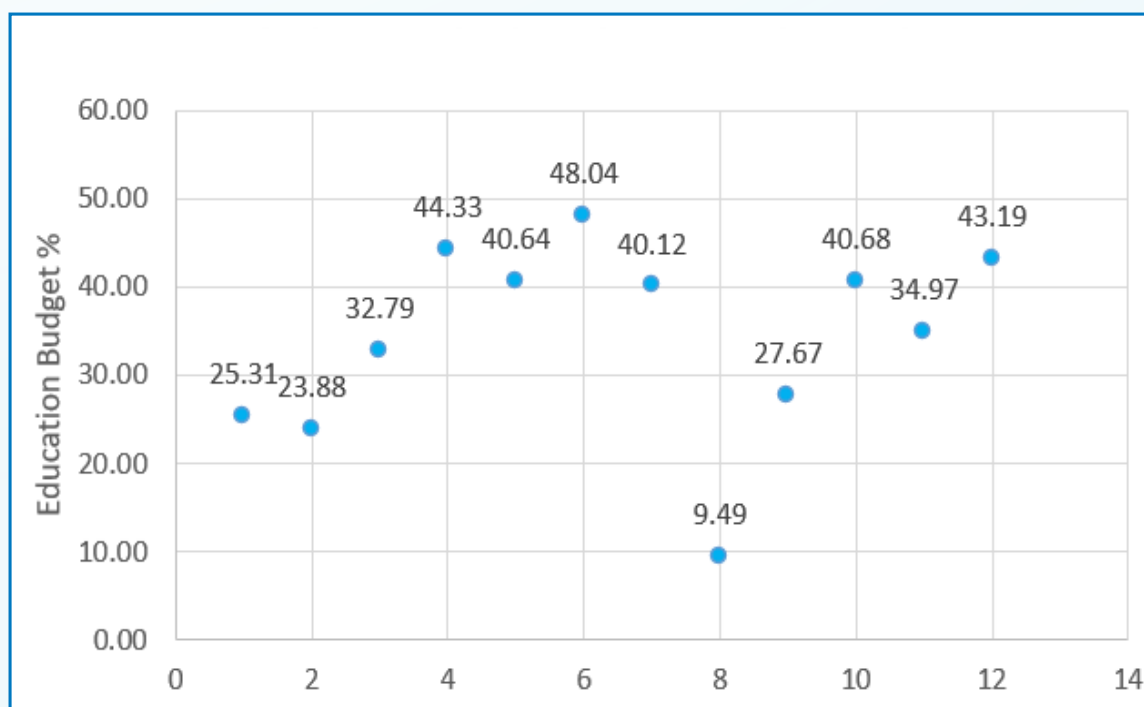


Figure 19: Share of education budget from total budget of 12 LGs of Sudurpaschim Province



Source: Red books/Budget Speech of Sampled LGs of 7 Provinces

LG of Koshi Province demonstrates consistently allocates a high share of its LG budget to education, with percentages ranging from 22.67% to 41.09% (Figure 13). This trend reflects a strong provincial commitment to education, particularly in rural and mountainous areas, where access to quality education remains a challenge. The high allocation suggests that Koshi's LGs prioritize education as a key driver for development, setting a benchmark for other provinces.

LG of Madhesh Province shows a wide variation in education budget shares, from 7.33% to 33.08% (Figure 14). This disparity highlights uneven prioritization among LGs, with some investing heavily while others lag behind. Compared to Koshi, Madhesh' lower average allocation may reflect differing fiscal priorities and the need for more equitable distribution to address educational disparities within the province.

LG of Bagmati Province's education budget share ranges from 12.16% to 40.47% (Figure 15). Despite some high performing LGs, the province as a whole has a lower average allocation, which aligns with national trends showing that Bagmati invests less in education compared to other provinces. The variation within Bagmati indicates that while some LGs are proactive, others require more provincial support to achieve balanced investment.

LG of Gandaki Province's education budget share varies from 20.83% to 49.10% (Figure 16). The high allocation in some LGs, such as Beni Municipality, demonstrate strong local commitment but the wide range suggests disparities in budgeting practices. Gandaki's trend shows a focus on technical and general education, but uneven investment across LGs could hinder equitable access to quality education.

LG of Lumbini Province's education budget shares ranges from 20.56% to 45.21% (Figure 17). The higher allocations in several LGs reflect a positive trend in prioritizing education, especially in rural municipalities. However, variation within the province suggests that while some LGs excel, others need more support to ensure uniform investment in education.

LG of Karnali Province's education budget share ranges from 21.44% to 42.64% (Figure 18). The province's trend shows a stronger commitment compared to Bagmati and Madhesh, with higher average allocations indicating a focus on improving school infrastructure and access.

LG of Sudurpaschim Province's education budget share varies from 9.49% to 48.04% (Figure 19). The large variation highlights both high local commitment in some municipalities and significant underinvestment in others. Compared to other provinces, Sudurpaschim's trend underscores the need for improved provincial coordination to ensure consistent and equitable investment in education.

Across provinces, Koshi and Gandaki stand out for their higher and more consistent education budget allocations, while Madhesh, Bagmati, and Sudurpaschim show greater disparities. The trend reflects both strong local initiatives and the need for more uniform provincial support to ensure equitable access and quality in education.

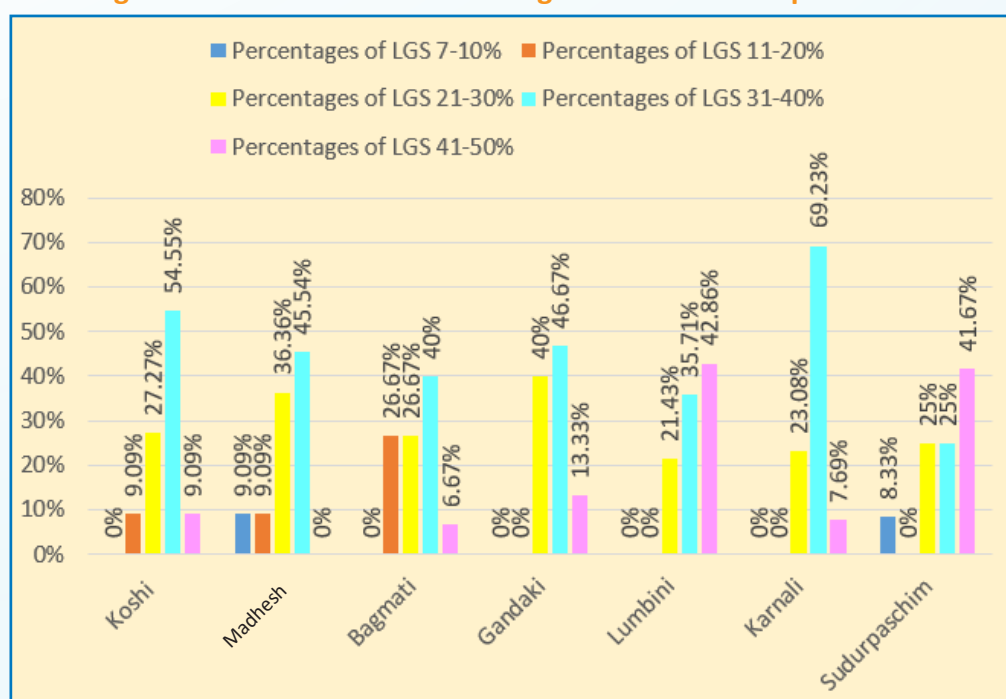
Table 10 & Figure 20 provide data on the percentages of LGs in each of seven provinces that allocate their education budget within different percentage ranges of their total budget.

Table 10: Details on share of education budget of LGs in seven provinces

S.N.	Provinces	Percentages of LGS				
		(7-10)%	(11-20)%	(21-30)%	(31-40)%	(41-50)%
1	Number of LGs	0	1	3	6	1
	Koshi Province	0%	9.09%	27.27%	54.55%	9.09%
2	Number of LGs	1	1	4	5	0
	Madhesh Province	9.09%	9.09%	36.36%	45.54%	0%
3	Number of LGs	0	4	4	6	1
	Bagmati Province	0%	26.67%	26.67%	40%	6.67%
4	Number of LGs	0	0	6	7	2
	Gandaki Province	0%	0%	40%	46.67%	13.33%
5	Number of LGs	0	0	3	5	6
	Lumbini Province	0%	0%	21.43%	35.71%	42.86%
6	Number of LGs	0	0	3	9	1
	Karnali Province	0%	0%	23.08%	69.23%	7.69%
7	Number of LGs	1	0	3	3	5
	Sudurpaschim Province	8.33%	0%	25%	25%	41.67%

Source: Red books/Budget Speech of sampled LGs of 7 Provinces

Figure 20: Share of education budget of LGs in seven provinces



Source: Red books/Budget Speech of Sampled LGs of 7 Provinces

In Koshi Province, no LGs allocate less than 10% of their budget to education. The majority 54.55% allocate between 31% and 40%, followed by 27.27% allocating between 21% and 30%. Only a small share allocates more than 40% or between 11% and 20%.

Madhesh Province shows a similar pattern: most LGs (45.45%) allocate between 31% and 40% of their budget to education, with 36.36% allocating between 21% and 30%. Only one LG allocates less than 10%, and the rest fall within the 11%-20% range.

Bagmati Province has no LGs allocating less than 10% to education. The largest group (40%) allocates between 31% and 40% followed by 26.67% in both the 11%-20% and 21%-30% ranges. Only 6.67% allocate more than 40%.

Gandaki Province also has no LGs allocating less than 10% to education. The majority (46.67%) allocate between 31% and 40% with 40% allocating between 21% and 30%. Only 13.33% allocate more than 40%.

Lumbini Province has no LGs allocating less than 10% to education. The largest share (42.86%) allocates more than 40%, followed by 35.71% allocating between 31% and 40%, and 21.43% allocating between 21% and 30%.

Karnali Province has no LGs allocating less than 10% to education. The vast majority (69.23%) allocate between 31% and 40%, with 23.08% allocating between 21% and 30%. Only 7.69% allocate more than 40%.

Sudurpaschim Province has one LG allocating less than 10% to education. The largest groups allocate between 21%-30% (25%), 31%-40% (25%) and more than 40% (41.67%).

Each province shows a significant majority of LGs allocating between 21% and 40% of their total budget to education, with Lumbini and Sudurpaschim provinces having a higher proportion allocating more than 40%.

Table 11 details the maximum and minimum total education budgets, as well as the maximum and minimum shares from internal revenue allocated to education, for LGs in each of seven provinces.

Table 11: Max and Min investment in education from internal revenue by LG in 7 provinces

Province	Max Total Edu Budget (%)	Min Total Edu Budget (%)	Max Share from Internal Revenue (%)	Min Share from Internal Revenue (%)
Koshi	41.09 (Suryodaya)	11.69 (Khumbu Pasang Lhamu)	21.18 (Damak)	0 (Manebhanjyang)
Madhesh	33.08 (Pipra)	7.33 (Bardibas)	16.69 (Yemunamai)	0 (Shambhunath)
Bagmati	40.47 (Dudhouli)	12.16 (Suryabinayak)	20.59 (Godawari)	0.43 (Bhimeshwar)
Gandaki	49.10 (Beni)	20.83 (Pokhara)	9.96 (Devchuli)	0.66 (Narshon)
Lumbini	45.21 (Purbakhola)	20.56 (Tillotama)	14.55 (Tillotama)	0.45 (Purbakhola)
Karnali	42.64 (Aathabis)	21.44 (Sharada)	18.00 (Aathabis)	0.29 (Narayan)
Sudurpaschim	48.04 (Turmakhad)	9.49 (Lamkichuha)	0.0 (Thalara)	0.6 (Jagannath)

Source: Red books/Budget Speech of Sampled LGs of 7 Provinces

LG of Koshi Province shows the highest total education budget allocation at 41.09% (Suryodaya Municipality) and the lowest at 11.69% (Khumbu Pasang Lhamu Rural Municipality). The maximum share from internal revenue is 21.8% (Damak Municipality), while the minimum is 0% (Manebhanjyang Rural Municipality).

