

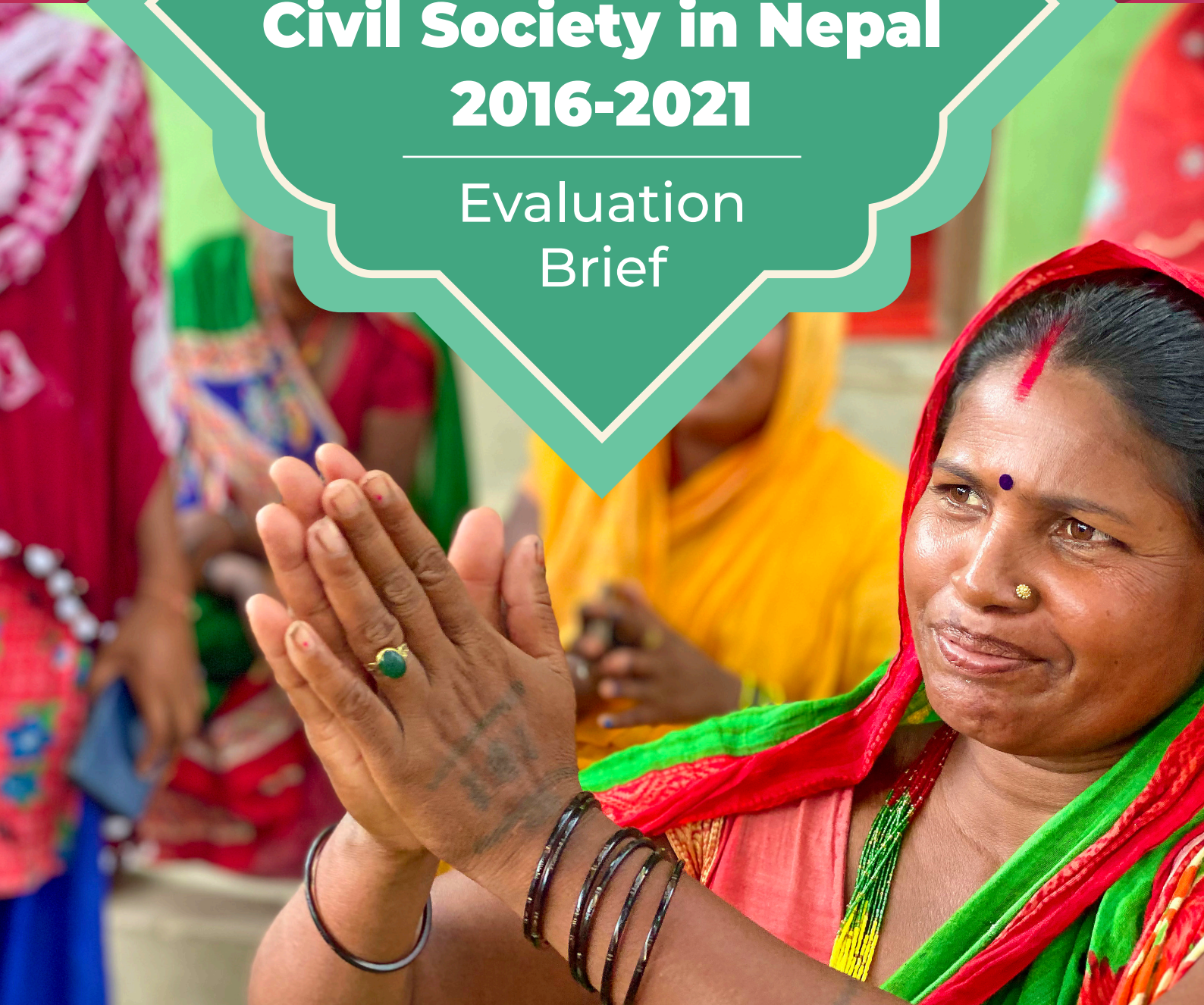


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Evaluation on the EU engagement with Civil Society in Nepal 2016-2021

Evaluation
Brief



The EU and its Member States support Nepal in its democratic transition and implementation of the 2015 Constitution. The EU engages with both state institutions and Civil Society organisations (CSOs) in Nepal, particularly in capacity development but also service provision and accountability.

