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# **Britain-Nepal relations through the prism of aid**

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## **Introduction**

In this paper we view Britain-Nepal relations through the prism of aid. Along with the recruitment of Gurkhas into the British Army, aid to Nepal has been one of the principal elements in the bilateral relationship between the two countries. For example, in 2015/2016, the budget for Nepal of the UK's Department for International Development (DFID) stood at £101.5 million.<sup>1</sup> Whilst the origins of aid can be traced back to financial support to colonial governments from the mid-late 19<sup>th</sup> century (Overseas Development Institute 1964), in this historical trawl through Britain-Nepal aid relations we focus on the period from 1952 to the present. We start with some methodological caveats – what we have focused on, what we have left out, and why we have approached this subject in the way we have – and then we divide the paper up to reflect aid in relation to Nepal's most significant political eras and transformations. This represents our initial scoping of the terrain, and limited by length, and the breadth of the subject, the paper omits details of specifics, and deals with the subject matter with broad brush strokes. We conclude with observations on emerging analytical issues and the need for a political history of aid.

## **What constitutes aid to Nepal?**

While deliberating how to approach this paper, we first had to consider what constitutes aid from Britain, as well as the diversity of these entanglements. Aid from Britain has supported projects such as road building, drinking water, community mobilisation for community forestry, delivery of health and education services in the middle hills, and has expanded in the last two decades to include other sectors such as strengthening civil society, governance, health systems, human rights, state-society relations, conflict, security, the peace process, political transition, climate change and natural disasters.

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<sup>1</sup> <https://devtracker.dfid.gov.uk/countries/NP>, accessed 10 August 2017.

There are official channels: Britain's Official Development Assistance (ODA) to Nepal is mainly channelled through DFID<sup>2</sup>. This aid is channelled directly, through Britain's bilateral projects or more indirectly, with its support of Voluntary Service Overseas (VSO), and through Britain's contributions to multilateral agencies, and global Public Private Partnerships (PPP) such as the Global Fund. Some of this aid is also delivered through the Ministry of Defence (MoD) - especially for Gurkha Welfare Support (GWS) Projects - and the Foreign and Commonwealth Office (FCO) to carry out political analysis.

In addition to ODA, several Non-Governmental Organisations provide development and humanitarian assistance. These are faith-based missionary organisations such as United Mission to Nepal (UMN), with significant British input, and International Nepal Fellowship (INF); other UK based International Non-governmental Organisations (INGOs) such as Save the Children UK, Oxfam GB and ActionAid; and INGOs with a specific Nepal focus such as the Britain Nepal Medical Trust (BNMT). There are Universities involved in research collaborations- such as University College London, Liverpool, Oxford and Edinburgh, amongst others - that channel resources from the research funding bodies such as Economic and Social Research Council (ESRC), Medical Research Council (MRC), Nuffield Foundation and the Wellcome Trust. In addition to these, there are aid flows building on longstanding personal, professional and diasporic networks, and various forms of people-to-people aid from Britain to Nepal.

These aid channels are influenced by changing patterns in aid flows informed by global trends such as neoliberal reforms, and the focus on security concerns post 9/11. Significant shifts also occur with changes in domestic politics and governments in Britain. Major critical events, such as the recent earthquakes in Nepal also have profound impacts on resource flows. In this paper, however, we attempt to read aid from Britain to Nepal primarily through the perspective of significant political changes in Nepal since the 1950s and link these to the context of shifting discourses on aid globally. Aid from Britain to Nepal reflects Nepal's

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<sup>2</sup> DFID was established in 1997. Prior to that there have been several shifts in institutions responsible for management of British aid, reflecting political changes in the UK.

political specificity in addition to being shaped by shifting global parameters on aid. Accordingly, this paper is organized around the timeline of Nepal's political history: pre-1951, 1952-1960, 1960-1990, 1990-1996, 1996-2006 and 2006 onwards. We also focus primarily on official development assistance.