LG of Madhesh Province has a maximum total education budget allocation of 33.08% (Pipra Rural Municipality) and a minimum of 7.33% (Bardibas Municipality). The maximum share from internal revenue is 16.69% (Yemunamai Rural Municipality), and the minimum is 0% (Shambhunath Municipality).

LG of Bagmati Province records a maximum total education budget allocation of 40.47% (Dudhouli Municipality) and a minimum of 12.16% (Suryabinayak Municipality). The highest share from internal revenue is 20.59% (Godawari Municipality), and the lowest is 0.43% (Bhimeshwar Municipality).

LG of Gandaki Province has the highest total education budget allocation at 49.10% (Beni Municipality) and the lowest at 20.83% (Pokhara Metropolitan City). The maximum share from internal revenue is 9.96% (Devchuli Municipality), and the minimum is 0.66% (Narshon Rural Municipality).

LG of Lumbini Province's maximum total education budget allocation is 45.21% (Purbakhola Rural Municipality), and the minimum is 20.56% (Tillotama Municipality). The highest share from internal revenue is 14.55% (Tillotama Municipality), and the lowest is 0.45% (Purbakhola Rural Municipality).

LG of Karnali Province has a maximum total education budget allocation of 42.64% (Aathabis Municipality) and a minimum of 21.44% (Sharada Municipality). The maximum share from internal revenue is 18% (Aathabis Municipality), and the minimum is 0.29% (Narayan Municipality).

LG of Sudurpaschim Province's maximum total education budget allocation is 48.04% (Turmakhad Rural Municipality), and the minimum is 9.49% (Lamkichuha Municipality). The maximum share from internal revenue is 0% (Thalara Rural Municipality), and the minimum is 0.6% (Jagannath Rural Municipality).

Each province demonstrates wide variation in both total education budget allocation and the share funded from internal revenue, with some LGs allocating nothing from internal revenue to education while others allocate up to 21%.

Table 12 provides a detailed analysis of education financing for local governments in Koshi Province. Suryodaya Municipality in Ilam district allocates 41.09% of its total education, the highest share among the LGs in the dataset. Of this, 77.14% is dedicated to teacher & staff salaries, benefits and allowances. Infrastructure development receives 8.66%, followed by meal day support 2.79%, ECD class management (1.69%), free curriculum books and materials (1.45%), scholarship and children support 0.90%, digital and learning materials (0.63%) & sanitary pads (0.41%). The municipality sources 94.15% of its education budget from internal revenue, reflecting strong local ownership. Other allocations include Improving educational quality in schools and providing performance-based incentive grants, institutional capacity development, non-formal education, school operation and management, support for Math, English, and Science education for class 9 to 10 and for class 6 to 8, disability, extra-curricular activities, awareness child marriage, child protection, children with LG representative program, adolescent friendly information centre, skill development/training workshop, parent teacher association meeting, and student eye screening program each comprised of (0.03%), teacher training and capacity building, career counselling and technical education and vocational training council, lab management & library management.

Table 12: Details of education financing of LGs Koshi province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Taplejung	Phungling Municipality	Mountain	39.80	95.82	1.14	3.04
2	Ilam	Suryodaya Municipality	Hilly	41.09	94.15	0.41	5.44
3	Jhapa	Barhadashi Rural Municipality	Tarai	37.14	82.37	3.25	14.38
4	Jhapa	Damak Municipality	Tarai	25.45	77.74	1.08	21.18
5	Morang	Budhiganga Rural Municipality	Tarai	23.36	91.60	1.91	6.50
6	Sankhuwasabha	Chichila Rural Municipality	Mountain	22.67	97.89	0.00	2.11
7	Solukhumbu	Khumbupasanglahmu Rural Municipality	Mountain	11.69	NA	NA	NA
8	Okhaldhunga	Manebhanjyang Rural Municipality	Hilly	36.72	99.37	0.63	0.00
9	Khotang	Barahapokhari Rural Municipality	Hilly	33.33	NA	NA	NA
10	Khotang	Kepilasagadhi Rural Municipality	Hilly	36.26	94.70	4.04	1.27
11	Udayapur	Udayapurgadhi Rural Municipality	Hilly	35.47	NA	NA	NA

Red Books/Budget Speech of 11 LGs of Koshi Province

Phungling Municipality in Taplejung allocates 39.8% of its total budget to education. The majority of this education budget 73.37% is spent on salaries, allowances, and benefits for teachers. Other major allocations include 8.0% for infrastructure development, 3.51% for scholarships and children support, 6.47 % for meal day, 1.11 % for learning materials and digital learning materials, 0.47% for sanitary pads, and 1.45% for free curriculum books and materials. The municipality sources 95.82% of its education budget from internal revenue, indicating a high level of local commitment and minimal reliance on federal or provincial grants. Additional allocations include non-formal education (1.19%), teacher management in public schools (1.53%), improving educational quality in schools and providing performance-based incentive grants (2.85%), school operation and management (1.54%), ECD class management (5.65%), support for Math, English, and Science education for class 9 to 10 & for class 6 to 8, child protection, extra-curricular activities, and various other smaller grants for training, co-curricular activities, educational materials for students, English learning class, computer learnings for person with visual impairment and child support programs.

Table 13 represents the details of education financing of sampled LGs of Madhesh Province. Among 11 sampled LGs, Pipra Rural Municipality in Mahottari allocates 33.08% of its total budget to education, with 87.97% of this funding sourced from federal grants and only 12.03% from internal revenue. The largest expenditure is for teacher salary and allowance, accounting for 59.76% of the education budget, followed by day meal support (10.77%) and infrastructure development (7.50%). Other allocations include incentive for ECD facilitator and school staff management grant (4.41%), free curriculum books (3.58%), support for Math, English and Science education for class 9 to 10 (3.69%) & for class 6 to 8 (0.45%) improving educational quality in schools and providing performance based incentive grant (3.30%), school management and operational grant (1.43%), digital plus learning materials (1.07%), free curriculum books (1.10%), sanitary pads (1.10%), scholarships (0.98%), institutional capacity development (0.65%), non-formal education (0.98%), child protection, awareness against child marriage and declaring child marriage free ward, disability support, extra curriculum activities, conduction of loksewa class and interaction program between children and public representatives.

Table 13: Details of education financing of LGs of Madhesh province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Saptari	Shambhunath Municipality	Tarai	31.39	99.12	0.88	0.00
2	Siraha	Karjanha Municipality	Tarai	25.00	0.77	95.56	3.67
3	Mahottari	Bardibas Municipality	Tarai	7.33	97.83	0.00	2.17
4	Mahottari	Gaushala Municipality	Tarai	30.60	NA	NA	NA
5	Mahottari	Pipra Rural Municipality	Tarai	33.08	87.97	0.00	12.03
6	Sarlahi	Bramhapuri Rural Municipality	Tarai	28.38	NA	NA	NA
7	Sarlahi	Kabilasi Municipality	Tarai	30.70	NA	NA	NA
8	Rautahat	Baudhimai Municipality	Tarai	13.79	100.00	0.00	0.00
9	Rautahat	Katahariya Municipality	Tarai	27.03	87.67	0.00	12.33
10	Rautahat	Yemunamai Rural Municipality	Tarai	32.90	78.86	4.45	16.69
11	Parsa	Birgunj Metropolitan City	Tarai	28.06	NA	NA	NA

Source: Red Books/Budget Speech of 11 LGs of Madhesh Province

In contrast, Yemunamai Rural Municipality in Rautahat allocates 32.90% of its total budget to education, with 78.86% from federal grants, 4.45% from provincial grants and 16.69% from internal revenue. Teacher salary is the largest expense at 20.62% of the education budget, followed by day meal support (9.45%) and infrastructure development (3.84%). Other allocations include free curriculum books (3.12%), support for Math, English and Science education for class 9 to 10, disability support (2.22%), incentive for ECD facilitator and school staff management grant (1.99%), improving educational quality in schools and providing performance-based incentive grants (1.78%), institutional capacity development (0.33%), digital plus learning materials (0.95%), sanitary pads (0.90%), scholarships (0.74%), non-formal education (0.46%), awareness against child marriage and declaring child marriage free ward (0.24%), management of adolescent friendly information centre followed by awareness program on use of iron tablet to girls and teachers.

Table 14: Details of education financing of LGs of Bagmati province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Sindhuli	Dudhouli Municipality	Hilly	40.47	86.34	2.50	11.16
2	Dolakha	Bhimeshwor Municipality	Mountain	33.48	99.27	0.31	0.43
3	Sindhupalchok	Balefi Rural Municipality	Mountain	31.23	NA	NA	NA
4	Sindhupalchok	Jugal Rural Municipality	Mountain	32.90	78.86	4.45	16.69
5	Kavrepalanchok	Banepa Municipality	Hilly	26.52	89.11	1.81	9.07
6	Lalitpur	Godawari Municipality	Hilly	16.45	79.41	0.00	20.59
7	Bhaktapur	Suryabinayak Municipality	Hilly	12.16	86.79	1.45	11.77
8	Kathmandu	Shankharapur Municipality	Hilly	14.96	80.75	0.99	18.25
9	Nuwakot	Bidur Municipality	Hilly	35.35	NA	NA	NA
10	Dhading	Gajuri Rural Municipality	Hilly	31.04	76.93	4.05	19.02
11	Dhading	Thakre Rural Municipality	Hilly	19.96	NA	NA	NA
12	Dhading	Tripura Sundari Rural Municipality	Hilly	33.37	87.99	0.00	12.01
13	Makwanpur	Bhimphedi Rural Municipality	Hilly	22.27	85.99	1.73	12.28
14	Makwanpur	Hetauda Sub-Metropolitan City	Hilly	30.12	90.01	0.81	9.18
15	Makwanpur	Thaha Municipality	Hilly	30.10	NA	NA	NA

Source: Red Books/Budget Speech of 15 LGs of Bagmati Province

In Dudhouli Municipality (Sindhuli), the education budget is dominated by federal grants, which account for 86.34% of total funding, while provincial grants and internal revenue contribute only 2.5% and 11.2%, respectively. Teacher salaries, benefits and allowances represent the largest expenditure, making up 60.79% of the budget, followed by ECD facilitator incentives and staff management grant (5.45%), day meal support (5.45%), educational grants (3.77), free curriculum books (2.08%), learning materials including digital learning materials (2.50%), scholarships and children support (1.52%), and infrastructure development (0.43%). Other notable allocations include I/NGO contributions (11.38%), support for science, math, and English education for secondary classes for class 9-10 and for class 6-8), school operation and management grants, and performance-based incentive grants for improving educational quality. Smaller percentages are allocated to management of sanitary pad in schools, municipal level school model, non-formal education, school grants, institutional capacity development, extra-curricular activities, financial literacy, CTEVT, parent teachers meeting, equitable learning environment for all project and child protection initiatives.

In Bhimeshwor Municipality (Dolakha), the reliance on federal grants is even more pronounced, making up 99.27% of the education budget, with provincial and internal revenue contributing only 0.31% and 0.43%, respectively. Teacher salaries/incentives, benefits and allowances dominate the spending at 74.1%, followed by ECD facilitator's incentives and staff

management (8.78%), day meal support (3.62%), performance-based incentive grants for improving educational quality account for 2.27%, school operation and management (1.70%), scholarships and children support (1.60%), school nurse (1.48%), non-formal education (1.22%), extra-curriculum activities (1.19%), free curriculum books (1.03%) and support for Science, Math, and English education (0.31 % for class 6-8 and 0.59% for class 9-10). Infrastructure development receives 0.31%, sanitary pad management and child protection initiatives each receive 0.48% and Institutional capacity development and learning materials each receive 0.45 and 0.77%, while community learning centre, skill development program for student with disability, CTEVT, educational conference, adolescent capacity building, and SEE motivational program are minimal, with most other programs receiving less than 0.2% each. This indicates a strong emphasis on teacher compensation and basic educational needs, with limited investment in broader educational development or local initiatives.