The EU engagement with civil society is guided by the 2012 EU Communication “The Roots of Democracy” and by the EU Roadmap for the engagement with civil society in Nepal. The first Roadmap covered the period 2016-2020. The new Roadmap covers the period 2021-2024 and, like its predecessor, is articulated around three key priorities:

- (i) strengthening partnerships with civil society and the Government to promote a conducive environment;
- (ii) promoting stronger voices and capacities of CSOs in public policy cycles, in the areas of EU engagement in Nepal as outlined in the Multi-annual Indicative Programme (MIP) 2021-2027; and
- (iii) promoting the participation of civil society in good governance.

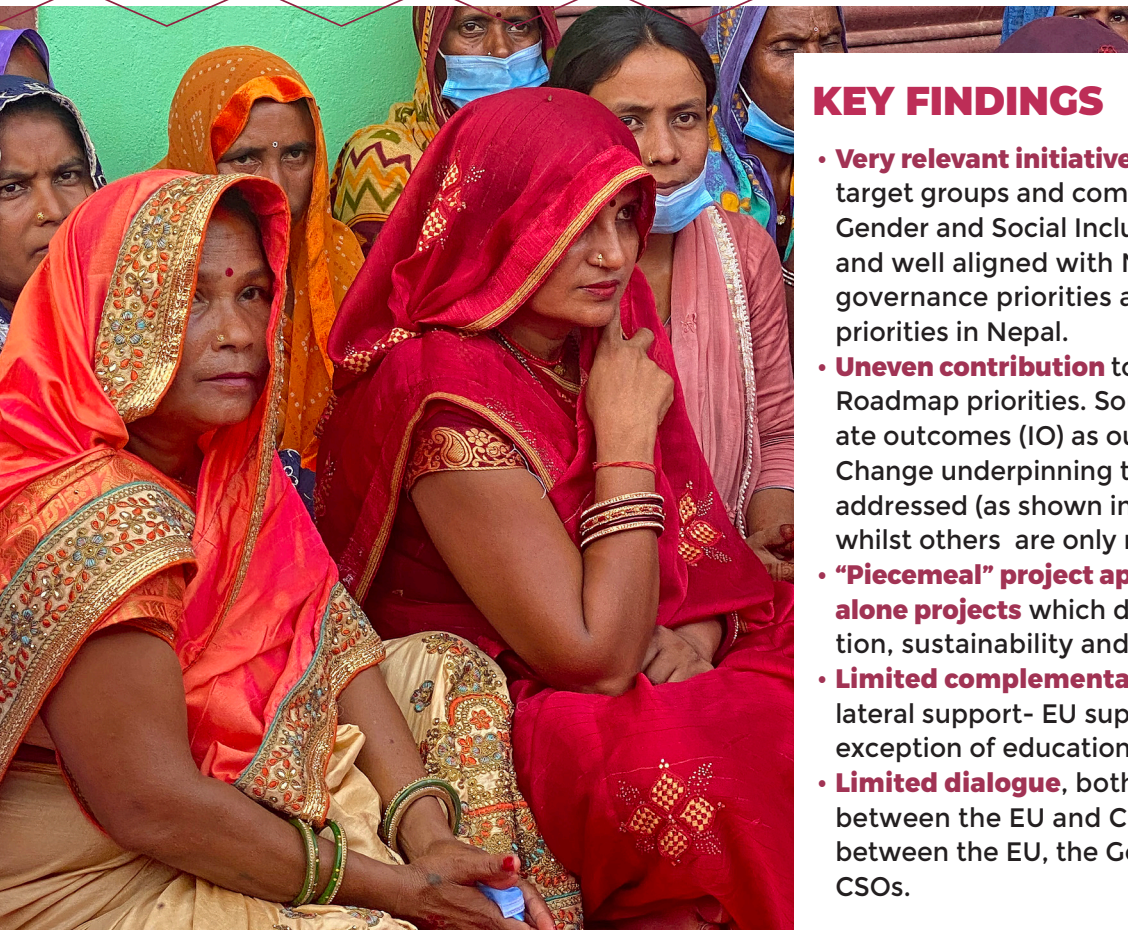
Between June and December 2022, as part of the Roadmap evaluation, a portfolio evaluation of the EU support to civil society in Nepal between 2016 and 2021 took place.

