



EVALUATION OF THE EU'S COOPERATION WITH NEPAL (2014-2021)

CONTEXT

Over the past decade, Nepal has faced significant challenges, including a devastating earthquake in 2015, the impact of the global COVID-19 pandemic on its tourism and remittance-reliant economy, and, since the new constitution in 2015, the establishment of a federal state.

During the period from 2014 to 2021, the European Union (EU) has been a key partner, supporting Nepal's development goals, including its aims to graduate from the least developed country status by 2026. This partnership focussed on expanding job opportunities, improving food security, increasing education access, enhancing rural infrastructure, and promoting sustainable economic growth especially in rural value chains.

The evaluation of the EU's cooperation with Nepal highlighted achievements, lessons learned, and recommendations to bolster Nepal's resilience and sustainable development in the future.

ALL SECTORS OF COOPERATION

were covered by the evaluation



Sustainable rural development (including nutrition)



Education (including Technical and Vocational Education and Training (TVET))



Strengthening democracy and promoting federalism



Cross-cutting issues (gender equality, environment and climate change, human rights)

EUR 414 million



were contracted by the EU via bilateral support to Nepal between 2014 and 2021

EVIDENCE

MATTERS

CONCLUSIONS

STRATEGIC ISSUES

The EU has been a **trusted partner** assisting Nepal in navigating its development journey, which has yielded significant results, but systemic challenges persist.

The EU is seen by all stakeholders as a committed and relevant partner with a **strong developmental focus**.

The use of **budget support** has been justified, but its effects on policy outcomes depend on external factors as well as government commitment and willingness to have dialogue and to take actions on key binding constraints.

The education sector demonstrates the benefits of budget support for improving **aid effectiveness** but also points to the primacy of domestic political bargains that at times can undermine performance.

STRATEGIC OPERATIONALISATION ISSUES

The EU's **pandemic response** was pertinent and ushered in a new and closer EU-wide cooperation with Member States.

The EU has accelerated efforts to **mainstream gender equality and social inclusion** and, more recently, **conflict sensitivity** in its programming.

There are still only a **few synergies** between support to non-state actors and larger government programmes.

Although outcomes are now better evidenced, there is still more work to do in understanding **what factors enhance or hinder progress**.

RECOMMENDATIONS

STRATEGIC LEVEL



R1

The EU should stay engaged with the federal government and leverage its position for systematic commitment.

Continue Team Europe using a pragmatic case-by-case approach.



R2

OPERATIONAL LEVEL



R3

Increase efforts aimed at the generation of data and knowledge on outcomes, especially on core social service delivery.

Advocate for a systemic approach to education, prioritising teacher accountability for learning outcomes.



R4



R5

Continue with the emphasis on budget support, with increased selectivity.

Balance localisation of projects at provincial and local level with scalability and low fragmentation.



R6



R7

Accelerate efforts aimed at creating better jobs, via value chain and private sector development.