Table 15, highlights the dataset of detailed education budget allocations for 15 sampled local governments, with each expenditure category expressed as a percentage of the total education budget for each local government.

Table 15: Details of education financing of LGs of Gandaki province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Gorkha	Dharche Rural Municipality	Hilly	30.17	NA	NA	NA
2	Lamjung	Dordi Rural Municipality	Hilly	29.27	NA	NA	NA
3	Tanahu	Bandipur Rural Municipality	Hilly	39.31	91.32	0.00	8.68
4	Tanahu	Bhimad Municipality	Hilly	44.55	92.38	0.00	7.62
5	Tanahu	Devghat Rural Municipality	Hilly	37.88	NA	NA	NA
6	Tanahu	Ghiring Rural Municipality	Hilly	38.46	NA	NA	NA
7	Tanahu	Myagde Rural Municipality	Hilly	27.18	NA	NA	NA
8	Tanahu	Rhishing Rural Municipality	Hilly	40.17	91.30	0.41	8.29
9	Syangja	Aandhikhola Rural Municipality	Hilly	38.37	NA	NA	NA
10	Syangja	Kaligandagi Rural Municipality	Hilly	25.35	NA	NA	NA
11	Kaski	Pokhara Metropolitan City	Hilly	20.83	91.48	0.00	8.52
12	Manang	Narshon Rural Municipality	Mountain	23.68	99.34	0.00	0.66
13	Myagdi	Beni Municipality	Hilly	49.10	93.70	0.00	6.30
14	Baglung	Tara Khola Rural Municipality	Hilly	35.80	NA	NA	NA
15	Nawalparasi East	Devchuli Municipality	Tarai	32.80	90.03	0.02	9.96

Source: Red Books/Budget Speech of 15 LGs of Gandaki Province

Beni Municipality allocates 49.10% of its total budget to education with 93.70% sourced from federal grants, and 6.30% from internal revenue. For Municipality, salary and benefits of teacher and staff receive the highest share (73.38%), followed by ECD facilitator incentive and staff management (5.75%), infrastructure development (3.73%), day meal support (2.42%), support to Math, English and Science education for class 9-10 (2.37%) and for class 6-8 (0.94%), school operation and management (2.35%), and grants for improving educational quality (2.34%). Non formal education is allocated with 1.44%, free curriculum books 1.17%, scholarship and children support 0.99%, extra curriculum activities 0.94%, learning materials cum digital learning materials 0.61%, free sanitary pad 0.56% and Institutional capacity development 0.52%. Other allocations, such as hostel management for students, iron tablet for girl students, awareness related programs, nursing service program, school grant, teacher's meeting, excellent teacher incentive program and school monitoring and supervision, are also small, ranging from 0.03% to 0.62%.

Bhimad Municipality allocates 44.55% of its total budget to education with 92.38% of that education budget sourced from federal grants, and 7.52% from internal revenue. The largest share of the budget is allocated to salary and benefits of teacher and staff (70.76%) followed by ECD facilitator incentive and staff management (6.79%), support to Math, English and Science education for class 9-10 (3.71%) and for class 6-8 (0.52%), day meal support (3.63%), infrastructure development (2.06%), school operation and management grant (1.75%), free curriculum books (1.20%), and grants for improving educational quality (1.05%). Other significant allocations include scholarship and children support (0.86%), conducting the President's Running Shield and Mayor's Cup competitions (0.60%), institutional capacity development (0.58%), free sanitary pad distribution (0.45%), extra curriculum activities 0.45%, child protection related initiatives (0.43%), & learning materials and digital learning (0.39%). Additional categories such as non-formal education, school monitoring and supervision, excellent teacher incentive program, awareness raise against child marriage, child club capacity building, school grant, teacher's meeting, ECD management, education exhibition, day care centre for disability, support for marginalized groups, each receive smaller percentages, ranging from 0.02% to 0.34%.

Table 16: Details of education financing of LGs of Lumbini province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Gulmi	Dhurkot Rural Municipality	Hilly	41.19	94.76	0.00	5.24
2	Palpa	Mathagadhi Rural Municipality	Hilly	40.83	85.54	0.52	13.93
3	Palpa	Purbakhola Rural Municipality	Hilly	45.21	99.52	0.03	0.45
4	Palpa	Ribdikot Rural Municipality	Hilly	44.84	93.85	0.07	6.07
5	Rupandehi	Kanchan Rural Municipality	Tarai	38.60	92.82	0.00	7.18
6	Rupandehi	Tillotama Municipality	Tarai	20.56	85.24	0.21	14.55
7	Arghakhanchi	Sitganga Municipality	Hilly	42.27	NA	NA	NA
8	Pyuthan	Sarumarani Rural Municipality	Hilly	37.31	95.63	0.11	4.26
9	Rolpa	Sunchhahari Rural Municipality	Hilly	27.46	97.71	0.00	2.29
10	Rukum East	Sisne Rural Municipality	Hilly	41.35	NA	NA	NA
11	Dang	Shantinagar Rural Municipality	Tarai	32.33	97.09	0.34	2.57
12	Banke	Baijanath Rural Municipality	Tarai	35.47	88.09	0.44	11.47
13	Banke	Nepalgunj Sub-Metropolitan City	Tarai	29.52	NA	NA	NA
14	Bardiya	Thakurbaba Municipality	Tarai	24.08	94.75	0.00	5.25

Source: Red Books/Budget Speech of 14 LGs of Lumbini Province

Purbakhola Rural Municipality allocates 45.21% of its total budget to education with 99.52% of that education budget sourced from federal grants, 0.03% from provincial and 0.45% from internal revenue. The municipality allocates 69.23% of its education budget to teacher salaries, incentives, and allowances, while 5.09% goes to ECD facilitator incentive and staff management. ICT classroom management receive 3.57%, day meal support 3.29%, grants to schools with excellent academic achievement 2.68%, school operation and management grant 2.66%, RM teacher's grant 2.41% and extra curriculum activities 2.39%. The rural municipality invests 1.85% in infrastructure development, 1.54% in teacher's meeting and capacity building, 1.28% in learning materials and digital learning, and scholarships and children support receive 1.15%, and support to Math, English and Science education for class 6-8 comprise 1.11% and for class 9 to 10 (0.93%). Purbakhola RM additionally have also allocated budgets for free curriculum books, non-formal education, school grant, sanitary pad, followed by budget allocation for awareness against child marriage and child protection, child club capacity building, accidental insurance for teacher and staff, sports teacher trainer management, prize and incentive management for excellent students, parents, teachers orientation program and marginalized, dalit, janjati & disable children admission and exam fee.

Ribdikot Rural Municipality's education budget is also dominated by federal grants (93.85%), but it has a higher share from internal revenue (6.07%) and a slightly higher provincial grant share (0.07%). The largest allocation is for teacher salaries, incentives, and allowances (70.36%), with 13.69% for infrastructure development and 5.23% for ECD facilitator incentive and staff management significantly more than Purbakhola. Ribdikot spends 3.35% on support to Math, English and Science education for class 9-10 and 0.38% for class 6-8 and 2.37% on day meal support. The municipality allocates 1.38% to school operation and management grants, 1.37% for free curriculum books, 1.09% for improving educational quality in schools and providing performance-based incentive grant, 0.42% for institutional capacity development for educational governance. Ribdikot also allocates budget for sanitary pads, extra curriculum activities, digital learning materials for scholarship, higher education support program, non-formal education, school monitoring and supervision, prize for excellent students and marginalized, Dalit, Janjati, disable children admission and exam fee.

Table 17, highlights the dataset of detailed education budget allocations sampled local governments, with each expenditure category expressed as a percentage of the total education budget for each local government.

Table 17: Details of education financing of LGs of Karnali province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Rukum West	Aathbiskot Municipality	Hilly	32.91	NA	NA	NA
2	Rukum West	Chaurjahari Municipality	Hilly	38.93	NA	NA	NA
3	Salyan	Bangad Kupinde Municipality	Hilly	36.51	NA	NA	NA
4	Salyan	Siddha Kumakh Rural Municipality	Hilly	37.82	97.66	0.56	1.78
5	Salyan	Sharada Municipality	Hilly	21.44	NA	NA	NA
6	Dailekh	Aathabis Municipality	Hilly	42.64	81.80	0.20	18.00
7	Dailekh	Bhagawatimai Rural Municipality	Hilly	33.75	87.97	0.00	12.03
8	Dailekh	Dullu Municipality	Hilly	28.07	NA	NA	NA
9	Dailekh	Gurans Rural Municipality	Hilly	39.80	95.82	1.14	3.04
10	Dailekh	Mahabu Rural Municipality	Hilly	35.38	97.16	1.84	1.00
11	Dailekh	Narayan Municipality	Hilly	38.49	99.71	0.00	0.29
12	Jajarkot	Junichande Rural Municipality	Hilly	37.51	NA	NA	NA
13	Humla	Tanjakot Rural Municipality	Mountain	29.38	NA	NA	NA

Red Books/Budget Speech of 13 LGs of Karnali Province

Chaurjahari Municipality (Rukum West) allocates a significant share of their budgets to education, with Chaurjahari at 38.93%. The largest allocation is for teacher salaries and allowances, at 53.96% of the education budget. Other key allocations include 6.30% for day meal support, 5.61% for ECD facilitator incentives and staff management, 4.11% for support to Math, English, and Science education for secondary level (class 9-10), 3.18% for school operation and management grant, 2.39% for free curriculum books and materials, 2.23% for CTEVT, for scholarships and children support, 2.16% for improving educational quality in schools and providing performance-based incentive, 2.14% for school uniform and stationery materials, 1.74% for scholarship and children support, 1.01% for free sanitary pad, 0.85% for non-formal education, 0.49% for institutional capacity development for educational governance, 0.40% for Mayor Cup running shield tournament, 0.31% for teacher meeting/visit and capacity building, 0.22% for learning materials and digital learning materials management and 0.09% for child protection initiatives. Remaining percentages are focused on prize distribution to students, extra curriculum activities, school monitoring and supervision, support for marginalized groups, ECD management etc.

Gurans Rural Municipality (Dailekh) allocates 39.8% of total education with heavily dependent on federal grants, which constitute 95.82% of its education funding, with 1.14% from provincial grant and only 3.04% from internal revenue. The largest allocation is for teacher salaries and allowances (60.19%), followed by 5.27% for ECD facilitator incentives and school staff management, 5.18% for infrastructure development, 3.62% for support to Math, English, and Science education for secondary level (class 9-10) and 0.62% for class 6-8, 3.59% for day meal support, 1.46% for free curriculum books, 1.00% for learning materials cum digital learning materials, 0.82% for improving educational quality in schools & providing performance-based incentive grants, 0.73% for scholarship and children support, 0.58% for non-formal education, 0.55% for sanitary pad, 0.41% for institutional capacity development for educational governance and 0.40% for interaction program between children and public representatives. The rural municipality has also allocated budget minimal for child with disability, school monitoring and supervision, support for marginalized groups, extra curriculum activities etc.

Table 18 shows an analysis of education financing for local governments in Sudurpaschim Province, highlighting the sources and distribution of funds.