### **Sources and methodological caveats**

Researching aid from Britain to Nepal is methodologically challenging. While there is plenty of writing on foreign aid in Nepal, there is very little specific detail on aid from Britain to Nepal.<sup>3</sup> There are passing references made on aid from Britain to Nepal in a number of published texts, but with little specific detail (Bell 2014, Fujikura 2013, Harper 2014, Justice 1989, Khadka 1991, Mihaly 2002, Pandey 1999, Shrestha 1998, Whelpton 2005). We also note that in this survey paper, we have not developed a critical theoretical position, be that post-structuralist, neo-Marxist or another.

While it is relatively easy to find information on Britain's ODA flows and brief information on institutional shifts, unlike USAID there has been no systematic documenting of the work of ODA over the last six decades, and there is almost no documentation on British aid to Nepal. In addition to archiving its reports and making them accessible to the public through its dedicated website (<https://dec.usaid.gov/dec>), USAID has published documentation of its work in the form of a book (Isaacson *et al.* 2001). Outside of ODA, some organisations such as Britain Nepal Medical Trust (BNMT) and United Mission to Nepal (UMN) that are conscious of their institutional history have documented their work in Nepal. British INGOs active in Nepal such as Save the Children UK, Oxfam GB and ActionAid amongst others have not documented their history. Aside from mainly missionary memoirs – of which there are a number – we are unaware of accounts of experiences of British aid workers and expatriates working in Nepal.<sup>4</sup> The aid efforts based on long-standing personal, professional and diasporic networks are dispersed and can only be documented through oral and life histories of individuals.

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<sup>3</sup>The working paper written by Nickson (1992) is a very useful source of information on British aid to Nepal. We draw on this document extensively in this paper.

<sup>4</sup> See for example Cundy (1997) and Dickinson (2016).

In writing this paper we have relied largely on British sources and those that are written in English. This is primarily because we have not come across any written documents in Nepali (except for annual reports from the Ministry of Finance and Social Welfare Council in Nepal, which record information on the volume of aid from different bilateral and multilateral donors - including British ODA - and offer limited information on the listing of activities of INGOs and missionaries). Some information on British official assistance is available in the UK National Archives, with limited data on specific projects available from a website managed by DFID, called devtracker (<http://devtracker.dfid.gov.uk/countries/NP/>). According to this portal, so far there have been 74 projects set up since DFID was established in 1997, with 27 projects active as of 1 March 2015. There are also a few public documents including DFID's evaluation of its Nepal Country Programme (2001-06), Country Assistance Plan (2004), DFID Nepal Operational Plan published in 2014 and a Parliamentary Committee report on DFID's bilateral aid programme (2015) amongst others. Thus, it is the voice of the provider of ODA, which is easily accessible to any researcher.

We try to address this lacuna in the lack of documentation on British aid to Nepal by drawing on the mapping of activities of different British development organisations active in Nepal in addition to reviewing various documents and grey literature on aid from Britain to Nepal. This paper is also informed by our ESRC-DFID research on the mapping of external development assistance into Maternal Child Health programmes.<sup>5</sup>

### **Pre-1951**

The origins of British aid can be traced back to the financial support provided to British colonies, beginning with grants-in-aid to colonial governments in the 1870s. Support was more formally instituted by the Colonial Development Act 1929, which made loans and grants available for projects such as infrastructural investment (White 1998). The subsequent 1940 Colonial Welfare and Development Act (and its successor in 1945) made more funds available and expanded the support to include

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<sup>5</sup> For details, please see <http://gtr.rcuk.ac.uk/projects?ref=ES%2FL005565%2F1>, accessed 10 August 2017.

education and social services as necessary to support economic development (ODI 1964). British aid did not make it into Nepal under these laws.

When the Ranas were overthrown through a nationalist movement with India's support in 1950, the country opened up to foreign aid, modernisation and development. Since then, Nepal's development trajectory has been shaped by successive aid regimes. Foreign aid made its official debut into Nepal with the signing of the Four Point agreement with the United States on 23 January 1951, followed by aid from India and China (Mihaly 2002).

