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An analytical briefing on the social security sector in Nepal



An analytical briefing on **the social security sector in Nepal**

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Foreword

Nepal promulgated a new constitution on 25 September 2015. The Constitution pays special attention to providing social protection to vulnerable groups specifically those who are “financially deprived” or earning income below the poverty line. The new Constitution and forthcoming legislation provide for expanded coverage.

Existing social security schemes which are governed by a range of laws, regulations, directives and guidelines, are scattered across several sectors without any systematic policy framework. More than a dozen ministries and agencies have programmes with social security components, yet there is no systematic institutional strategy to implement and monitor them.

This brief looks at the current and future dimensions of the social security system and the preparation that is needed to better manage delivery of the entitlements and services. It presents rich information to policy-makers and planners to use when making decisions on social protection policies, programmes and budget.

We want to congratulate the Employment Coordination and Labour Relations Division of the Ministry of Labour and Employment for its initiative to prepare this brief. We also want to thank the senior consultant Mr Rup Khadka (PhD), for compiling and authoring this report. The credit also goes to several individuals from the Nepal Government and Workers’ Organisations, especially Sanjaya Kumar Khanal and Ramesh Badal for providing many useful ideas. Lastly, we want to thank the officials in the Employment Coordination and Labour Relations Division of the Ministry for bringing this publication together.

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Executive summary

Although the pension, gratuity and provident fund schemes have a long history in Nepal, the new Constitution and forthcoming legislation provide for expanded coverage. With funding already limited, some schemes may not be sustainable. This brief looks at the current and future dimensions of the social security system and the preparation that is needed to better manage delivery of the entitlements and services.

Coverage

The ongoing social security schemes are divided into three groups: social insurance, social assistance and labour market interventions.

The social insurance schemes cover pension and gratuity benefits, the Employees' Provident Fund and the Citizen Investment Trust as well as insurance for disability, maternity leave, work-related injury, sickness and survivors' benefits. These schemes, which are meant to cushion the risks associated with bad health, disability, work injury and old age, only target formal sector employees.

The social assistance programmes include social cash transfers, in-kind transfers, primary health care and basic education.

Labour market interventions include an employment programme in Karnali Zone, rural community infrastructure works, technical and vocational education training, skill and entrepreneurship development programmes, and child labour elimination and child labour reform programmes, all of which are intended to facilitate employment growth and productive labour markets.

The total number of beneficiaries of the various social security schemes was about 7.6 million in 2014, which was only about 27.3 per cent of the total population.

Gaps

The social security schemes which are governed by their own law, regulations, directives and guidelines, were introduced one after another in the past without ensuring their effectiveness. They are scattered across several sectors without any systematic policy framework. The National Planning Commission recently prepared a draft 10-year National Framework for Social Security, but it has yet to be completed. More than a dozen ministries and agencies have programmes with social security components, yet there is no systematic institutional strategy to implement and monitor them.

A social security tax has been in place since fiscal year 2009–10 to finance social security schemes announced through budget speeches. The details of these schemes, including benefit packages, have never been designed, however.

A Social Security Fund was established in June 2011 under the Ministry of Labour and Employment; however, it has not been able to take a leading role in the sphere of social protection. Weak coordination between agencies, poor information management systems and a lack of institutional capacity are all critical problems.

Social security costs consume 15 per cent of the current expenditure and 10 per cent of the total expenditure, whereas the ratio of this cost to the gross domestic product is 2.4 per cent. Funding is and will remain a concern. The pension and gratuity benefits and the cash transfers are financed through general tax revenue.

Coverage of the social security system is very limited. The pension benefit is available only to public sector employees. There is no social security scheme of any kind for workers and employees in the unorganized and informal sectors who make up more than 90 per cent of the total labour force in Nepal. No provision for social security has been made for Nepali citizens working abroad (or for foreign citizens working in Nepal).

Recommendations

Under social insurance, workers and employees and self-employed should contribute during the period of their employment to ensure a minimum income after retirement. The non-contributory pension scheme should be converted into a contributory scheme. It is necessary to review the contribution rate every three years through actuary analysis to avoid accumulation of unnecessary resources and to ensure that the fund does not run dry.