Table 18: Details of education financing of LGs of Sudurpaschim province

S.N.	District	Name of Local Level	Region	Education Budget (%)	Share of Federal Grant (%)	Share of Provincial Grant (%)	Share of Internal Revenue in Education (%)
1	Achham	Mangalsen Municipality	Hilly	40.64	NA	NA	NA
2	Achham	Turmakhad Rural Municipality	Hilly	48.04	NA	NA	NA
3	Baitadi	Surnaya Rural Municipality	Hilly	34.97	NA	NA	NA
4	Bajhang	Thalara Rural Municipality	Mountain	44.33	98.87	NA	1.13
5	Bajura	Badimalika Municipality	Mountain	25.31	NA	NA	NA
6	Bajura	Jagannath Rural Municipality	Mountain	23.88	92.46	6.91	0.63
7	Bajura	Swami Kartik Khaapar Rural Municipality	Mountain	32.79	NA	NA	NA
8	Dadeldhura	Ganayapdhura Rural Municipality	Hilly	27.67	NA	NA	NA
9	Dadeldhura	Nawadurga Rural Municipality	Hilly	40.68	NA	NA	NA
10	Darchula	Naugad Rural Municipality	Mountain	43.19	NA	NA	NA
11	Doti	Badikedar Rural Municipality	Hilly	40.12	NA	NA	NA
12	Jajarkot	Junichande Rural Municipality	Hilly	37.51	NA	NA	NA
13	Humla	Tanjakot Rural Municipality	Mountain	29.38	NA	NA	NA

Source: Red Books/Budget Speech of 12 LGs of Sudurpaschim Province

Turmakhad Rural Municipality's total education budget constitutes 48.04% of its overall budget, with no federal or provincial grants reported; all education funding is sourced from internal revenue. The municipality allocated 7.81% for SESP and LEP, 7.26% to day meal support, 6.01% to support to Math, English and Science education for 9-10 class and 1.85% for class 6 to 8, 2.5% of the total budget to infrastructure development, 2.26 to free curriculum books & material cost, 2.18 to school operation and management cost and 1.14% to scholarships and children support. Other notable allocations include, 1.00% for improving educational quality, 0.97% for school grant, 0.80% for learning materials, 0.67% for sanitary pad management, 0.66% for non-formal education & 0.52% for institutional capacity development. The largest single allocation (47.46%) is managed for salary of teachers and staffs followed by 13.27% for ECD facilitator's incentives and staff management, with smaller percentages distributed across extracurricular activities, municipal level model school, teacher training, awareness against child marriage, child club capacity building, excellent teacher incentive program, grants to schools with excellent academic achievements, SEE grade enhancement program and prize distribution, and support for marginalized children. Overall, Turmakhad relies entirely on local resources for education financing, with a strong emphasis on operational expenses and direct support to students and teachers.

Thalara Rural Municipality, with a total education budget share of 44.22%, showed a different allocation pattern. The municipality relied heavily on federal grants (98.87% of its education funding), with only a small share from internal revenue (1.13%). Major allocations included teacher salaries, incentives, and benefits (68.39%), infrastructure development (7.06%), education quality grant (6.72%), ECD facilitator's incentives and staff management (5.48%), day meal support (3.39%), scholarships and children support (1.35%), school operation and management cost (1.96%) & support Math, English and Science education for class 6-8 (1.32%) and for class 9-10 (0.62%). The municipality also invested in free curriculum books (1.61%), non-formal education (0.79%), sanitary pad (0.63%), improving educational quality (0.89%), institutional capacity (0.54%), and learning materials (0.56%). Notably, Thalara focused on teacher training and school monitoring, awareness against child marriage, menstruation and child labour, extra-curriculum activities, with specific funds for meetings, capacity building, and quality assurance programs.

5. Education Budget of LGs by Types of LGs

5.1 Metropolitan City

Table 19 provides details of education data for two metropolitan cities: Birgunj Metropolitan City and Pokhara Metropolitan City.

For Pokhara Metropolitan City, the total education budget is 20.83%. Of this, internal revenue in education accounts for 8.52%, federal grants contribute 91.48% and provincial grants make up 0%. This indicates that the city's education financing is almost entirely dependent on federal grants, with a small share from internal revenue and no contribution from provincial grants.

For Birgunj Metropolitan City, the total education budget is 28.06%. However, the dataset does not provide the breakdown of internal revenue, federal grants, or provincial grants as a percentage of the education budget. Only the total education budget figure is available, so a percentage-wise analysis for Birgunj cannot be presented from this data.

Table 19: Details of education budget of metropolitan cities

Name of Local Level	Education Budget (%)	Share of Internal Revenue in Education (%)	Share of Federal Grants (%)	Share of Provincial Grants (%)
Birgunj Metropolitan City	28.06	NA	NA	0
Pokhara Metropolitan City	20.83	8.52	91.48	0

Source: Red Book of Birgunj and Pokhara Metropolitan Cities

5.2: Sub-Metropolitan City

Table 20 represents details of education budget of Sub-Metropolitan Cities and includes two major cities i.e. Hetauda Sub-Metropolitan City and Nepalgunj Sub-Metropolitan City for analytical purpose.

The analysis shows that for Hetauda Sub-Metropolitan City, the total education budget is 30.12 %. Internal revenue in education contributes 9.18%, federal grants account for 90.01%, and provincial grants make up 0.81% of the total education budget. This demonstrates that the city's education financing is mainly supported by federal grants, with a small share from both internal revenue and provincial grants.

For Nepalgunj Sub-Metropolitan City, the total education budget is 29.52%. However, the dataset does not provide the breakdown of internal revenue, federal grants, or provincial grants as a percentage of the education budget. Thus, while the total budget is available, the percentage shares for each funding source cannot be reported from this data.

Table 20: Details of education budget of sub-metropolitan cities

Name of Local Level	Education Budget (%)	Share of Internal Revenue in Education (%)	Share of Federal Grants (%)	Share of Provincial Grants (%)
Hetauda Sub-Metropolitan City	30.12	9.18	90.01	0.81
Nepalgunj Sub-Metropolitan City	29.52	NA	NA	NA

Source: Red Book of Hetauda and Nepalgunj Sub- Metropolitan Cities

5.3: Municipality & Rural Municipality

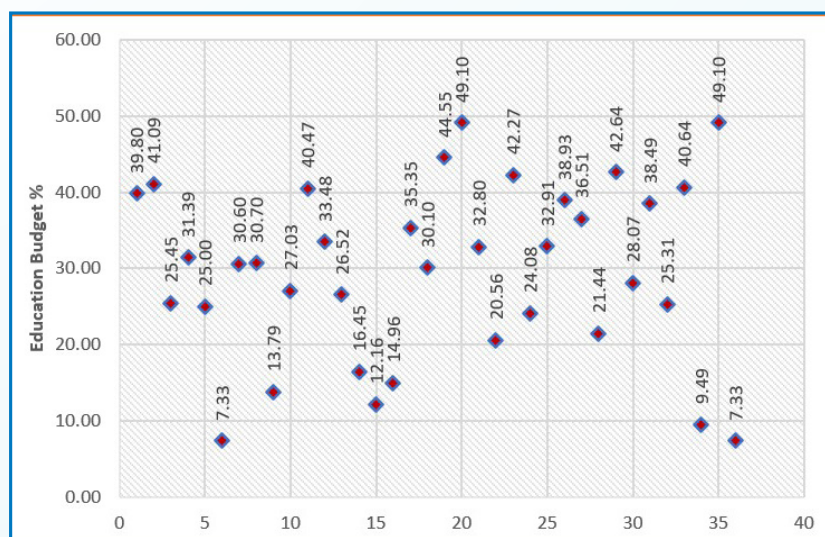
Figure 21 shows the share of education budget from total budget of sampled municipalities.

Across the 34 municipalities listed, the share of education budget varies significantly, ranging from a low of 7.33% in Bardibas Municipality to a high of 49.10% in Beni Municipality. The internal revenue in education ranges from 0.0% (Shambhunath, Baudhimai, Narayan) to a maximum of 21.18% in Damak Municipality. Federal grants are the dominant source, with the lowest share at 77.74% (Damak) and the highest at 100% (Baudhimai). Provincial grants show a wide range, from 0% in several municipalities to a peak of 2.50% in Dudhouli Municipality.

In summary, most municipalities rely heavily on federal grants for education funding, with only a few exceptions where internal revenue plays a notable role. The highest share of internal revenue is seen in Damak Municipality (21.18%), while the lowest is 0% in multiple municipalities. For federal grants, Baudhimai Municipality has the highest share (100%), and Damak Municipality the lowest (77.74%). Provincial grants are generally minimal, with Dudhouli Municipality having the highest at 2.50%.

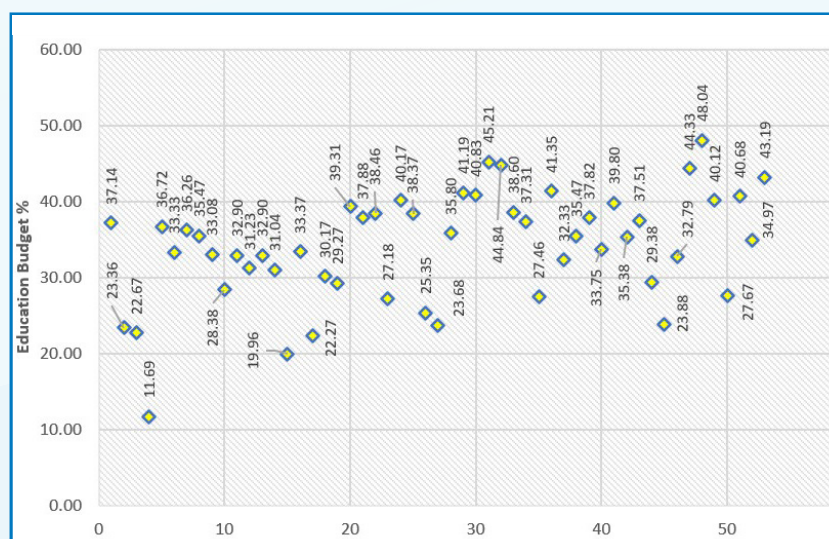
Figure 22 presents education budget allocation data for multiple rural municipalities, showing the total share of the education budget, the share funded by internal revenue, and the shares funded by federal and provincial grants.

Figure 21: Share of education budget from total budget of municipalities



Source: Red Books/Budget Speech of Sampled Municipalities (34) and Rural Municipalities (53)

Figure 22: Share of education budget from total budget of rural municipalities



Source: Red Books/Budget Speech of Sampled Municipalities (34) and Rural Municipalities (53)

The education budget shares among rural municipalities show notable variation, with Turmakhad RM allocating the highest portion at 48.04% and Khumbu Pasang Lhamu RM the lowest at 11.69%, reflecting differences in local education prioritization or fiscal capacity. Internal revenue contributions to education vary widely, from 0% in some RMs like Manebhanjyang to a high of 19.02% in Gajuri RM, with many municipalities having no internal revenue allocated towards education. Across almost all RMs, federal grants dominate education financing, accounting for between 76.93% (Gajuri RM) and 99.52% (Purbakhola RM) of education funds. Provincial grants play a minimal role, ranging from 0% in many RMs to a maximum of 6.91% in Jagannath RM. This data underscores a heavy reliance on federal government support for education funding, limited provincial grant contributions, and constrained local resource mobilization, pointing to varying degrees of fiscal autonomy and priorities across the municipalities. Overall, this suggests that while education remains a key budgetary focus in some RMs, most depend primarily on federal resources with limited internal revenue involvement and provincial support.

Table 21 shows how municipalities and rural municipalities allocate their education budget as a share of their total budget, categorized into percentage ranges. For municipalities, the majority (32.35%) allocate 31-40% of their budget to education, followed by 29.41% allocating 21-30%, and 20.59% allocating 41-50%. Only a small proportion (5.88%) allocate less than 10%, and none allocate above 50%.

Table 21: Number of LGs allocating education budget with respect to municipalities and rural municipalities in the given range

LG Type	(7-10)%	(11-20)%	(21-30)%	(31-40)%	(41-50)%
Municipalities	2(5.88%)	4 (11.76%)	10 (29.41%)	11 (32.35%)	7 (20.59%)
Rural municipalities	0 (0%)	2 (3.77%)	13 (24.53%)	29 (54.72%)	9 (16.98%)

Source: Red Books/Budget Speech of Sampled Municipalities (34) and Rural Municipalities (53)

For rural municipalities, the pattern is similar but with higher concentration in the 31-40% range: 54.72% allocate 31-40% of their budget to education, 24.53% allocate 21-30%, and 16.98% allocate 41-50%. No rural municipality allocates less than 11% of its budget to education.