### **Early beginning: 1954- 1960**

Aid began to pour into Nepal as the US, India and China competed for geo-political influence in Nepal. While the primary motivation for the US assistance was aimed at strengthening countries and governments vulnerable to the threat of communism, India and China focused aid in strategic sectors such as road building and airport construction. The first two major projects undertaken by India were an airport in Kathmandu and a road linking Kathmandu and the Indian border town of Raxaul (Adhikari 2014).

British aid did not feature in these geo-political strategies. During this period, Britain maintained very close relationships with the monarchy, as it was fearful that the democratic government could put restrictions on the recruitment of Gurkhas (Nickson 1992). Its limited support included fellowships for Nepalis under the Colombo Plan,<sup>6</sup> and providing motorcycles for the Nepalese army in 1958. Britain helped set up a 70-bed British Military Hospital at the Gurkha recruitment centre in Dharan in 1957, primarily to service the medical needs of Gurkha soldiers serving in the British army and their families. An important form of aid from Britain to Nepal by missionaries started in 1954, with the Church of Scotland

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<sup>6</sup> As stated on its website, 'The Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific was conceived at the Commonwealth Conference on Foreign Affairs held in Colombo, Ceylon (now Sri Lanka) in January 1950 and was launched on 1 July 1951 as a cooperative venture for the economic and social advancement of the peoples of South and Southeast Asia.' Source: <http://www.colombo-plan.org/index.php/about-cps/history/>, accessed 10 August 2017.

being one of the founders of the inter-denominational UMN in 1954 (UMN 1999).

### **Consolidation of Panchayat system: 1960–1990**

Britain became active in providing aid to Nepal following King Mahendra's takeover in 1960 and the introduction of the Panchayat system in 1962. Voluntary Services Overseas (VSO) began to work in Nepal in 1964. Throughout the next three decades, British aid helped to consolidate the Panchayat system in Nepal. It provided machinery, presses and other printing equipment to the Ministry of Information and to the state-controlled newspaper *Gorkhapatra*, which were key instruments through which the Panchayat regime promoted its version of nationalism (Nickson 1992). Britain also gave aid to Radio Nepal in the form of studio equipment, with a 100 KW medium wave and a 100 KW short wave transmitter. It also helped set up Buddhanilkantha School, an elite school in the outskirts of Kathmandu, as a part of its nation-building project. Despite the deteriorating economic situation and aspirations for democracy in the 1980s, the British government provided staunch support to the Panchayat system. During this decade, Nepal received three separate visits from British ministers responsible for aid and a visit by the Queen in February 1986. In her speech the Queen said, 'It gives me great pleasure to be able to congratulate Your Majesty on the recent 25th anniversary of your Panchayat system of government' (ibid: 6).

For a land-locked country with limited road networks, British assistance focused on connectivity through road building. In the east, Britain funded road projects linking the Indian border town of Jogbini to Dharan, which was later extended to Dhankuta, Hille and Basantapur in the hills. It supported a part of King Mahendra's East-West highway project between Narayangadh and Butwal, and also supported the upgrading of the Mugling-Malekhu section of the road connecting Kathmandu to Pokhara and Narayangath.

Road building and its impact were thus of major interest to Britain. In the 1970s, ODA also financed major research into this topic. The Overseas Development Group at the University of East Anglia was contracted to investigate the impact of the Siddhartha highway, which connected the Nepal-India border town of Sunauli to Pokhara and of its feeder roads. The resulting report, later published as the book *Nepal in Crisis*, concluded

that the road network did little to promote economic development or reduce inequalities (Blaikie *et al.* 1980). On the contrary, the authors argued that road construction had deepened market forces, which made people more vulnerable to poverty. A re-examination of the same region after 20 years, however, gave a slightly more optimistic picture, because labour out-migration had not resulted in impoverishment as migrant remittance had contributed to the maintenance of living standards (Blaikie *et al.* 2002).