While the Ministry of Labour and Employment could take a leading role in the development of the country's social security system in the future, it is currently responsible for the establishment and development of private sector social insurance schemes, which is already a herculean task. Passage of the proposed Labour and Social Security Bills will create the legal basis, inter alia, to implement a comprehensive social protection system for the private sector.

The short-term preparatory work to ensure that the recently established Social Security Fund and the Ministry of Labour and Employment effectively manage their roles should include:

- social security schemes applicable to the private sector (such as work-related injury insurance, maternity benefit, medical care and sickness benefit schemes), including the benefit package and eligibility criteria, and implemented in a phased manner;
- social security regulations, amended labour regulations, explanatory notes, training materials and education materials;
- training programmes for officials of the Social Security Fund and employers in private sector enterprises;
- education campaign for stakeholders, including employees of private enterprises;
- a computerized system;
- necessary preparations regarding the creation and operation of social security funds for various schemes;
- a five-year strategic plan for the Social Security Fund and the Ministry of Labour and Employment;
- a three-year reform plan for the Social Security Fund and the Ministry of Labour and Employment;
- a robust pre-departure training and information dissemination plan for aspiring migrants to ensure their safe migration; and
- bilateral agreements with major destination countries to ensure migrant workers' rights, welfare and security.

1

Introduction

Social protection and social security, which are used interchangeably in this brief, have drawn increasing attention in Nepal in recent years. While the pension, gratuity and provident fund schemes have a long history, several other programmes were only recently introduced, with varying objectives and in an uncoordinated manner. The interim Constitution of 2007 recognized for the first time that social security is a fundamental right of Nepali citizens. It provided the right to employment for every citizen, the right to social security for women, workers, senior citizens, people with disabilities, incapacitated and helpless citizens, and the right to food sovereignty for every citizen. The 2015 Constitution expands the social security provisions. In addition to the renewed constitutional commitment to social protection, several bills, such as the Labour Bill and the Social Security Fund Bill, have been presented in the Legislature Parliament with provisions for social security schemes (as detailed in this brief).

The changing constitutional landscape and the passage of the above-mentioned bills will expand the role of the Ministry of Labour and Employment to coordinate, implement and monitor social security schemes. It is thus necessary to make adequate preparation to ensure proper implementation, particularly for the management of social insurance for the private sector, for which the Social Security Fund under the Ministry has primary responsibility.

This brief provides an analysis of the social security system that is stipulated in the 2015 Constitution. It also discusses the policies and legal framework supporting social security and an overview of the ongoing programmes. It concludes with recommendations for the Ministry of Labour and Employment on managing the expanded social security sector.

2

Social security provisions in the new Constitution

The new Constitution, which was promulgated in September 2015, establishes social security as a fundamental right of Nepali citizens and provides a broad framework for the social security system (*table 1*).

Table 1. Social security provisions in the 2015 Constitution

Article	Right	Description
33	Right to employment	Every citizen has the right to employment or to choose employment.
34	Rights regarding labour	Every citizen has the right to engage in appropriate labour, to receive appropriate remuneration, to work in decent working conditions and to contributory social security
35	Right to health care	Every citizen has the right to basic health services free of cost, and no one shall be deprived of emergency health services.
36	Right to food	Every citizen has the right to food sovereignty.
37	Right to housing	Every citizen has the right to appropriate housing.
38	Right of women	Every woman has the right to special opportunity in the sphere of social security, on the basis of positive discrimination.
39	Right of children	Children who are vulnerable, orphaned, physically impaired or victim of armed conflict have the right to special protection and facilities.
40	Right of Dalits	Special arrangements shall be made to provide health care and social security to Dalit community members, in accordance with law.
41	Right of senior citizens	Senior citizens have the right to special protection and social security.
42	Right to social justice	Various groups have the right to social justice.
43	Right to social security	Senior citizens, single women, people with disabilities, children and citizens of endangered ethnicity in an economically poor, incapacitated or helpless state have the right to social security, as provided in the law.

All the provisions in table 1 are fundamental rights of citizens that should be accessible to every Nepali currently. The provisions under article 43, however, require passage of an associated law, which has yet to take place. There is room for citizens to challenge any delay by the government in providing social security benefits by making a case on the denial of their rights before the Supreme Court, which could order the Government to provide benefits or to enact the necessary law to provide benefits.