Table 22 provides data on the maximum and minimum total education budgets, as well as the maximum and minimum shares from internal revenue allocated to education, for both Municipalities and Rural Municipalities.

Table 22: Max and Min investment in education from internal revenue of municipalities and rural municipalities

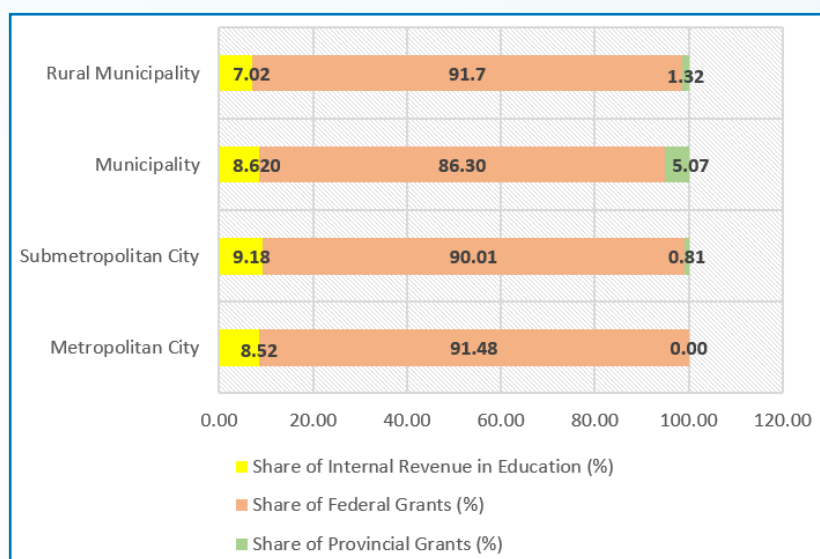
LG Type	Max Total Education Budget share (%) (LG name)	Min Total Education Budget share (%) (LG name)	Max Share from Internal Revenue (%) (LG Name)	Min Share from Internal Revenue (%) (LG Name)	LG Number (41-50%)
Municipalities	49.1% (Beni)	7.33% (Bardibas)	21.18% (Damak)	0% (Baudhimai)	7 (20.59%)
Rural Municipalities	48.04% (Turmakhad)	11.69% (Khumbupasanglhamu)	19.02%(Gajuri)	0% (Manebhanjyang)	9 (16.98%)

Source: Red Books/Budget Speech of Sampled Municipalities (34) and Rural Municipalities (53)

Among Municipalities, Beni Municipality has the highest total education budget at 49.10 %, while Bardibas Municipality has the lowest at 7.33 %. Damak Municipality allocates the largest share from internal revenue to education (21.18%), whereas Baudhimai Municipality allocates nothing.

For Rural Municipalities, Turmakhad Rural Municipality records the highest total education budget at 48.04% and Khumbu Pasang Lhamu Rural Municipality has the lowest at 11.69%. Gajuri Rural Municipality allocates the highest share from internal revenue to education (19.02%), while Manebhanjyang Rural Municipality allocates nothing.

Figure 23 reveals that across different types of local governments, the share of internal revenue allocated to education is relatively low, ranging from 7.02% in Rural Municipalities to 9.18% in Sub metropolitan Cities.

Figure 23: Sources of education budget by types of LGs

Source: Red Books/Budget Speech of 91 LGs

In contrast, federal grants constitute the largest share of education funding for all types of local governments, with percentages between 86.3% (Municipality) and 91.7% (Rural Municipality). Provincial grants play a minimal role, especially in Metropolitan Cities where their share is zero, but they are somewhat higher in Municipalities (5.07%) and Sub metropolitan Cities (0.81%). Overall, education financing in local governments is heavily reliant on federal grants, while internal revenue and provincial grants contribute only a small portion, with some variation across urban and rural local units.

6. Education Budget of LGs by Geographic Region

6.1: Mountain, Hill and Tarai Region

Figure 24, 25 and 26 reflects the share of education budget from total budget of LGs with respect to mountain, hilly and tarai regions.

Mountain Region

The education budget share in the mountain region varies significantly among LGs, with Thalara Rural Municipality receiving the highest allocation at 44.33% and Khumbu Pasang Lhamu Rural Municipality the lowest at 11.69%. Other LGs such as Phungling Municipality (39.80%) and Naugad Rural Municipality (43.19%) also show substantial shares, indicating a generally higher investment in education in this region compared to some other areas.

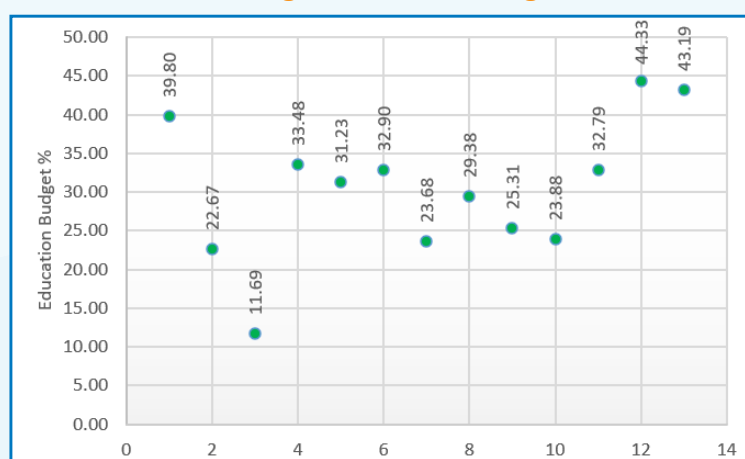
Figure 24: Share of education budget from total budget of LGs in mountain region

Figure 25: Share of education budget from total budget of LGs in hilly region

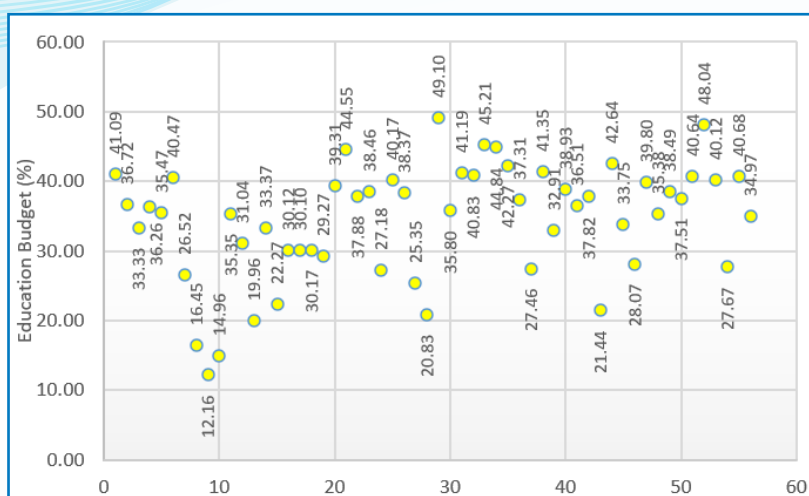
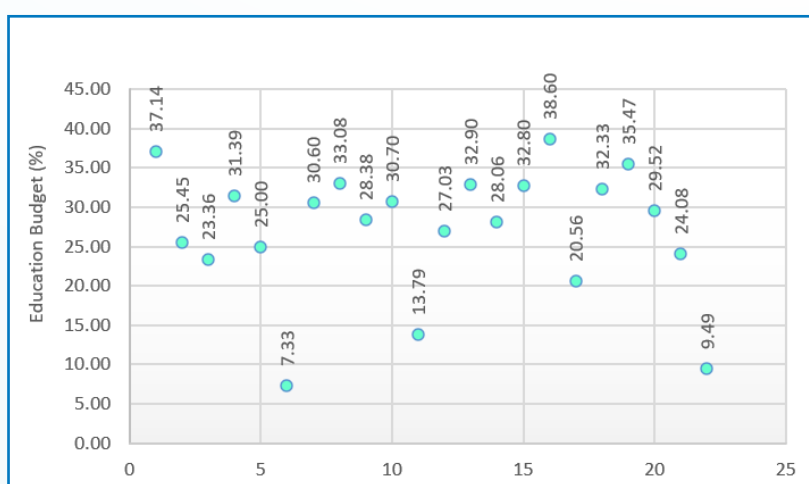


Figure 26: Share of education budget (%) in tarai region



Source: Red Books/Budget Speech of 91 LGs (Mountain:13, Hill:56, Tarai:22)

Hill Region

In the hill region, the share of education budget ranges from a low of 12.16% in Suryabinayak Municipality to a high of 49.10% in Beni Municipality. Turmakhad Rural Municipality (48.04%), Bhimad Municipality (44.55%), Purbakhola Rural Municipality (45.21%), and Ribdikot Rural Municipality (44.84%) also receive notably high shares, while municipalities like Godawari (16.45%) and Shankharapur (14.96%) allocate relatively less to education.

Tarai Region

The tarai region exhibits the most variability, with Kanchan Rural Municipality having the highest education budget share at 38.60%, and Bardibas Municipality the lowest at just 7.33%. Other LGs such as Barhadashi Rural Municipality (37.14%), Pipra Rural Municipality (33.08%), Devchuli Municipality (32.80%), Shambhunath Municipality (31.39%), Kabilasi Municipality (30.70%), and Gaushala Municipality (30.60%) also show high allocations, whereas Lamkichuha Municipality (9.49%) and Baudhimai Municipality (13.79%), allocate minimal resources to education.

In Table 23, across all three regions, the distribution of education budget shares shows that most LGs allocate between 21% and 40% of their budgets to education, with notable regional differences in both extremes and concentration of spending patterns.

Table 23: Number of LGs allocating education budget with respect to mountain, hill and tarai regions in the given range

LG Type	(7-10)%	(11-20)%	(21-30)%	(31-40)%	(41-50)%
Mountain	0(0%)	1(7.69%)	5(38.46%)	5(38.46%)	2(15.38%)
Hill	0(0%)	4(7.14%)	13(23.21%)	25(44.64%)	14(25%)
Tarai	2(9.09%)	1(4.55%)	9(40.91%)	10(45.45%)	0

In the mountain region, there are no LGs allocating 10% or less of their budget to education, and only one LG (7.69%) falls in the 11 to 20% range, indicating that very low investment in education is rare here. The majority of LGs are split evenly between the 21 to 30% and 31 to 40% ranges (each with 38.46% of LGs), while 15.38% allocate between 41 to 50%, showing a generally moderate to high emphasis on education funding.

In the hill region, the pattern is more strongly tilted toward higher allocations, with no LGs in the 0 to 10% group and only 7.14% in the 11 to 20% range. Nearly half of hilly LGs (44.64%) allocate 31 to 40% of their budgets to education, and a substantial 25% allocate 41 to 50%, demonstrating that this region has the largest concentration of LGs making relatively high commitments to education among the three regions.

In the tarai region, the distribution is more polarized at the lower end: 9.09% of LGs spend 0 to 10% on education and another 4.55% allocate 11 to 20%, indicating that some LGs place quite low priority on education. However, most tarai LGs still cluster in the middle and higher bands, with 40.91% allocating 21 to 30% and 45.45% allocating 31 to 40%, suggesting that despite a few very low allocating LGs, the majority maintain moderate education budget shares comparable to the mountain region.

In Table 24, across mountain, hill and tarai regions, the data show that local governments with the highest total education budgets do not always have the highest shares of internal revenue devoted to education, and vice versa. This indicates that both overall budget size and the relative effort to prioritize education from locally generated resources vary considerably between and within regions.