Aid was given for the establishment of agricultural extension work in the Lumle area near Pokhara in 1968 and at Pakhreas in the Dhankuta area in 1972. British aid also supported the Koshi Hills Area Development Programme, a major integrated rural development programme in four districts in the eastern hills (Sankhuwasabha, Dhankuta, Terhathum and Bhojpur) and also a drinking water programme in Eastern Nepal (the Eastern Region Water Supply Project).<sup>7</sup> The nature of British official aid in this period, including its geographical concentration, was shaped by British interest in the recruitment of Gurkhas. British support focused on the middle hills of Nepal, in areas where former Gurkhas came from or went back to settle after completing their service. The British Government made an attempt to train the former Gurkha soldiers of the British Army as health and veterinary workers in Nepal, which was not successful (Stevenson 1976).<sup>8</sup> Thus, the focus of British aid was particularly concentrated in and around the Pokhara and Dharan/Dhankuta areas. In this sense, the aid programmes could be seen as a form of compensation or reparation for the loss of their labour from the hills. Thus, part of British aid can be considered as a form of social protection offered to former Gurkhas and their families.

A number of British NGOs began to work in Nepal during this period. BNMT started in 1967; Save the Children UK in 1976; ActionAid in 1982. Oxfam and Care also opened their Nepal offices. These INGOs delivered services in the fields of health, education, literacy, social development

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<sup>7</sup> Both these projects have been severely criticized for their limited impact. It was alleged that the contractors for the latter absorbed funds without significant results being shown for this - the allegation, for example, that taps installed by the program were only a few meters away from those installed by UNICEF (Nickson 1992).

<sup>8</sup> Many of the service users (who were also neighbours or relatives) did not pay these health workers or veterinary workers for their services, and the government did not put forward a programme to integrate them into the health system.



etc. but their geographical focus and visibility was limited. During the Panchayat period, the government did not allow programmes that had explicit political messages or that supported political activities. It was really only after the 1990 political and constitutional changes that these INGOs became more visible and expanded their programmes, boosted by increased funding from the UK government.

### **Democratisation and expansion of civil society: 1990–1996**

The political changes of 1990 had a significant effect on British aid to Nepal. The fall of the Panchayat system was met with rising aspirations for development and the growth of NGOs, civil society and the public sphere in general. A number of British INGOs began to expand their work in Nepal in collaboration or partnership with the growing number of Nepali NGOs and expanding civil society organisations. British aid increasingly focused on human rights work and several civil society organisations as a part of Nepal's democratisation and the expansion of the public sphere.

Official British Development Assistance continued to support integrated rural development projects under the banner of the Koshi Hills Development Project in eastern Nepal until 1993. In 1993, a major Nepal-UK forestry project began which included the four districts of Koshi and additional districts in the Dhaulagiri region. This project was a part of Nepal's community forestry programme, which involved handing over the management of forests to community groups.

In the health sector, the Dharan hospital was handed over to the government and became the Eastern Regional Hospital. In 1994 ODA sent a mission to the country to identify challenges in the health sector, and this led to the start of the Nepal Safe Motherhood Program (NSMP) aimed at tackling maternal mortality through a number of activities in 1997. ODA's support to research programmes continued with funding to the UCL-MIRA collaboration on women's groups and maternal health in Makwanpur district.

### **Conflict and security: 1996–2006**

The 1998 Country Strategy Paper (CSP) presaged the opening of a local office in 1999, and planned a programme of £16 million per year increasing to £21 million by 2001-02 (Chapman 2007). DFID constructed

and opened its new office in Kathmandu in April 1999. The CSP stressed the need to address poverty and to introduce new aid modalities such as Sector Wide Approaches (SWAp).<sup>9</sup> The CSP was in line with the Nepal government's Ninth Development Plan. While the CSP gave increased attention to governance and to meeting the Millennium Development Goals (MDGs),<sup>10</sup> it also shared the failure of the government's plan to address the emerging Maoist and ethnic conflict or its underlying causes.