Social security matters are also included under article 51 of the Constitution, which deals with state policies. Under these policies, the State has responsibility to:

- ensure easy, convenient and equal access of all citizens to quality health services;
- provide health insurance to all citizens;
- guarantee social security, in line with the concept of decent labour;
- abolish all forms of labour exploitation, including child labour;
- encourage the productive mobilizing of capital, skills, technology and experience gained from foreign employment; and
- regulate and manage the labour migration sector in order to make foreign employment free from exploitation and safe and to protect the labour rights of workers.

The Constitution distributes social security-related powers to various layers of government as exclusive or concurrent (table 2), although Nepal has not yet set up any provincial government structure. Social security and poverty alleviation are included both as exclusive powers under the central government as well as concurrent powers under the provincial and local governments. While the provincial level has not been entrusted with any exclusive social security-related power, the management of senior citizens and persons with disabilities or incapacitated is the exclusive power of local governments. Social security, employment, trade unions, the settlement of industrial disputes and labour rights and dispute-related matters are in the concurrent list of the central and provincial governments.

Table 2. Social security powers of various levels of government as per the Constitution

Exclusive power			Concurrent power	
Central	Provincial	Local	Central and provincial	Central, provincial and local
Social security and poverty alleviation	Not applicable	Management of senior citizens and persons with disabilities or incapacitated	Social security, employment, trade unions, settlement of industrial disputes and labour rights and dispute-related matters	Social security and poverty alleviation

Most of the social security-related powers are included in the concurrent list, which means they are shared among the different levels of government. However, shared responsibility is a complex issue in the federal system. There can be duplication of resource allocation in some areas, and weak allocation of resources in others. It is also likely to create confusion over the role of each level of government. Shared responsibility can result in conflicting policies, lack of mutual coordination and reduced performance. Therefore, the responsibility of every level of government needs to be clearly demarcated and subject to a coordinating mechanism (and/or partnerships) to enforce accountability and encourage fiscal efficiency.

Of the three major responsibilities of the public sector – macro-economic stability, distribution of income and allocation of goods and services – the distribution of income is largely a central function. It includes social security programmes pertaining to unemployment, senior citizens, children and people with disabilities that are guided by varying objectives. Generally though, social security is meant “to maintain a degree of equity among citizens, no matter where they live”.¹ This can be done only through the central provision of a social security system with uniform benefits (there would be a difference in benefit level if provided by provincial governments, which would likely encourage people to move from a small-benefits province to a greater-benefits province).

¹ Sharma, 2014, p. 25.

The different levels of government have complementary roles in providing some social security functions. For instance, while the central government has responsibility to determine the overall policies and standards and provide the budget to ensure delivery of all services, the subnational governments are responsible for implementation, particularly the determining of beneficiaries of welfare programmes.

Practically speaking, it will take some time to create and develop provincial governments. Developing the capacity of the provincial and local governments will also take time. Thus, the central Government will initially need to exercise the social security-related powers included in the concurrent lists and gradually encourage the subnational governments take responsibility as their capacity increases.

3

Supporting policies and legal framework

Policies supporting social protection

Social security schemes were introduced one after another in the past without ensuring their effectiveness.² These schemes are each governed by their own law, regulations, directives and guidelines³ and are scattered across several sectors.⁴ While some social security schemes are declared under the budget speeches of various fiscal years, their design and benefits are not spelled out. Social security policies have also been included in various periodic plans. For instance, the long-term vision stipulated in the Thirteenth Plan (fiscal year (FY) 2013–14 to FY 2015–16) offers every Nepali citizen a guarantee of social security to live a decent life. This scattered situation underscores the need for a systematic policy framework.

The National Planning Commission recently prepared a draft 10-year National Framework for Social Security, but it has yet to be completed. Once finalized, it will set the direction and scope for organizing and building upon the country's existing social security programmes and creating new ones so that the vulnerabilities of the population are adequately addressed.