Table 24: Max and Min investment in education from internal revenue of LGs in mountain, hill & tarai region

Type of Regions	Max Total Education Budget share (%) (LG name)	Min Total Education Budget share (%) (LG name)	Max Share from Internal Revenue (%) (LG Name)	Min Share from Internal Revenue (%) (LG Name)	LG Number (41-50%)
Mountain	44.33% (Thalara RM)	11.69% (Khumbu Pasang Lhamu RM)	16.69% (Jugal RM)	0.43% (Bhimeshwor Municipality)	2(15.38%)
Hill	49.10% (Beni Municipality)	12.16% (Suryabinayak Municipality)	19.02% (Gajuri Rural Municipality)	0% (Manebhanjyang Rural Municipality)	14(25%)
Tarai	38.60% (Kanchan RM)	7.33% (Bardibas Municipality)	21.18% (Damak Municipality)	0% (Baudhimai Municipality)	0

Source: Red Books/Budget Speech of 91 LGs (Mountain:13, Hill:56, Tarai:22)

In the mountain region, Thalara Rural Municipality records the highest total education budget, accounting for 44.33% of its overall budget, while Khumbu Pasang Lhamu Rural Municipality has the lowest at 11.69%, showing a wide gap in how strongly education is prioritized in total spending. Jugal Rural Municipality, however, leads in terms of reliance on internal revenue for education, devoting 16.69% of its internal revenue to the sector, whereas Bhimeshwor Municipality contributes only 0.43% from its internal revenue, suggesting very limited local fiscal effort toward education despite receiving funds from other sources.

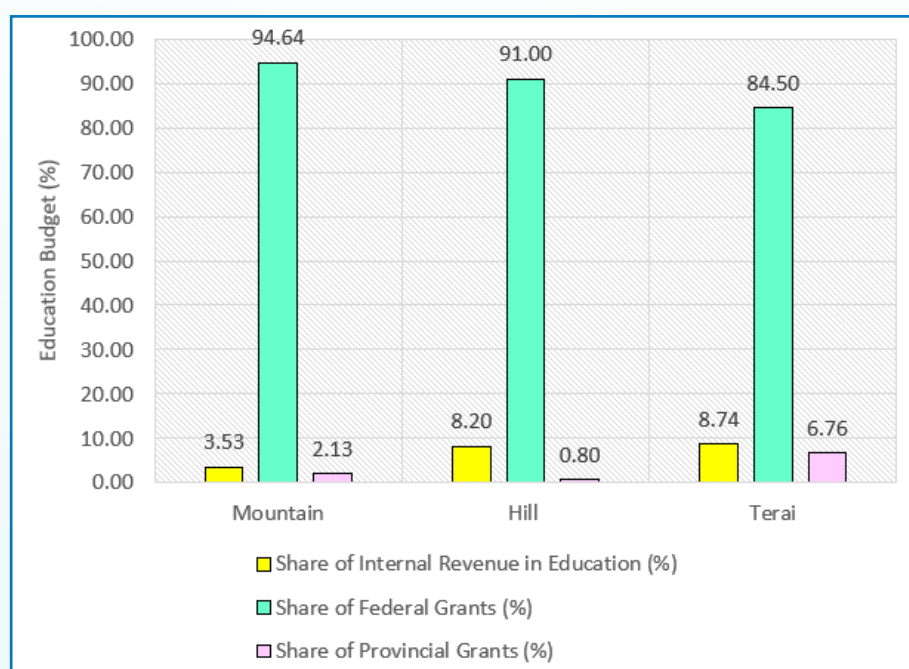
In the hill region, Beni Municipality has the highest total education budget share at 49.10%, while Suryabinayak Municipality allocates only 12.16%, again revealing large intra-regional disparities in education prioritization within total budgets. When looking specifically at internal revenue, Gajuri Rural Municipality stands out by channeling 19.02% of its internal revenue to education, a very high local commitment, whereas Manebhanjyang Rural Municipality directs nothing, implying that its education financing depends more on external transfers than on its own revenue base.

In the tarai region, Kanchan Rural Municipality records the highest total education budget share at 38.60%, whereas Bardibas Municipality allocates just 7.33%, making it the least education-oriented LG in terms of total budget share among the three regions mentioned. For internal revenue, Damak Municipality allocates 21.18% of its internally generated funds to education, demonstrating exceptionally strong local prioritization, while Baudhimai Municipality allocates 0% of its internal revenue to education, indicating complete dependence on intergovernmental transfers or other sources for education financing.

6.2: Sources of education budget with respect to geographic regions

For the three regions, the figure 27 show that education financing relies predominantly on federal grants, with smaller but varying contributions from internal revenue and provincial grants. Federal support is especially dominant in the mountain and hill regions, while the tarai shows a relatively more diversified mix of sources.

Figure 27: Sources of education budget of LGs with respect to geographic regions



Source: Red Books/Budget Speech of 91 LGs (Mountain:13, Hill:56, Terai:22)

In the mountain region, only 3.53% of education funding comes from internal revenue, while a very large 94.64% is financed through federal grants, and just 2.13% through provincial grants.

In the hill region, internal revenue contributes a higher 8.20% to education, with 91% coming from federal grants and 0.80% from provincial grants.

In the tarai, internal revenue covers 8.74% of education funding, federal grants 84.50%, and provincial grants 6.76%.

7. Girls and Inclusive Education Network (GIEN) budget

The GIEN is a collaborative platform that brings together interconnected individuals and groups to collectively advocate for the specific needs of women, girls, children with disabilities, and other marginalized communities, ensuring their access to equitable learning opportunities. The network promotes multi-stakeholder partnerships, with a strong emphasis on collaboration with government institutions and the private sector.

GIEN is composed of girls, youth, and adults representing diverse stakeholders at the school, municipal, provincial, and federal levels. It is closely aligned with the policies and priorities of the Government of Nepal under the 10-Year School Education Sector Plan (2021–2030). The network was established to strengthen gender-focused networks, ensure government ownership of these initiatives, and enhance coordination between governmental and non-governmental actors to reduce educational barriers for girls and sustain inclusive education over the long term.

According to the Program Implementation Procedure (PIP) issued by the Center for Education and Human Resource Development (CEHRD) for FY 82/82, each local level will receive NPR 50,000 to establish and operate the GIEN, in line with the 2080 guidelines and strategic framework. The GIEN is required to hold at least four meetings annually, designate a focal person, prepare and approve an annual action plan, and ensure that the respective local government manages the budget for the network's formation and operation. Furthermore, information about the network's establishment must be updated in the Integrated Educational Management Information System (IEMIS).

At the provincial level, alongside local governments, GIEN Operational Guidelines and Strategies have been developed as a roadmap for the network's functionality. For instance, Sudurpaschim Province endorsed its GIEN procedure and strategy in 2082³, with technical support from NCE Nepal's and members. Several local governments including Sanni Triveni Rural Municipality, Narayan Municipality in Karnali Province, Mukhiyapatti Musarniya Rural Municipality and Siraha Municipality in Madhesh Province, and Badikedar Rural Municipality in Sudurpaschim Province have also formally endorsed the GIEN Operational Guidelines and Strategy, demonstrating a growing commitment to inclusive education and gender-responsive planning.

Beyond the sampled local governments, advocacy by NCE Nepal has led to additional allocations for GIEN operational management. Mohanyal Rural Municipality allocated NPR 1,50,000 for GIEN, while Kailari Rural Municipality and Bhajani Municipality each allocated NPR 50,000. Badikedar Rural Municipality set aside NPR 200,000, and DUNGESHWOR Rural Municipality allocated NPR 40,000 specifically for GIEN. These allocations highlight the expanding support and recognition of GIEN's role in advancing inclusive and equitable education across Nepal.

Thus, recent learning briefs indicate that some municipalities and rural municipalities have begun including specific GIEN lines & allocations in their education budgets, signaling the gradual institutionalization of the network within local planning and budgeting processes. However, obtaining specific data on GIEN remains challenging, as allocations are often integrated within broader education sector budgets in the sampled local governments.

Among the 91 sampled LGs, 2 LGs (Narayan Municipality of Dailekh district and Badikedar Rural Municipality of Doti district) have allocated NPR 100000/- and NPR 200000/- respectively for functionalization of GIEN structure.

8. Gender Equality Disability and Social Inclusion (GEDSI) responsiveness of the budget

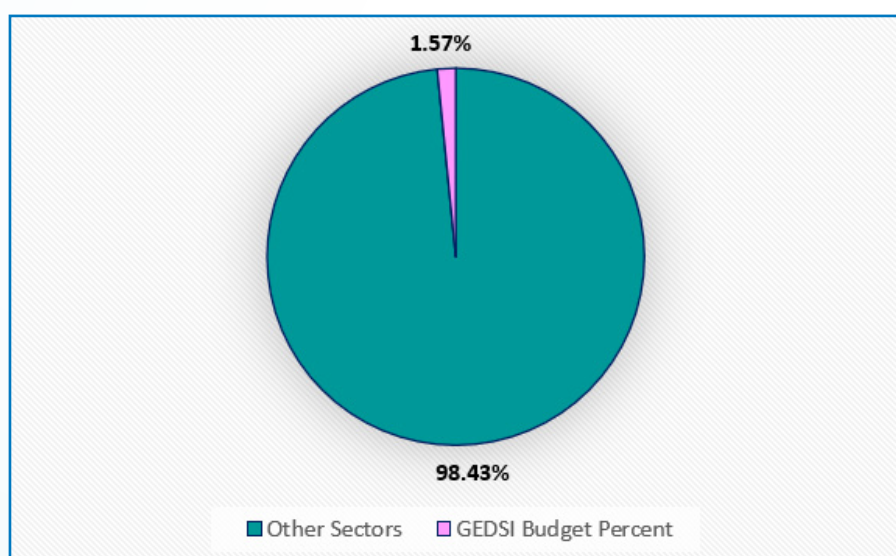
GEDSI budgeting at local level is important because it tackles the structural reasons why some groups benefit less from public spending than others. In Nepal, gaps in education, health, livelihoods and voice often follow lines of gender, caste, ethnicity, geography and disability, so a "neutral" budget tends to reinforce existing advantages instead of correcting them. A GEDSI lens requires local governments to analyse data and local realities, who is out of school, who cannot reach health posts, who faces violence or mobility barriers and then translate these disparities into specific budget priorities and allocations. This shifts resources from broad, undifferentiated projects toward targeted measures such as scholarships for marginalized girls, assistive devices and accessibility works, outreach services in remote wards, or GBV prevention and response. Over time, patterns in GEDSI tagged spending and results can be compared across groups and locations,

³ <https://mosd.sudurpashchim.gov.np>

allowing local governments and citizens to test whether public money is actually narrowing gaps or not. In this way, GEDSI budgeting becomes a tool for evidence-based, equity-focused governance rather than just a symbolic line in the budget.

In recent years, initiatives have been taken to ensure participation in school education for children from minorities, dalits, indigenous peoples, children with disabilities and disadvantaged groups, and people of all castes, languages, religions, genders, regions and backward communities through special programmes such as scholarships, nutrition programmes, uniform distribution, free textbooks, etc. To improve access to education for children with disabilities, 39 special schools, 22 integrated schools, and 380 resource classes have been established. Braille textbooks are being made available free of charge for children with visual disabilities.⁵

Figure 28: GEDSI responsive budget percent of LGs



Red books/Budget speech of sampled 66 LGs

Among the sampled 91 local governments, the findings with respect to GEDSI responsive budget has been obtained from 66 LGs (as shown in Figure 28). The average share of GEDSI related budget is about 1.57% of the total budget. The highest observed allocation is 10.61% in Surnaya Rural Municipality, while the lowest is 0.09% in Gaushala Municipality, showing a very wide gap in how strongly different LGs are prioritizing GEDSI. This pattern suggests that, although GEDSI budgeting has been introduced across the sample, only a few LGs are making very strong allocations, while many are still keeping GEDSI well below 2% of their total budget.

Surnaya Rural Municipality's policy and program for FY 2082/83 issues digital disability identity cards so people with disabilities can access services in a systematic and easy way. It has mentioned to collect actual data on persons with disabilities (number, skills and abilities) and organize mobile camps to distribute identity cards and other services in line with the Disability Identity Card Distribution Procedure 2075. Program also include orientation in every secondary school to engage adolescents and men in campaigns against gender-based violence and discrimination. The municipality commit to adopt a zero-tolerance policy toward gender-based violence, human trafficking, child marriage, polygamy and chhapadi, and establish and operate a Gender Violence Fund to enforce this commitment.