The evaluation analysed a total of 25 EU-funded interventions. Conceived as a “mixed methods evaluation”, the evaluation used a wide range of quantitative and qualitative methods to collect and assess the information, including an online survey answered by 35 partners, visits to 13 interventions in Madhesh, Karnali and Sudurpashchim provinces and 70 semi-structured interviews with a wide spectrum of stakeholders. Appreciative evaluation tools such as Appreciative Enquiry, Outcome Mapping, and Most Significant Change were also integrated in the developmental framework. What follows is a policy brief summarising the key findings of the evaluation and the recommendations intended to feed the implementation of the new EU Roadmap for the engagement with civil society in Nepal.

The evaluation concludes that EU interventions have provided relevant and positive contributions supporting civil society in Nepal. However, a major gap prevails between EU policy commitments and the actual implementation practices, in terms of the actors, approaches and modalities which are used. This is despite the longstanding relationship between the EU and civil society in Nepal and the volume of EU support (close to 20 MEURO between 2016 and 2021).

All in all, the evaluation finds that actual engagement practices are only partially “fit-for-purpose” to translate the ambitions of the 2012 EU Communication “Roots of Democracy” and effectively contribute to implementing the priorities of the EU Roadmap for engagement with civil society in Nepal 2021-2024, in line with the principles enshrined in the Nepal Constitution 2015.





KEY FINDINGS

- **Very relevant initiatives** to the needs of target groups and communities, with a strong Gender and Social Inclusion (GESI) approach and well aligned with Nepal development and governance priorities and EU engagement priorities in Nepal.
- **Uneven contribution** to the EU civil society Roadmap priorities. Some of the intermediate outcomes (IO) as outlined in the Theory of Change underpinning the Roadmap are widely addressed (as shown in the figure below), whilst others are only marginally addressed.
- **“Piecemeal” project approach with stand-alone projects** which do not allow for replication, sustainability and systemic impact.
- **Limited complementarity** between EU bilateral support- EU support to CSOs (with the exception of education).
- **Limited dialogue**, both at bilateral level, between the EU and CSOs, and tripartite, between the EU, the Government of Nepal and CSOs.

Against this background, the evaluation recommends **“an upgrade”** in the engagement with civil society, in the form of several programmatic measures aimed at addressing the current gap. Since 2021, the EU Delegation has already been introducing several changes in this direction (including the commissioning of the present strategic evaluation), **which need to be further supported.**