Britain continued to support a number of social development initiatives in Nepal in health, water, forestry, and road construction in addition to its support for governance, and human rights. It provided important support for safe motherhood, the decentralisation of health services and governance reform through its Enabling State Programme (ESP).<sup>11</sup> It went on to play a lead role in health Sector Wide Approaches (SWAps) in 2004, and has since been providing technical assistance for the implementation of the Nepal Health Sector Programme (NHSP). However, the Maoist insurgency and its agenda of social and political transformation and the fact that it emerged from age-old structural inequalities came as a major surprise to the aid community, including DFID (Donini and Sharma 2014). Despite providing aid to Nepal for over four decades, British official aid had not framed its assistance around inequality in Nepali society and politics (see Department for International Development 1998).

Although British aid was never a direct target of the Maoists, there was a heightened focus on security issues amongst the British aid officials and their projects. DFID took a lead in the introduction of Basic Operating Guidelines (BOGs) to protect aid projects and personnel from overt manipulation and to ensure space for development and humanitarian work in the midst of conflict (Donini and Sharma 2014). An example of accommodation in Maoist-controlled areas is provided by the DFID-supported Livelihoods and Forestry Programme (LFP) that developed

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<sup>9</sup> A SWAp is a process in which funding from different financing sources for a particular sector supports a single policy and expenditure programme, under government leadership, and adopting common approaches across the sector.

<sup>10</sup> MDGs were eight global development goals with clear measurable targets with the target achievement date of 2015. For details see:

<http://www.unmillenniumproject.org/index.htm>, accessed 10 August 2017.

<sup>11</sup> <https://devtracker.dfid.gov.uk/projects/GB-1-108572/>, accessed 20 February 2017.

ways to continue working effectively through Forestry User Groups (FUGs) in rural communities affected by the conflict. During the conflict, community FUGs experienced many difficulties, yet despite these, they withstood much of the pressure and continued to operate effectively. A study conducted by Andrea Nightingale and Jeevan Raj Sharma found that a ‘conflict-sensitive approach’<sup>12</sup> contributed to the ability of the programme to continue to work during the conflict period. Because the programme was grounded in the communities, neither the state nor the Maoists were able to manipulate it to their advantage (Nightingale and Sharma 2014).

9/11 was a critical event in changing the perspective of the British aid programme. The British government at first saw the Maoist insurgency through the lens of security, and this view converged with the Government of Nepal’s attempts to fight the Maoists. Like other bilateral donors, DFID was initially reluctant to define the situation in Nepal as a conflict-related humanitarian emergency, as this would have contradicted the government’s portrayal of it as law and order problem (Donini and Sharma 2014). DFID also feared this would imply an implicit recognition of the Maoists as a legitimate interlocutor with whom issues of access for humanitarian actors would need to be discussed. It is for this reason that DFID introduced the concept of development-oriented emergency aid, linking relief to medium-term and long-term development efforts (Donini and Sharma 2014). In other words, in a conflict environment development programmes were deemed to be relevant, if not more appropriate than large-scale humanitarian programmes. This view is expressed in a DFID-commissioned multi-year Country Programme evaluation:

In Nepal, DFID demonstrated that development programmes could address the consequences of conflict on poor communities as opposed to large-scale humanitarian action. This was achieved by the adoption by development programmes (outside of Government structures) of a semi-humanitarian approach, i.e. targeted, quick delivery, and tangible outputs (Chapman *et al.* 2007: 69–70).

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<sup>12</sup> To minimize the effect of armed conflict in development, many development partners and INGOs, including DFID, adopted conflict sensitive approaches such as Safe and Effective Development in Conflict (SEDC) and Do No Harm policies.

While attempting to resolve inequalities and grievances had not really been the focus of British aid to Nepal, the need to reconsider aid in the context of Nepal's emerging conflict played a role in shifting priorities. While initially DFID accepted the government narrative that the Maoist insurgency was primarily a security problem to be addressed with force, in 2002, the agency was able to challenge the government's narrative and raised concerns over human rights abuses, as it began to see Nepal as a 'fragile state' (Chapman *et al.* 2007). DFID undertook conflict analysis and began to share analysis on the causes of conflict (Goodhand 2000). It opened a Risk Management Office (together with Deutsche Gesellschaft für Internationale Zusammenarbeit [GIZ]) in 2002 (Chapman *et al.* 2007).