Similarly, as mentioned in policy program of Thakur Baba Municipality, it has allocated NPR 200,000 to promote traditional skills of the Dalit community. It plans to distribute disability identity cards and hold screening camps with the provincial government to identify children with disabilities, support their treatment, and has set aside NPR 550,000 for disability assistive devices.

Manebhanjyang Rural Municipality prioritizes concrete actions for equality and protection. It allocates budget for the 16 Days Campaign Against Gender Violence, a child savings program, and the operation of a Safe House. It also invests in constructing houses for Dalit families and conducting a GEDSI audit to check how inclusive its plans and budgets really are.

⁴Local government's budget allocation for fiscal year 2082/83(2025/26)

⁵ <https://cehrd.gov.np/>

Sarumarani Rural Municipality commits to make all local services such as education, health, drinking water, and sanitation, equally accessible to women, persons with disabilities, sexual minorities, and other excluded groups. It also uses a participatory planning process that ensures the meaningful involvement of women, persons with disabilities, youth, sexual minorities, marginalized communities, and indigenous peoples in local decision-making.

Shantinagar Rural Municipality policy and plan for Fy 82/83 comprise employment-orientation programs for persons with disabilities based on accurate data on their number and needs, to distribute disability awareness leaflets, runs outreach camps, and operates a disability network that meets regularly. The municipality also planned to manage disability coordination committee meetings and provides skill development training for persons with disabilities.

Gaushala Municipality incorporate capacity building programmes for Dalits, Muslims and other backward communities. It also prioritizes to purchase and distribute disability assistive devices and manages the distribution and renewal of disability identity cards.

Many LGs conducts comparable initiatives, yet the funds tagged as GEDSI are still too limited for the breadth of activities they have planned.

9. Intergovernmental fiscal transfer and expenditure of pattern of LGs in 2023/24

The table 25 provides a breakdown of government expenditure across three types of government: Local, Federal, and Province along with details on various grant types and their actual expenditure as a percentage of budget estimates.

Table 25: Budget received and expenditure of LGs (in millions) for 2023/24

Types of Transfer	Source	Budget Estimate	Actual Expenditure	% of Expenditures
Internal Source (A)		229563.27	155470.62	67.72
Local Governments	Internal Source	124804.88	79307.50	63.55
	Revenue Sharing	104758.39	76163.12	72.70
Federal Governments (B)		295738.73	248856.86	84.15
Federal Government Fiscal Transfer	Equalization Grant	87352.9	69219.18	79.24
	Conditional Grant-Recurrent	176306.87	157078.93	89.09
	Conditional Grant-Capital	16306.36	11923.10	73.12
	Special Grant-Recurrent	1273.90	974.46	76.49
	Special Grant-Capital	7453.00	4917.58	65.98
	Complementary Grant-Capital	7045.70	4743.61	67.33
Province Governments ©		26528.52	19462.79	73.37
Province Governments Fiscal Transfer	Equalization Grant	7612.20	5462.91	71.77
	Conditional Grant-Recurrent	4611.65	3757.71	81.48
	Conditional Grant-Capital	4852.86	4122.35	84.95
	Special Grant-Recurrent	1297.80	860.71	66.32
	Special Grant-Capital	866.00	639.07	73.80
	Complementary Grant-Recurrent	489.67	321.02	65.56
	Complementary Grant-Capital	6798.34	4299.02	63.24
Grand Total (A+B+C)		551830.52	423790.27	76.80

Source: Office of The Auditor General (OAG) and The Ministry of Finance 2024

An overall expenditure rate is 76.80% done by three levels of local government. While this rate was 75.48% in 2022/23, showing a 1.32% of increase in budget utilization efficiency of LGs.

The federal government recorded the highest expenditure at 84.15% of its budget, followed by provincial governments at 73.37% and local governments at 67.72%.

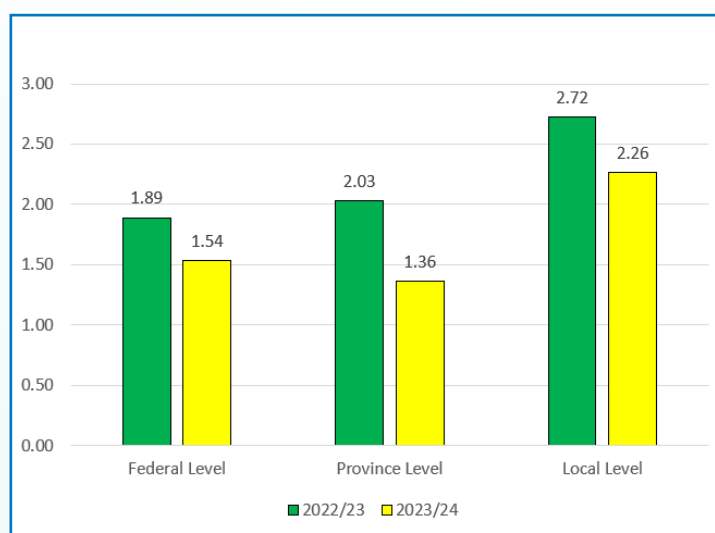
Conditional grants, especially recurrent ones, were spent most efficiently (89.09% for federal, 81.48% for province), while special and complementary grants showed lower utilization, indicating possible bottlenecks. Local governments relied mainly on internal sources and revenue sharing, with moderate expenditure rates.

In conclusion, federal transfers and conditional grants are best utilized, while there is room for improvement in special and complementary grant management across all government levels.

10. Bejuru status of federal, provincial and local governments

Figure 29 shows financial irregularities for three levels of government: Federal, Province, and Local level for the fiscal years 2022/23 and 2023/24.

Figure 29: Financial irregularities of three tier government (%)



Source: OAG Report 2024 and 2025

Financial irregularities decreased from 2022/23 to 2023/24 i.e. from 2.72 to 2.26 (17% reduction) at the local level, 2.03 to 1.36 (33% reduction) at the provincial level and 1.89 to 1.54 (19% reduction) at the federal level.

In conclusion, the data indicates a consistent decline in financial irregularities across all three levels of government: federal, provincial and local level from 2022/23 to 2023/24. The most notable improvement was observed at the provincial level, but local governments also showed a significant reduction, suggesting positive progress in financial management and accountability at the grassroots level. The decrease in local and provincial irregularities suggests better budget utilization and reduced wasteful spending at these levels. At the federal level, the increase in irregularities points to continued issues in budget management and accountability, with the Ministry of Finance being a major contributor to arrears and financial mismanagement.

However, there has been an increase in total amount of cumulative financial irregularities. The 62nd Auditor General Report states that financial irregularities have increased by 9.45% from previous years to 2023/24. The total irregularities till 2022/23 were NPR 6698639 which has increased to NPR 7331909.

¹ Constitution of Nepal (2015), Article 31: Right to Education

² Education Act and Federalism Provisions in Nepal

11. Conclusion

Local Government's education budget allocation shows a clear pattern: the federal government provides the largest share, with federal grants forming the bulk of education funding for local governments. Provincial contributions remain limited, indicating a need for greater provincial investment to balance the funding structure and reduce disparities. At the local level, most sampled local governments allocate at least 20% of their total budget to education, but contribution of their internal source to public education is extremely limited, forming just 7.74% of the education budget. There are notable disparities between provinces, with Bagmati and Gandaki leading in education spending, while Karnali and Sudurpaschim lag behind.

Geographically, rural municipalities are highly dependent on federal grants due to limited local revenue generation, while metropolitan and sub-metropolitan cities generate more internal revenue, demonstrating greater financial autonomy. This uneven distribution underscores the need for targeted efforts to build local revenue capacity, especially in rural and mountainous regions. Among types of local governments, rural municipalities receive the highest proportion of their budget from federal grants, while metropolitan cities rely more on internal revenue. Such disparities highlight the importance of equitable resource allocation to ensure sustainable and inclusive education across all local units.

Moreover, the responsiveness of local governments to GIEN and GEDSI is crucial for promoting inclusive education. While some local governments have made progress in allocating budgets for girls' education and social inclusion, there remains significant variation. Many local governments still lack specific budget lines for GIEN and GEDSI, and implementation is often inconsistent. While financial irregularities have decreased, there is still a need for more equitable distribution of resources, improved local financial autonomy, and targeted interventions for underperforming areas.

Strengthening local capacity, increasing transparency, and ensuring consistent prioritization of education including support for marginalized groups, are essential for achieving equitable and quality education for all children in Nepal. Greater investment in GIEN and GEDSI, along with monitoring and accountability mechanisms, will help bridge existing gaps and ensure that education budgets truly serve the needs of all students, especially girls and those from marginalized communities

12. Recommendations

- 15-20% of budget or 4-6% of GDP for education is crucial for improvement and strengthening of education sector. Federal, Provincial and LGs should keep education sector in priority and allocate budget accordingly.
- Local governments, especially rural ones, should strengthen local revenue mobilization to reduce heavy reliance on federal grants and enhance financial autonomy in education spending.
- For the sustainable growth of the governments, it is important to increase the capital expenditure by the local governments as well as budget utilization should be made effective one.
- Provinces must increase their investment in education to balance funding and support local priorities, particularly in province like Karnali and Sudurpaschim where allocations are low to meet the standard set of 20% budget in education.
- All local governments should allocate a minimum share of internal revenue to education, with incentives for those exceeding benchmarks to institutionalize prioritization at the grassroots level. Domestic resource mobilization capacity of LGs must be improved. The additional revenue stream must be pipelined into education reform priorities within the LGs.
- Transparency and accountability in education spending must be improved through regular monitoring, reporting, and audits to ensure efficient and equitable resource use.
- All levels of governments must closely monitor financial irregularities and control them. Ensure transparent and timely education expenditure reporting.

- Ensure that all untapped tax revenues, leakages, fraud and illicit tax exemption are stopped. Redirect the revenue received from this source into public education and social services that benefit the poor and the marginalized.
- GIEN and GEDSI budgeting should be expanded and strengthened, ensuring targeted allocations for marginalized groups and systematic tracking of outcomes.
- Special grants and technical support should be directed to rural and mountainous municipalities facing greater resource mobilization and service delivery challenges.
- Local governments should collect and analyze disaggregated data on out-of-school children, children with disabilities, girls, and other marginalized groups to inform equitable planning and decision-making.
- Allocate more funding for programmes that improve quality teaching-learning activity, enhance learning outcomes, and pro-poor scholarships.