Legal framework

While the Civil Service Act and Regulations deal with the pension and gratuity schemes and the provident fund for public sector employees, the Labour Act and Regulations cover social security for individuals working in enterprises of 10 or more workers and employees. The Employees Provident Fund Act makes participation mandatory for public sector employees but voluntary for employees of public corporations and employees of private enterprises with 10 or more employees. The Citizen Investment Trust Act provides public sector employees, private sector employees, self-employed workers and workers in the informal sector opportunity to participate in the retirement scheme. The Bonus Act has provisions for enterprises to distribute an amount equivalent to 10 per cent of their gross profit to workers and employees as a bonus income payment.

The Social Security and Protection of Senior Citizens Act has provision for social security to citizens aged 60 and older. Social cash transfers are operated under the Social Security Programmes Operation Procedure. In line with section 2 of the Administrative Procedures (Regulation) Act, 1956, the Government established the Social Security (Operation and

² Khanal, 2012, p. 5.

³ Khanal, 2014, p. 6.

⁴ *ibid.* p. 5.

Management) Rules, 2010, which provided for creation of the Social Security Fund in 2011.

Several social protection-related laws are in the pipeline. The proposed Labour Bill currently with the Legislature Parliament makes provisions for social security schemes for workers and employees in all enterprises in which one or more workers or employees are working. Such social security schemes include: compensation for workers' lay-off or injury, gratuity, provident fund, medical care, leave days, bonus pay, priority in re-employment, workers' welfare fund and accident insurance. In the case of a worker or employee who works part time for more than one employer, each employer for whom they work will have to make a contribution for their gratuity, provident fund or other facilities relating to social security on the basis of their basic salary.

The proposed Social Security Fund Bill also currently with the Legislature Parliament has provisions for various schemes that are in line with the International Labour Organization's Social Security (Minimum Standards) Convention, 1952 (No. 102), including the contributory social security programmes. The proposed provisions call for a separate account for each social security scheme; the amount deposited into the account of one scheme cannot be used for another scheme. The Social Security Fund Bill also has provision for several social assistance schemes.

A social security tax has been in place since FY 2009–10 to finance several social security schemes announced through budget speeches. The details of these schemes, including benefit packages, have never been designed, however. The FY 2016–17 budget proposed work-related injury insurance, maternity benefit, medical care and sickness benefit. This budget also announced several other social security-related measures, including accident insurance for informal sector workers, a national health insurance scheme and a contributory pension scheme. None of the new schemes included detailed specifics.

4

Social security schemes in place

The ongoing social security schemes are divided into three groups: social insurance, social assistance and labour market interventions.

Social insurance

The social insurance schemes cover pension and gratuity benefits, the Employees' Provident Fund and the Citizen Investment Trust as well as insurance for disability, maternity leave, work-related injury, sickness and survivors' benefits. These schemes, which are meant to cushion the risks associated with bad health, disability, work injury and old age, only target formal sector employees. Also included is a contributory national health insurance programme that was initiated in 2016 but only in Kailali, Baglung and Ilam districts on an experimental basis.

Pension and gratuity

The pension scheme is available only to public sector employees. Anyone who retires from service after completing 20 years of employment (16 years for army personnel) is eligible for a monthly pension payment. As indicated in table 3, the pension amount depends on the period of service and the remuneration of the last year of service.

The gratuity scheme is available to public sector employees and workers and employees of private enterprises with 10 or more employees. Any public sector employee who retires or resigns voluntarily after working at least five years or has been dismissed without being disqualified for government service in the future prior to completion of 20 years is entitled to the lump-sum gratuity benefit. The eligible private sector workers and employees who have worked at least three years are also paid the lump sum gratuity benefit upon retirement, the amount of which depends on their length of service and remuneration of the last year of that employment.

Table 3. Beneficiaries and benefit amounts under the pension and gratuity schemes

Beneficiaries	Benefit amount
Pension	
Public sector employees who have completed service of 20 years (16 years for army personnel)	<ul style="list-style-type: none"> ■ Total year of service, multiplied by the amount of the last salary/50
Gratuity	
Public sector employees	<ul style="list-style-type: none"> ■ After 5–10 years, half month's salary for each year of service. ■ After 10–15 years, one month's salary for each year of service. ■ After 15–20 years, one-and-a-half month's salary for each year of service.
Private sector employees	<ul style="list-style-type: none"> ■ First 7 years, half month's salary per year. ■ 7–15 years, two-thirds of the monthly salary per year. ■ More than 15 years, one month's salary per year.