Britain also provided support to the UN Human Rights Office to monitor and protect human rights in Nepal. It supported a human rights advisor position that played a key role in the overall monitoring of the situation, and also supported human rights NGOs in monitoring and documenting human rights abuses, which were central to putting pressure on the government over its excessive use of force. Overall, therefore, DFID made an important contribution towards keeping Nepal's conflict on the international agenda. This included organising three London conferences in this regard (in 2002, 2005 and 2007) (Chapman *et al.* 2007).

There was a gradual recognition that the grievances caused by widespread inequalities had contributed to increase support for the Maoist insurgency (Chapman *et al.* 2007). In this context, the 2004 Country Assistance Plan (CAP) reoriented DFID to respond to the causes of conflict. The new direction, which took two years to prepare, introduced peace-building and social inclusion as strategic pillars. DFID and the World Bank undertook a major research exercise entitled the 'Nepal Gender and Social Exclusion Assessment', which resulted in an influential publication *Unequal Citizens* (Department for International Development and World Bank 2005), which contributed to pushing the issue of exclusion up the donor agenda. Against this background, the European donors (such as DFID, Danida and the Norwegian Embassy) had begun to channel significant funding to work on the issue of gender, caste and ethnicity through the lens of inclusion and empowerment of these groups. Britain provided aid to the Nepal Federation of Indigenous Nationalities (NEFIN)

for the Janajati Empowerment Project, which attracted some criticism from within Nepal for its specific focus on ethnicity- driven politics (Sharma 2012).<sup>13</sup>

The political situation changed dramatically in 2005-2006 with the royal take-over followed by the people's movement, which resulted in the overthrow of the monarchy and signing of the Comprehensive Peace Agreement of 21 November 2006. Finally, in 2006, with the reinstatement of parliament, aid from Britain had focused on post-conflict political transition, elections for Constitutional Assembly and wider issues of political settlement.

### **Post-conflict transition: 2006–present**

The signing of the Comprehensive Peace Agreement (CPA) was a critical event in Nepal's political history as it paved the road for a political settlement based on the principles of equality, inclusion and the restructuring of Nepal into a secular, republican and a federal state.

Throughout the transition phase, Britain continued to support human rights documentation and protection work in addition to supporting the implementation of the peace process, the two elections for the Constitutional Assembly and security sector reform. Focussing on the peace process and the aim of an inclusive political settlement, funding followed for a series of conflict assessments and for UN offices, organisations of politically marginal groups such as *dalits*, *janajatis* and *madhesis* and INGOs such as the International Crisis Group, Carter Centre, Saferworld and Search for Common Ground. In the wake of growing public criticisms against DFID's funding for the Janajati Empowerment Programme (JEP) and NEFIN's decision to call for *banda* (a general strike), DFID ended its support to JEP saying that it did not support political activities (Sharma 2015). This was an awkward response for DFID as its support had, of course, in many senses always been political.

DFID's support to the health sector, mainly focused around the Sector Wide Approach, continued through its technical assistance office in the Ministry of Health with outsourcing to private contractors such as the London-based Options Private Limited (Options) and North Carolina-

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<sup>13</sup> Also see <http://www.newbusinessage.com/MagazineArticles/view/166>, accessed 8 March 2016.

based Research Triangle International (RTI). This eventually led to the introduction of the Aama Programme (officially known as Aama Surakchya Karyakram) in Nepal in 2009. The DFID-funded safe motherhood project that initially started in 1997 had successfully used the tactic of lobbying to achieve the legalisation of abortion and also to introduce financial incentives for institutional delivery in Nepal as a way to reach MDG targets (Ensor *et al.* 2008).