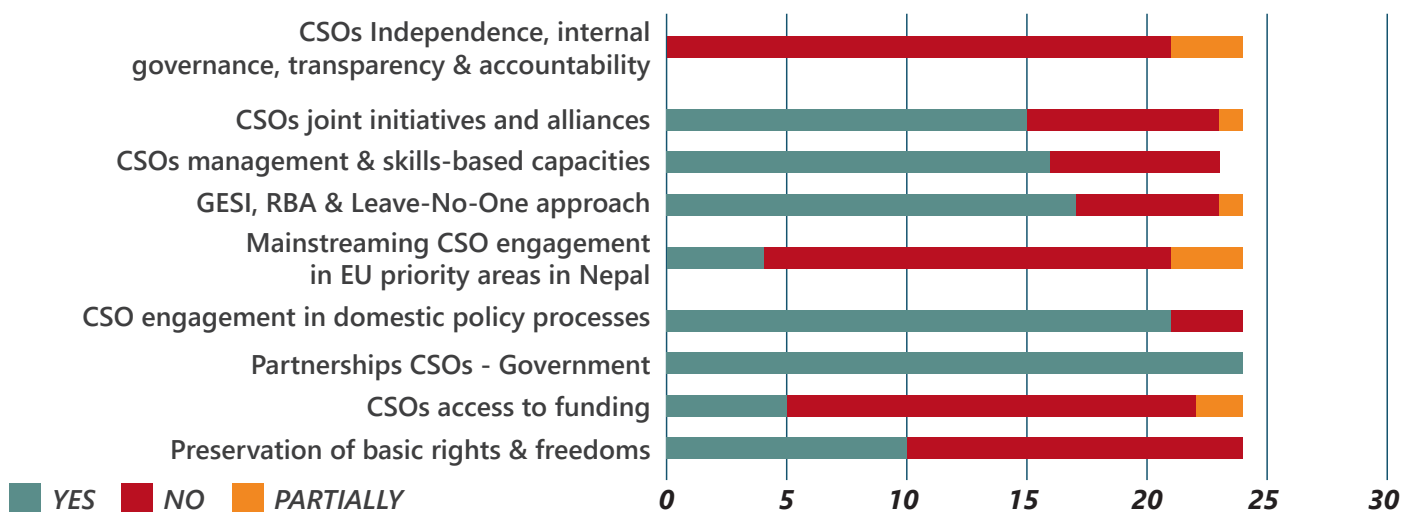


Figure 1: Contribution analysis to the Intermediate Objectives (IO) of the EU Civil Society Roadmap (RM) in Nepal 2016-2020

MESSAGE 1: ENLARGE “THE TENT”

Notwithstanding the broad formal recognition of the importance of engaging with a diversity of civil society actors¹, **the EU Delegation in Nepal continues to channel its support mainly through non-governmental organisations (NGOs), with European NGOs taking the leadership in 60% of the projects.** The potential of channelling support through a wide range of (local) CSOs is less than optimally used, partly because the European Commission still lacks knowledge on the (local) civil society arena beyond NGOs, and partly because of the hindrances documented by the evaluation which prevent local organisations to access funding (i.e., co-funding requirements; limited financial capabilities; lack of experience drafting proposals; etc.).



