

		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	<p>Budget line(s) (article, item): 14.020131 (South and East Asia)</p> <p>Total estimated cost: EUR 57 580 000</p> <p>Total amount of EU budget contribution EUR 23 580 000</p> <p>This action is co-financed in joint co-financing by:</p> <p>- The German Ministry of Economic Cooperation and Development (BMZ) for an amount of up to EUR 34 000 000 subject to approval from BMZ</p> <p>This action is part of the Team Europe Initiative (TEI) for Nepal on Green Recovery. In line with the co-financing, Germany will contribute to this Initiative for an indicative amount of EUR 34 000 000.</p>			
<b>12. Type of Financing</b>	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

Nepal, a Least Developed Country (LDC) in the Himalayas, faces significant challenges in its human development, gender equality, and susceptibility to climate risks, ranking low on respective global indices. The majority of its 29.2 million population is urban, with a considerable portion working abroad, leading to reduced agricultural engagement. Nepal's Constitution and the 15th National Development Plan (NDP) aim for sustainable development, aspiring to graduate from an LDC by 2026 and become a middle-income country by 2030, with a focus on human rights, green economy, and reducing inequalities (including gender inequalities).

Energy poverty hampers Nepal's development. Economic Survey (2022/23), Ministry of Finance reports that electricity consumption per capita is 351 kWh (as of mid-March 2023), which is very low compared to other countries in the region (India 862 kWh). Traditional energy sources like wood and dung still dominate the energy mix, contributing to greenhouse gas (GHG) emissions and creating inefficiencies and other externalities such as poor health outcomes and high workloads, mostly for women and girls in all their diversity. With its amenable geography for hydropower, Nepal has the potential of energy self-sufficiency and surplus for regional trade from renewable sources. The government's policies and the 15th National Development Plan 2019 – 2024 (March 2020) prioritize clean energy development, Greenhouse Gas emission reduction, and inclusive opportunities. Nepal's policy targets an increase in installed generation capacity from the current 3 300 MW to 28 700 MW in 15 years. Progress in the energy sector, however, is hampered by political instability and low institutional capacity. Nepal's energy reliability issues stem from inadequate transmission and distribution systems rather than generation capacity.

The energy mix includes a small share of renewable sources, and high system losses (13.46%) and inefficient use lead to reliance on diesel generators (Annual report, Nepal Electricity Authority, August 2023). While electrification has