DFID also continued with its major bilateral service delivery programme called the Community Support Programme (CSP), a local governance programme called the Local Governance and Community Development Programme (LGCDP) and the Rural Access Programme (RAP) amongst others. Its support for LGCDP was controversial because there was no local government to begin with, and the consequent lack of accountability allegedly escalated corruption (ICAI 2014). DFID also supported various programmes for strengthening security and justice, and more recently for building resilience and adaptation to climate change and disaster risk reduction. It supported the International Crisis Group (ICG) to carry out political analysis, and worked with Adam Smith International (ASI) to foster inclusive economic growth. Its work on economic growth has also focused on technical support to facilitate power development agreements to build on Nepal's hydro resources and attract foreign direct investment, although there is very little information available on the fate of such support.

We finish with the Nepal Earthquake of April 2015. While DFID has been providing assistance in building resilience and disaster risk reduction, these have been limited to small-scale initiatives.<sup>14</sup> In the aftermath of the Earthquake, Britain initially pledged to provide £5 million aid in humanitarian assistance to Nepal, which was later increased to more than £70 million. Through the British Disasters Emergency Commission (DEC) the UK public donated a further £85 million. Much of this aid was distributed via British INGOs. Nepal rejected the British offer of Chinook helicopters for humanitarian assistance in the immediate aftermath. According to newspaper reports, the British helicopters reached as far as Delhi airport in India, but Nepali authorities

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<sup>14</sup> <http://www.spotlightnepal.com/News/Article/Our-development-assistance-is-being-utilised-well->, accessed 4 March 2016.

turned down the British offer, reportedly because of the anger among the Nepal Army over Colonel Lama's arrest and trial under universal jurisdiction in the UK.<sup>15</sup> Despite the initial outpouring of assistance, the full implications of the evolving bilateral relations in the aftermath are still unknown.

## **Conclusion**

We conclude this paper with the following broad observations:

With the decline in the recruitment of Gurkhas in the British Army, aid from Nepal has come to occupy one of the principal elements in the bilateral relationship between the two countries. ODA is one of the few areas of British public expenditure not to have been cut in recent times, and official development assistance from Britain to Nepal has increased over the years.

British aid to Nepal reflects political changes in Nepal. While British aid helped consolidate the Nepali political regime during the Panchayat system, it has more recently supported a variety of more politically contentious sectors such as human rights, governance and civil society in the early 1990s, conflict and security since the Maoist insurgency, and issues around state restructuring, post-conflict, peace and humanitarian assistance since 2006. Despite significant impact, this aid is not insulated from patronage networks and has been subject to allegations of corruption (Bell 2014). More recently, aid from Britain has been challenged and subjected to more nationalistic and sovereignty-based critique within Nepal. Such discourse led to Nepal's rejection of British helicopters for humanitarian assistance in the aftermath of Nepal's Earthquake, for example.

While the UK government does provide budget support to the Sector Wide Approach in the health and education sectors, a major part of its development and humanitarian assistance is delivered through UK-based INGOs, Universities and research consortia. Increasingly, this involves

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<sup>15</sup> See <http://www.independent.co.uk/news/uk/home-news/nepal-earthquake-british-chinooks-banned-from-delivering-aid-in-case-they-blow-roofs-off-10246876.html> and <http://www.dailymail.co.uk/news/article-3101650/1m-wasted-Nepal-Chinooks-Helicopters-set-return-Britain-diplomatic-wrangling-meant-sat-doing-month.html>, accessed 30 June 2017.

private contractors whose roles range from procurement and providing technical advice, to managing and delivering programmes themselves. This practice results in a large part of aid being consumed by intermediaries as transactional costs to pay for British expatriates and staff based in the UK, and it leaves very little space for local organisations to build their own capacity.

Finally, there is a need for further empirical documentation of British aid to Nepal that takes into account the experiences and insights of those involved in the process. In addition, it would be valuable to further map all the other forms of aid from Britain. Most importantly, there is a definite need for a political history that would take into account the views and perspectives of both the recipients and intermediaries, and that would further supplement our understanding of Britain Nepal relations.

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