LEAD PARTNERS

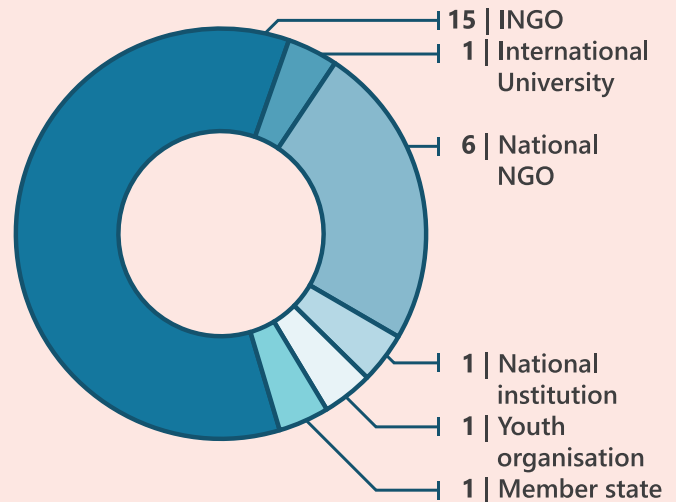


Figure 2: Typology of EU civil society partners

CO-APPLICANTS

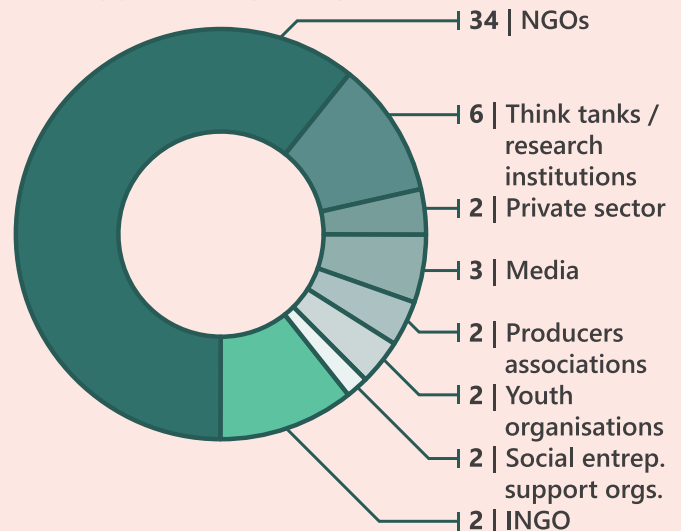


Figure 3: Typology of the co-applicants in EU projects

There is a need to **incentivise alliances between NGOs and other CSOs** including think tanks, academia, and specialised institutes; the media; trade unions; the youth and new civic movements in an effort to “enlarge the tent” and engage with civil society actors at large, both at the level of co-applicants as well as at the level of stakeholders involved, with sound collaborative approaches conceived during the design of the interventions. Alliances with social entrepreneurs and the private sector also need to be promoted, particularly in the new areas of EU engagement in Nepal within the Multi-annual Indicative Programme (MIP) 2021-2027.

¹ According to the EU “CSOs include all non-state, not-for-profit structures, non-partisan and non-violent, through which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations”. CSOs, as such, range from grassroots and community-based organisations to non-governmental organisations (NGOs), women’s organisations, indigenous communities’ organisations, cultural organisations, faith-based organisations, foundations and research institutions, trade unions, cooperatives, fair trade networks, youth organisations and civic movements, social enterprises, professional and business associations, and the media. See: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:EN:PDF>

MESSAGE 2: ENLARGE THE TOOLBOX TO CHANNEL SUPPORT TO CSOs

Despite a steady move towards EU programme-based engagement and budget support to the different ongoing relevant reforms in Nepal (education, food security and nutrition, etc.), **project approach remains the preferred way to channel support to CSOs**. For the selection of projects and in line with the EU Procurement Procedures and Practical Guide (**PRAG**), **restricted Calls for Proposals²** remain the norm. However, between 2020 and 2021, as part of the EU emergency response to COVID-19, the European Union Delegation (EUD) Nepal, alongside other EUDs, applied a **mixed procedure³** for the selection of the projects, whilst also occasionally and justifiably resorted for the direct negotiated award.

The evaluation found evidence that the use of the **negotiated direct award⁴** and **mixed procedure** proved useful to enhance the complementarity and division of labour across the CSO projects and **ensure a closer alignment between EU priorities and the CSO projects**, thereby strengthening the consistency in the EU response across the supply and demand side of the reforms.




17 projects selected through Restricted CfP


5 projects selected through a mixed Negotiated Procedure


2 projects selected through a direct Negotiated Procedure

Accordingly, the evaluation recommends the **inclusion of the mixed procedure as part of the menu of selection mechanisms to be used by the EUD to award grants**, when considered relevant to ensure a better alignment of the projects funded under the CSO Thematic Programme with the Civil Society Roadmap 2021-2024, the Multi Annual Indicative Programme (MIP) 2021-2027 and other relevant EU strategies and plans, such as the Human Rights Democracy Country Strategy and EU Gender Action Plan III (GAP III).

MESSAGE 3: SUPPORT EVIDENCE- BASED RESEARCH AND ADVOCACY ROLES ALONGSIDE POLICY DIALOGUE

There is evidence that EU support predominantly targets CSOs (and mostly NGOs) upholding **service-delivery and support roles** (empowering communities; raising awareness; capacitating local governments; etc.) aimed at strengthening

² According to the PRAG, "calls for proposals are by default restricted, i.e. a two-step procedure where all applicants may ask to take part but only the applicants who have been shortlisted (on the basis of a concept note in response to a call launched through published guidelines for applicants) are invited to submit a full application" (page 173).

³ The mixed negotiated procedure is characterised by a competitive selection of concept notes followed by a negotiated procedure with the pre-selected CSOs having submitted successful concept notes.