The pension and gratuity schemes are non-contributory – employees and workers are not required to make any contribution during their period of employment. The pension or gratuity benefit for government employees are covered by the general revenue of the Government, whereas all expenses relating to the gratuity scheme for eligible workers and employees in enterprises of the public and private sectors are borne by their employer.

The pension and gratuity schemes are not funded currently – no fund has been created to cover the payments. It is based on the pay-as-you-go principle. The pension and gratuity benefit of retired government employees are paid from the tax paid by incumbent workers and employees. Even public corporations have yet to establish a pension or gratuity fund.

Employee provident fund

The Employee Provident Fund is mandatory for public sector employees, while employees of private sector enterprises with ten or more employees can participate voluntarily. Whether mandatory or voluntary, workers and employees contribute an amount equivalent to 10 per cent of their salary, and their employer must contribute the same percentage on a

monthly basis. An account is opened in the Employee Provident Fund in the name of the employee, and the contribution made by both the employee and employer is deposited into this account. This is a fully funded plan. The interest that is paid is relative to the amount deposited. Each participant can withdraw a certain percentage as a “loan” from their account. Workers and employees are entitled to the remaining funds after they retire.

Citizen investment trust

The Citizen Investment Trust is open to public and private sector employees, regardless of whether they work on a permanent, temporary or contract basis. Employees contribute one third of their monthly salary or 300,000 Nepal rupees (NPR) annually, whichever is lower, into an account in their name. There is no employer contribution provision. This is a voluntary but fully funded scheme. Contributions made to the Citizen Investment Trust are exempt from income tax, which is an incentive designed to encourage employees to save for their financial security after they retire. Employees are entitled to the full Citizen Investment Trust amount after their retirement.

Other social insurance schemes

The labour law, civil service law and other social security-related laws have provisions for social insurance schemes that cover disability compensation, medical treatment expenses, salary during medical treatment, sick leave, maternity leave, compensation for workers’ lay-off or injury, medical care, bonus pay, priority in re-employment, a workers’ welfare fund as well as accident insurance, survivors’ benefits and funeral grants (*table 4*).

Table 4. Select social security schemes for public and private sector employees

Schemes	Benefits	
	Public sector	Private sector
Maternity	60 days of paid leave twice during service period.	A worker is entitled to 52 days of paid leave allowed only twice during the employment period.
Sickness	12 days of paid leave per annum.	Up to 15 days leave per annum, at half the regular salary.
Medicare	12 month's salary during tenure for employees at the gazette level and 18 month's salary for non-gazetted employees.	First aid to all. Immediate relief is available from the welfare fund.
Work injury	Expenses covered as per the recommendation of the medical board and paid leave.	Full medical expenses under certification of doctor are covered.
Work accident	Full medical expenses and paid leave.	Maximum 5 year's salary.
Death by work accident or lifelong incapacity	Survivors' benefit and family benefit, dependent upon the condition.	Three years' salary is paid to the nearest family members.
Death during job tenure	Amount varies	The amount is fixed on negotiations between employers and the workers' union.

Social assistance

The social assistance programmes include social cash transfers, in-kind transfers, primary health care and basic education. Social cash transfers are provided to the most vulnerable individuals who have no dependable source of income, as the following explains.

Old-age allowance was introduced in 1995, with NPR100 per month paid to all Nepali citizens aged 75 or older. It was increased several times over the years since; in 2008 it was raised to NPR500 per month. That same year the qualifying age was lowered from 75 to 70 (60 years for people living in Karnali Zone). The benefit level was doubled to NPR.1,000 in the FY 2016–17 budget.

Single widow allowance was introduced in 1995, at NPR100 per month, which was increased a few times before reaching NPR500 per month in 2008. In the FY 2016–17 budget, the benefit level was doubled to NPR.1,000.

Disabled persons allowance was introduced in 1995, at NPR100 per month. It was increased a couple times before 2008, when it was raised to NPR300 per month for persons who are “partially” disabled and NPR.1,000 per month for persons “fully” disabled. In the FY 2016–17 budget, those benefit levels were doubled.

