

NEPAL - Green Recovery

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



Renewable energy

- Energy infrastructure acceleration (EIB, EDFIs)
- Renewable Energy, Energy Efficiency and Circular Economy (DE)

Agro-Forestry/ Biodiversity

- Afforestation and forest-based livelihoods (WB, EIB)
- Biodiversity Protection and Green Jobs
- Agricultural Productive Ecosystems (DE, FI)

Green economy

- Ecosystems Services and Ecosystems based Adaptation (DE, FI, EIB)

Human Capital Development and Gender

- (FI)

Risk Management and Climate Policy (cross-cutting)

- Academia (DE, FI)
- WASH Sustainability measures (FI, EIB)

MODALITIES/TOOLS

Private sector Loans
EFSD+ Blending Grants
Institution building and PPPs
Guarantees

Twinning Infrastructure loans and guarantees
PPPs

Research Grants Infrastructure Loans
Technical Assistance

Blending Grants Guarantees
Technical Assistance

Budget Support Grants
PPPs

KEY DELIVERABLES

Renewable energy

1. Extension of power transmission lines and sub-stations that allow the distribution of electricity from hydropower, including a neighbourhood electrification component to allow access to electricity of the communities along the power line.
2. Dudhkoshi Storage Hydroelectric Project and Upper Arun Hydro Project: The projects intend to feed into the national grid, with options also for export to India and Bangladesh, thereby contributing towards much-needed energy security as well as regional connectivity. EIB Confidential

Water

3. Investing in WASH facilities (improved sanitation facilities and drinking water sources) in remote rural areas. This will allow nearly 300,000 people to benefit from improved sanitation facilities and 160,000 from improved drinking water sources.

TRANSFORMATIONAL POTENTIAL

- Full implementation of international agreements.
- Focused change and visibility with growth and jobs in sectors with the highest share of workforce, informal employment and potential for growth.
- Nepal's COVID-19 relief, recovery and resilience.
- Sustaining the graduation, reducing inequalities, and fostering civil society partnerships with Government.

*This Team Europe Initiative is work in progress

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NATIONAL CONTEXT

Policy priorities:

- Graduate to middle-income country by 2030
- Increase per capita incomes to \$1,500/year
- Growth in the sustainable service, industrial and natural resources sectors

Policy context:

- Resource & capacity intensive federalism reforms
- Low inter-institutional cooperation mechanisms
- Growth-Human Capital-Good Governance nexus
- 5 climate and sustainability policies in favor of green growth

Development challenges could threaten environmental objectives and sustainability of graduation

Agriculture

- 60% of the workforce
- Mainly subsistence farming
- Migration has reduced the sector's workforce

Society

- Rural-urban disparities increasing

GEOPOLITICAL CONTEXT AND RELEVANT SDGs

 1 NO POVERTY	 2 ZERO HUNGER	 4 QUALITY EDUCATION	 5 GENDER EQUALITY	 6 CLEAN WATER AND SANITATION	European Consensus on Development	Paris Climate Agreement
 7 AFFORDABLE AND CLEAN ENERGY	 8 DECENT WORK AND ECONOMIC GROWTH	 10 REDUCED INEQUALITIES	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 15 LIFE ON LAND	Green Deal (Farm to Fork Strategy, Biodiversity Strategy, Circular Economy Strategy)	Sendai Framework, Hyogo Framework for Action
						2030 Agenda for Sustainable Development

**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)