⁴ According to the PRAG, this system is to be used only in exceptional situations to ensure a rapid response when there is no time to go through a call for proposal; for humanitarian aid and civil protection operations; on the basis of a "de facto" or "de jure monopoly", which needs to be clearly substantiated; etc.



citizenship (as rights-holders) and enhance access to basic services. **Opportunities for CSOs to participate strategically in sector and macro-economic approaches, though evidence-based research, advocacy, and policy dialogue**, beyond the local level (Palika) are still very limited. This is also due to the current legal and institutional framework regulating CSOs in Nepal, which foresees very specific roles for CSOs, and more precisely NGOs, to complement and address the gaps in the services provided by the State authorities at different levels. **Advocacy and watchdog approaches** to hold the authorities accountable (and vis-a-vis the private sector) are still marginal.

The evaluation strongly recommends proactively supporting CSOs advocacy and watchdog roles and approaches (the so-called “claimed spaces” for engagement), alongside constructive engagement roles and approaches (the so-called and prevailing “invited spaces”⁵). Furthermore, and for interventions aiming for policy reforms and those explicitly challenging “power relations” (e.g., to empower the most vulnerable sections of the community and/or address “hard issues” such as land tenure) the evaluation recommends integrating stronger Political Economy Analyses, to be better “politically informed” and adopt adaptive programming to support complex processes. Interventions should also, whenever possible, prioritise collective work (through alliances) and aim towards supporting both constructive engagement as well as CSOs watchdog roles. Detailed information on the approach, strategy, and methodologies to undertake evidence-based research, advocacy and policy dialogue should be provided. Also, when possible, applicants should be encouraged to make the connections from the local level to higher levels of governance (provincial and federal) within the three-tier government system of Nepal.



MESSAGE 4: **SUPPORT THE SHIFT TOWARDS TRANSFORMA- TIONAL PARTNERSHIPS AND THE EMERGENCE OF A COLLECTIVE VOICE**

There is evidence that most EU-supported interventions are founded **on long-term partnerships between the consortia members**. Generally, co-applicants deploy a strong sense of project ownership, generally appear to be in the “driver’s seat”, participate in the decision making and have clear tasks allocated (in line with their strategies and comparative advantages). Yet, differences in **how partnerships are understood and implemented are evident across consortia**. What is more, the scope of the partnerships and alliances is limited to the scope of the project and consortium members. Consortia’s investment in the organisational development of their partners is still limited, lacks sound strategies, and is mainly focused on skills and tasks related to project implementation.

Against this background, the evaluation recommends that **capacity and organisation development for Nepali members of the consortia are explicitly included and budgeted in the projects** through dedicated plans and funds (to support peer-to-peer, exchanges, coaching, mentoring for staff; etc.) and support to 2.0 skills (vision; leadership; fund raising; resilience) beyond project implementation skills. When possible, the added value of INGOs should also be clarified (know how; financial capacity; regional and global exchanges & networking; skills development; etc.).

⁵ In some cases, also referred to as invited spaces, civil society is invited by authorities as observers, for consultation or even active participation in decision-making. Claimed spaces, by contrast, are established on the initiative of civil society, often informal, organic and based on common concerns and identification. They include advocacy initiatives to claim influence on e.g. legislation, constitutional revision processes, or discontent with public services or political decisions. See EuropeAid: Promoting Civil Society participation in policy and budget processes. Tools and Methods Series. Reference Document. January 2014.



Beyond the scope of the respective consortium, there is also an **opportunity to deepen exchanges** across EU civil society partners (particularly on a sectoral basis), in view of developing blueprints/standards to ensure consistency; promote cost-effectiveness and compile relevant evidence-based data and policy messages, which could then be taken to higher levels of government (provincial and federal) on a collective level, through issue-based and thematic alliances. This aspect is particularly relevant considering the fragmentation which prevails within civil society. On another note, the evaluation also strongly recommends supporting existing platforms and networks, in their efforts to rethink their roles, shift towards “service oriented” platforms for their members, become more accountable to their constituencies and support the new generation of leaders.