Endangered Indigenous Group Allowance was introduced in 2008, at NPR.500 per month to all groups of “endangered” ethnicities. In 2009, the allowance was increased to NPR.1,000 per month, and then doubled in the FY 2016–17 budget.

Child protection allowance was introduced in 2009. While it was originally conceived as a universal grant, due to budget constraints it was later adopted as targeted grants.⁵ Originally, it was granted to children younger than 5 years in the Karnali Zone and for Dalit children younger than 5 years in other parts of the country, at NPR200 per child, with a limit of two children per household. In FY 2013–14 it was extended to all children younger than 5 years in Bajura and Bajhang districts. It is intended to help families cover the basic consumption needs of young children. Because the grant is just NPR200 per child per month, its impact is perceived as weak.

Midday meal programme is provided to students in Karnali Zone and 19 selected districts of the Far and Mid-Far Western Development Region through a government subsidy managed by the World Food Programme to help improve school attendance.

Scholarships are available for Dalit children and young people, girls, people with disabilities, “endangered” and marginalized groups and conflict-affected and martyr’s children. Although one of the aims is to improve school attendance of girls, there has not been much impact.

Cash transfer to conflict-affected people was introduced in 2009. A payment of NPR.500,000 is provided to the family of someone who died during an armed conflict episode, while a lump-sum payment is provided to anyone who was wounded during a previous armed conflict episode, with the amount dependent upon the extent of damage certified by a doctor employed by the Ministry of Health and Population.

⁵ Koehler, 2011, p. 12.

Maternity incentive is extended to pregnant women to cover transportation costs for medical check-ups and facility-based birth. The amount provided depends on their geographical location: Pregnant women living in the Terai Region receive a lump sum (per pregnancy) of NPR.500, while those living in the Hills receive NPR.1,000, and women living in the mountains receive NPR.1,500. Additionally, health professionals treating them receive NPR.300, while the health facility receives NPR.1,000 (per pregnant woman).

Senior citizen free health care services are provided to anyone aged 70 or older, with a ceiling of NPR.4,000 per year. The Government recently announced medical health insurance for senior citizens.

Free basic health care services are provided in specified health institutions, and 60 listed prescription drugs are available free of cost.

In-kind assistance is provided to persons affected by a natural disaster

Labour market interventions

Labour market interventions include an employment programme in Karnali Zone, rural community infrastructure works, technical and vocational education training, skill and entrepreneurship development programmes, and child labour elimination and child labour reform programmes, all of which are intended to facilitate employment growth and productive labour markets.

Employment allowance refers to the Karnali Employment Programme, which was introduced in 2006 when a One Family-One Job Programme was initiated in the Karnali Zone on a pilot basis. Under this programme, one member of each household having no employed member is provided an allowance of NPR50 per day for 100 days in a year. The programme is designed for poor households and to generate rural employment that would help address food insecurity, extreme poverty and distress migration while improving rural infrastructure.

Rural community infrastructure works was introduced in 1996, through which 4 kilograms of rice and 0.5 kilograms of pulses or NPR130–NPR140 per day is provided to beneficiaries. It is implemented in 21 selected districts where low-skilled rural roadwork is available. Its objective is to support poor people living in remote areas by

offering social protection through short-term employment and by creating or preserving social and economic assets.⁶

Schemes under the Foreign Employment Promotion Board provide NPR.150,000 to families of migrant labourers who die or are injured during their contract period abroad.

Enhanced vocational education and training was introduced in 2013 to provide skills training to youth.

Bilateral agreements: Nepal has signed government-to-government agreements regarding migrant workers with Israel, Japan and the Republic of Korea. In addition, the Government has signed memoranda of understanding with Malaysia, Qatar and Saudi Arabia, among others, which allow the private sector a role in the recruitment of workers and do not specify quotas, wages, skill requirements, etc., as the government-to-government agreements do.

Other programmes include skill and entrepreneurship development, child labour elimination and child labour reform.

⁶ *ibid.*, p. 12.