ANNEX

S.N.	District	Name of Local Level	Province	Region	Education Budget	Share of Internal Revenue	Share of federal grant	Share of provincial grant	GEDSI
1	Taplejung	Phungling Municipality	Koshi	Mountain	39.80	3.04	95.82	1.14	1.24
2	Ilam	Suryodaya Municipality	Koshi	Hilly	41.09	5.44	94.15	0.41	1.60
3	Jhapa	Barhadashi Rural Municipality	Koshi	Tarai	37.14	14.38	82.37	3.25	2.02
4	Jhapa	Damak Municipality	Koshi	Tarai	25.45	21.18	77.74	1.08	0.41
5	Morang	Budhiganga Rural Municipality	Koshi	Tarai	23.36	6.50	91.60	1.91	0.59
6	Sankhuwasabha	Chichila Rural Municipality	Koshi	Mountain	22.67	2.11	97.89	0.00	1.11
7	Solukhumbu	Khumbu Pasang Lhamu Rural Municipality	Koshi	Mountain	11.69	NA	NA	NA	NA
8	Okhaldhunga	Manebhanjyang Rural Municipality	Koshi	Hilly	36.72	0.00	99.37	0.63	3.70
9	Khotang	Barahapokhari Rural Municipality	Koshi	Hilly	33.33	NA	NA	NA	NA
10	Khotang	Kepilasagadhi Rural Municipality	Koshi	Hilly	36.26	1.27	94.70	4.04	0.84
11	Udayapur	Udayapurgadhi Rural Municipality	Koshi	Hilly	35.47	NA	NA	NA	1.35
12	Saptari	Shambhunath Municipality	Madhesh	Tarai	31.39	0.00	99.12	0.88	1.37
13	Siraha	Karjanha Municipality	Madhesh	Tarai	25.00	3.67	0.77	95.56	2.28
14	Mahottari	Bardibas Municipality	Madhesh	Tarai	7.33	2.17	97.83	0.00	0.41
15	Mahottari	Gaushala Municipality	Madhesh	Tarai	30.60	NA	NA	NA	0.09
16	Mahottari	Pipra Rural Municipality	Madhesh	Tarai	33.08	12.03	87.97	0.00	1.48
17	Sarlahi	Bramhapuri Rural Municipality	Madhesh	Tarai	28.38	NA	NA	NA	NA
18	Sarlahi	Kabilasi Municipality	Madhesh	Tarai	30.70	NA	NA	NA	NA
19	Rautahat	Baudhimai Municipality	Madhesh	Tarai	13.79	0.00	100.00	0.00	0.87
20	Rautahat	Katahariya Municipality	Madhesh	Tarai	27.03	12.33	87.67	0.00	2.95
21	Rautahat	Yemunamai Rural Municipality	Madhesh	Tarai	32.90	16.69	78.86	4.45	NA
22	Parsa	Birgunj Metropolitan City	Madhesh	Tarai	28.06	NA	NA	NA	NA

S.N.	District	Name of Local Level	Province	Region	Education Budget	Share of Internal Revenue	Share of federal grant	Share of provincial grant	GEDSI
23	Sindhuli	Dudhouli Municipality	Bagmati	Hilly	40.47	11.16	86.34	2.50	0.85
24	Dolakha	Bhimeshwor Municipality	Bagmati	Mountain	33.48	0.43	99.27	0.31	0.82
25	Sindhupalchok	Balefi Rural Municipality	Bagmati	Mountain	31.23	NA	NA	NA	1.00
26	Sindhupalchok	Jugal Rural Municipality	Bagmati	Mountain	32.90	16.69	78.86	4.45	0.85
27	Kavrepalanchok	Banepa Municipality	Bagmati	Hilly	26.52	9.07	89.11	1.81	0.61
28	Lalitpur	Godawari Municipality	Bagmati	Hilly	16.45	20.59	79.41	0.00	2.01
29	Bhaktapur	Suryabinayak Municipality	Bagmati	Hilly	12.16	11.77	86.79	1.45	2.04
30	Kathmandu	Shankharapur Municipality	Bagmati	Hilly	14.96	18.25	80.75	0.99	1.14
31	Nuwakot	Bidur Municipality	Bagmati	Hilly	35.35	NA	NA	NA	1.66
32	Dhading	Gajuri Rural Municipality	Bagmati	Hilly	31.04	19.02	76.93	4.05	0.35
33	Dhading	Thakre Rural Municipality	Bagmati	Hilly	19.96	NA	NA	NA	3.01
34	Dhading	Tripura Sundari Rural Municipality	Bagmati	Hilly	33.37	12.01	87.99	0.00	0.89
35	Makwanpur	Bhimphedi Rural Municipality	Bagmati	Hilly	22.27	12.28	85.99	1.73	1.49
36	Makwanpur	Hetauda Sub-Metropolitan City	Bagmati	Hilly	30.12	9.18	90.01	0.81	2.44
37	Makwanpur	Thaha Municipality	Bagmati	Hilly	30.10	NA	NA	NA	NA
38	Gorkha	Dharche Rural Municipality	Gandaki	Hilly	30.17	NA	NA	NA	NA
39	Lamjung	Dordi Rural Municipality	Gandaki	Hilly	29.27	NA	NA	NA	0.36
40	Tanahu	Bandipur Rural Municipality	Gandaki	Hilly	39.31	8.68	91.32	0.00	1.74
41	Tanahu	Bhimad Municipality	Gandaki	Hilly	44.55	7.62	92.38	0.00	1.43
42	Tanahu	Devghat Rural Municipality	Gandaki	Hilly	37.88	NA	NA	NA	NA
43	Tanahu	Ghiring Rural Municipality	Gandaki	Hilly	38.46	NA	NA	NA	NA
44	Tanahu	Myagde Rural Municipality	Gandaki	Hilly	27.18	NA	NA	NA	NA
45	Tanahu	Rhishing Rural Municipality	Gandaki	Hilly	40.17	8.29	91.30	0.41	0.42
46	Syangja	Aandhikhola Rural Municipality	Gandaki	Hilly	38.37	NA	NA	NA	NA
47	Syangja	Kaligandagi Rural Municipality	Gandaki	Hilly	25.35	NA	NA	NA	NA
48	Kaski	Pokhara Metropolitan City	Gandaki	Hilly	20.83	8.52	91.48	0.00	0.42
49	Manang	Narshon Rural Municipality	Gandaki	Mountain	23.68	0.66	99.34	0.00	0.70
50	Myagdi	Beni Municipality	Gandaki	Hilly	49.10	6.30	93.70	0.00	1.14
51	Baglung	Tara Khola Rural Municipality	Gandaki	Hilly	35.80	NA	NA	NA	1.51
52	Nawalparasi East	Devchuli Municipality	Gandaki	Tarai	32.80	9.96	90.03	0.02	1.47
53	Gulmi	Dhurkot Rural Municipality	Lumbini	Hilly	41.19	5.24	94.76	0.00	1.42
54	Palpa	Mathagadhi Rural Municipality	Lumbini	Hilly	40.83	13.93	85.54	0.52	1.63
55	Palpa	Purbakhola Rural Municipality	Lumbini	Hilly	45.21	0.45	99.52	0.03	1.20
56	Palpa	Ribdikot Rural Municipality	Lumbini	Hilly	44.84	6.07	93.85	0.07	0.57
57	Rupandehi	Kanchan Rural Municipality	Lumbini	Tarai	38.60	7.18	92.82	0.00	1.25

S.N.	District	Name of Local Level	Province	Region	Education Budget	Share of Internal Revenue	Share of federal grant	Share of provincial grant	GEDSI
58	Rupandehi	Tillotama Municipality	Lumbini	Tarai	20.56	14.55	85.24	0.21	2.10
59	Arghakhanchi	Sitganga Municipality	Lumbini	Hilly	42.27	NA	NA	NA	0.76
60	Pyuthan	Sarumarani Rural Municipality	Lumbini	Hilly	37.31	4.26	95.63	0.11	4.33
61	Rolpa	Sunchhahari Rural Municipality	Lumbini	Hilly	27.46	2.29	97.71	0.00	0.68
62	Rukum East	Sisne Rural Municipality	Lumbini	Hilly	41.35	NA	NA	NA	1.27
63	Dang	Shantinagar Rural Municipality	Lumbini	Tarai	32.33	2.57	97.09	0.34	3.23
64	Banke	Baijanath Rural Municipality	Lumbini	Tarai	35.47	11.47	88.09	0.44	1.37
65	Banke	Nepalgunj Sub-Metropolitan City	Lumbini	Tarai	29.52	NA	NA	NA	2.10
66	Bardiya	Thakurbaba Municipality	Lumbini	Tarai	24.08	5.25	94.75	0.00	7.70
67	Rukum West	Aathbiskot Municipality	Karnali	Hilly	32.91	NA	NA	NA	0.57
68	Rukum West	Chaurjahari Municipality	Karnali	Hilly	38.93	NA	NA	NA	NA
69	Salyan	Bangad Kupinde Municipality	Karnali	Hilly	36.51	NA	NA	NA	NA
70	Salyan	Siddha Kumakh Rural Municipality	Karnali	Hilly	37.82	1.78	97.66	0.56	0.57
71	Salyan	Sharada Municipality	Karnali	Hilly	21.44	NA	NA	NA	NA
72	Dailekh	Aathabis Municipality	Karnali	Hilly	42.64	18.00	81.80	0.20	NA
73	Dailekh	Bhagawatimai Rural Municipality	Karnali	Hilly	33.75	12.03	87.97	0.00	1.51
74	Dailekh	Dullu Municipality	Karnali	Hilly	28.07	NA	NA	NA	NA
75	Dailekh	Gurans Rural Municipality	Karnali	Hilly	39.80	3.04	95.82	1.14	1.24
76	Dailekh	Mahabu Rural Municipality	Karnali	Hilly	35.38	1.00	97.16	1.84	NA
77	Dailekh	Narayan Municipality	Karnali	Hilly	38.49	0.29	99.71	0.00	2.04
78	Jajarkot	Junichande Rural Municipality	Karnali	Hilly	37.51	NA	NA	NA	NA
79	Humla	Tanjakot Rural Municipality	Karnali	Mountain	29.38	NA	NA	NA	NA
80	Bajura	Badimalika Municipality	Sudurpaschim	Mountain	25.31	NA	NA	NA	0.99
81	Bajura	Jagannath Rural Municipality	Sudurpaschim	Mountain	23.88	0.63	92.46	6.91	NA
82	Bajura	Swami Kartik Khaapar Rural Municipality	Sudurpaschim	Mountain	32.79	NA	NA	NA	0.77
83	Bajhang	Thalara Rural Municipality	Sudurpaschim	Mountain	44.33	1.13	98.87	NA	0.58
84	Achham	Mangalsen Municipality	Sudurpaschim	Hilly	40.64	NA	NA	NA	0.40
85	Achham	Turmakhad Rural Municipality	Sudurpaschim	Hilly	48.04	NA	NA	NA	0.77
86	Doti	Badikedar Rural Municipality	Sudurpaschim	Hilly	40.12	NA	NA	NA	2.70
87	Kailali	Lamkichuha Municipality	Sudurpaschim	Tarai	9.49	NA	NA	NA	NA
88	Dadeldhura	Ganayapdhura Rural Municipality	Sudurpaschim	Hilly	27.67	NA	NA	NA	NA
89	Dadeldhura	Nawadurga Rural Municipality	Sudurpaschim	Hilly	40.68	NA	NA	NA	0.68
90	Baitadi	Surnaya Rural Municipality	Sudurpaschim	Hilly	34.97	NA	NA	NA	10.61
91	Darchula	Naugad Rural Municipality	Sudurpaschim	Mountain	43.19	NA	NA	NA	NA

Who we are

National Campaign for Education (NCE) Nepal is a leading civil society movement advocating for the right to education to realize free and compulsory, equitable quality public education in Nepal and beyond. NCE Nepal is a national credible network with more than 508 member organizations, including national, provincial and local NGOs, INGOs, teacher organizations, media groups, and Community-Based Organizations (CBOs) working collectively to strengthen the public education system for equitable, inclusive, and quality education for all. NCE Nepal has UN Economic and Social Council (ECOSOC) status and is a member of the Local Education Group (LEG) for undertaking accountability actions in monitoring and reporting the status of the implementation of the right to education in Nepal and holding the government accountable. NCE Nepal is a locally rooted and globally connected campaign/network advocating to address issues of equitable quality public education, including socio-cultural structural issues in Nepal. It focuses on evidence-based knowledge production and policy advocacy to ensure equitable quality and inclusive education for all children and youths and contributes to policy processes and debates for strengthening the public education system at all levels. NCE Nepal believes that "quality and inclusive public education is possible only when the fundamental right to education is fully realized".

Vision

Our vision is inclusive and equitable quality public education for all in Nepal.

Mission

Our mission is to strengthen the public education system in Nepal through creating education movements and organizing campaigns with a series of strategic actions ranging from policy advocacy, accountability actions, lobbying, capacity building, research, awareness raising, networking, monitoring education rights, to solidarity movements to hold the government accountable.

Goal

The government upholds the right to education in Nepal, delivering inclusive, equitable, and high-quality public education.



**NCE
NEPAL**

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