MESSAGE 5: SUPPORT THE SHIFT TOWARDS TRANSFORMATIVE GENDER AND SOCIAL INCLUSION (GESI) APPROACHES

The evaluation confirms that EU supported interventions integrate a **strong GESI approach** in their design and have been successful at reaching out to the most vulnerable sections of the community, including women and marginalised groups (e.g., Dalit, Janajati and other ethnic minorities; Gender Based Violence (GBV) survivors; Haliyas - bonded labourers; underemployed youth; People with Disability (PwD); Lesbian, Gay, Bisexual, Trans, Intersex and Queer (LGBTIQ+), etc.)). 20% of the projects address Gender Equality and Women’s Empowerment (GEWE) in their core objectives whilst 80% integrate GESI as a cross cutting priority using two main techniques: the collection and use of gender and caste/ minorities disaggregated data and

gender and caste/ minorities balanced participation in events. However, despite this strong GESI focus, the evaluation found **limited evidence of the use of transformative approaches** to suggest a substantial partners shift in their operations towards redressing the structural or root causes of discrimination. In the case of targeted approaches (focusing exclusively on the needs of specific sections of the community), the evaluation also raised questions on the equity of the approaches (in the access by target groups to CSOs’ services) and the isolation risks resulting from purely targeted approaches, unless mitigation measures are adopted. The evaluation didn’t find enough evidence of partners embracing a wider “civic perspective” and supporting the mobilisation or aggregations of local organizations into substantive civic actors to overcome such risks.

In line with EU Gender Action Plan III commitments, the Evaluation strongly recommends the promotion of gender-transformative approaches seeking to tackle the roots causes of inequality and transform gender relations. Future interventions will therefore need to be underpinned by robust intersectional gender analysis to foster a clear understanding on the approach and the actors in communities/society to be involved (men, religious leaders etc.). Even for interventions which cannot be gender transformative in their design, the evaluation strongly recommends reviewing their intervention logic so that they can still gradually contribute to a greater transformative change in the long term.



MESSAGE 6: PROMOTE INNOVATION

The evaluation confirms that **EU civil society partners’ roles related to innovation and pioneering of new approaches** are still little developed, with few exceptions. In general, partners continue to resort to traditional and often top-down (despite the use of participatory approaches) delivery of services (e.g., training, awareness raising, provision of materials; etc.). The risk-averse nature of EU funding and of CSO proposals, together with the limited involvement of CSOs other than NGOs and the private sector are also important factors explaining the limited innovation found in EU projects. The current legal and institutional environment regulating civil society in Nepal (including Social Welfare Council provisions) is also important to consider. Nonetheless, emerging **innovative approaches are to be noted** in a few sectors

(energy, education; GBV; etc.) which need to be further nurtured.

Against this background, the evaluation strongly recommends, within the risk-acceptance limits of EU funding, to proactively incentivize innovation, with dedicated measures in the guidelines and the set-up of a dedicated fund to allow for innovation (in terms of actors, processes, and models, even considering business models to address social issues). Bottom-up locally driven innovation should also be supported, using funding support through third parties (FSTP), as described below.



MESSAGE 7: INCREASE THE OUTREACH AND SUPPORT TO ACTOR- AGENCY AT LOCAL LEVEL

Despite the strong focus on rights-holders' empowerment, the evaluation found little evidence of the use of sub-granting mechanisms (the so-called FSTP) in the empowerment models used by the partners, therefore raising questions in some interventions regarding partners' capacity to strengthen actor-agency⁶ to build resilience and to support bottom-up innovation emanating from the community.



For interventions supporting grass roots and community-based organisations, the evaluation strongly **recommends the use of FSTP to ensure a broad outreach and promote local agency**. FSTP could be used creatively, from providing sub-grants and monetary awards to the provision of scholarships, individual financial support or the coverage of operating costs. FSTP should furthermore be conceived as an integral part of the intervention (and hence duly co-related to the other activities) and designed to facilitate access to funding for less experienced organisations, even individuals and informal groups. Simplified application and reporting procedures are therefore key, as well as dedicated capacity development throughout the process.



MESSAGE 8: ADDRESS THE NARRATIVE WITH EVIDENCE, SOUND TRANSPARENCY SYSTEMS AND ENGAGING STORIES

Beyond the question of the legal and institutional framework governing CSOs, the evaluation found evidence of relevant political-economy, cultural and societal factors impacting the enabling environment for CSOs in Nepal and contributing to creating a widespread lack of understanding by the authorities about CSOs roles and a certain "negative narrative". This is also evident at the level of the bureaucracy, despite the changes in political leadership. The **politisation of civil society** (being regarded as very close to certain political parties) also contributes to such lack of understanding and mistrust. Unfortunately, these Government attitudes also extend to the public, which appears to lack an understanding of civil society, with the terms NGO and CSO being often used interchangeably. Also, and according to recent studies, many CSOs and activists are still perceived as "foreign agents" or "money seeking" (i.e., "dollarbadi" - dollarists - engaged in "dollarkheti" - dollar farming). At the same time, there is widespread perception among the people about weak CSO governance and management, especially related to conflicts of interest and linkages between CSOs and politics.

Transparency and accountability of CSOs therefore remains a major concern of the public. Hence the strong need for CSOs to strengthen such inter-

⁶ Agency can be described as 'the capacity of persons to individual to respond to events outside of one's immediate sphere of influence, plan and initiate action and transform existing states of affair. Agency is necessary for citizens to be able to adapt to their sociocultural environment, and more importantly to respond and transcend crisis. It fosters social action that allows citizens to acquire rights and resources. See: L. Newman & A. Dale (2005): The Role of Agency in Sustainable Local Community Development.

nal systems, deepen their communication efforts around their results and better engage with the public, whilst also contributing to shape a different narrative. To this end, the evaluation strongly recommends that both EU partners, as well as the EUD, invest in stronger M&E systems (focused on results at the outcome level), strengthen their communication skills (with dedicated staff) and cultivate alliances with academia, think tanks and the media.



MESSAGE 9: ADDRESS THE SUSTAINABILITY OF CSOs

Financial sustainability of EU partner organisations (particularly local CSOs) is in many cases a weak point. The evaluation found evidence that less than 25% of the partners finance themselves through members contributions and even fewer receive funding from the government. The EU, other international partners and INGOs remain the key source of their funding and **such funding is often project based**. Hence, most of the partners are **project-oriented organisations**, heavily dependent on external development assistance for the provision of their services with little sign of economic sustainability strategies.

With Nepal's graduation from a least-development country planned in 2026 (as with other graduated countries, this has major implications in terms of ODA flows), the evaluation strongly recommends supporting **CSOs to deepen their reflection around the question of sustainability, with dedicated research on alternative sources of funding within the income-generating space provided by current legislation**. Building on the emerging work of some partners in this regard, such alternative sources can in-



clude the set-up of sister companies to conduct income generating activities (in the form of consultancy services, etc.); enhanced access to public funds and the "selling" of technical assistance services to local government and tapping into social corporate responsibility funds from private companies.



MESSAGE 10: STRENGTHEN DIALOGUE ACROSS EU, MS, AND LIKE-MINDED DEVELOPMENT PARTNERS IN THE SPIRIT OF TEAM EUROPE

The evaluation did not find signs of any substantial gaps or overlapping areas of EU support to CSOs vis-à-vis Member States and other development partners. **Coordination remains limited** and challenged also by the headquarters nature of MS funding to CSOs-**yet it has been growing over the past years**. Considering the volume of MS support to CSOs and the start of two new large-scale projects **funded by USAID and the UK** and providing either targeted or mainstreamed support to CSOs, the need for **stronger coordination among main development partners** emerges clearly.

Building on the Evaluation Reference Group, the evaluation recommends the **establishment of a Development Partners' Thematic Group focused on governance and civil society**, to discuss issues related to the enabling environment for CSOs as well as donor approaches and models to engage with civil society. The Thematic Group should also serve as an exchange platform on current programmes and interventions in the area, to avoid overlapping areas of support, ensure a better division of labour and share knowledge about partners.







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