5

Implementing agencies

Different social protection schemes are implemented by different agencies. For example, the public sector pension is managed by the Pension Management Office. The Employee Provident Fund is administered by the Employee Provident Fund (an agency), and the Citizen Investment Trust schemes are run by the Citizen Investment Trust (also an agency). The Ministry of Federal Affairs and Local Development provides the allowances for senior citizens, single women, widows, people with disabilities, indigenous persons and to cover the child protection grant. Allowances to people affected by armed conflict are administered by the Ministry of Peace and Reconstruction. The Ministry of Labour and Employment and the Ministry of Education oversee technical and vocational education training and skill and entrepreneurship development programmes. The Ministry of Education manages scholarships and the Midday Meal Programme. The Ministry of Health and Population manages the maternity incentive scheme, the Senior Citizen Health Care Programme and free basic health care. And the Ministry of Home Affairs deals with natural disaster emergency relief. Several development partners and national and international NGOs also assist in the implementation of social security schemes. An extensive list of existing social protection programmes and implementing agencies is given in Appendix A.

While more than a dozen ministries and agencies have programmes with social security components, no systematic institutional strategy has been developed to implement and monitor the social security programmes.⁷ A Social Security Fund was established in June 2011 under the Ministry of Labour and Employment; however, it has not been able to take a leading role in the sphere of social protection thus far. “Weak coordination between agencies, poor information management systems and a lack of institutional capacity are all critical problems.”⁸

⁷ Khanal, 2014, p. 6.

⁸ *ibid.*, p. 7.

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Budget allocations

The budget for the social security system is allocated through the Government's general revenue. An expenditure of NPR61 billion in FY 2014–15 – compared with NPR29 billion in FY 2011–12 – demonstrates the remarkable increase in social security coverage in a short time (table 5). This amount will certainly shoot up in the days to come.

The pension benefit accounts for more than two-thirds of the social security expenditure. With the workforce of police, army and teaching personnel expanding, the number of persons entitled to a pension will continue to increase. And with average life expectancy also increasing, the Government's liability for the pension payment will expand at the same rate.

Social security costs consume 15 per cent of the current expenditure and 10 per cent of the gross expenditure, whereas the ratio of this cost to the gross domestic product is 2.4 per cent. This will increase significantly in the future. Given the growing necessity to implement other schemes pertaining to social security on the basis of the new Constitution and international commitments, the expanding pension payment requirements will add extra pressure to the budget – non-contributory social security schemes will not be sustainable in a few years' time.

Table 5. Budget spent on social security schemes

Particulars	2011-12	2012-13	2013-14	2014-15
Structure of social security expenditure (in NPR10 millions)				
Retirement facilities (pension and other allowances)	1 761	2 261	2 694	4 434
Social assistance allowance	962	1 163	1 208	1 464
Scholarships	197	191	177	164
Total	2920	3615	4080	6062
Structure of social security expenditure (%)				
Pension allowance	60.3	62.5	64.5	68.1
Social assistance allowance	32.9	32.2	30.9	28.7
Scholarships	6.8	5.3	4.5	3.2
Total	100.0	100.0	100.0	100.0
Social security expenditure as a percentage of current expenditure				
Pension allowance	7.2	9.1	8.3	10.2
Social assistance allowance	4.0	4.7	4.0	4.3
Scholarships	0.8	0.8	0.6	0.5
Total	12.0	14.6	12.9	15.0
Social security expenditure as a percentage of gross expenditure				
Pension allowance	5.2	6.3	5.8	6.6
Social assistance allowance	2.8	3.2	2.8	2.8
Scholarships	0.6	0.5	0.4	0.3
Total	8.6	10.1	9.0	9.8
Social security expenditure as a percentage of gross domestic product				
Pension allowance	1.2	1.3	1.3	1.6
Social assistance allowance	0.6	0.7	0.6	0.7
Scholarships	0.1	0.1	0.1	0.1
Total	1.9	2.1	2.0	2.4

Source: Budget Speeches and author's calculation.

Financing mechanisms

As previously noted, the pension and gratuity benefits and the cash transfers are financed through general tax revenue. However, there are no earmarked taxes or social contributions – the schemes operate on a pay-as-you-go basis. The Employee Provident Fund and the Citizen Investment Trust are financed through social security contributions. While employees and employers contribute to the Employee Provident Fund, there is no contribution required of employers to the Citizen Investment Trust.

Although a 1 per cent tax on the first bracket of the taxable income of salaried people has been levied since FY 2009–10 to finance social security schemes, such schemes have not been developed. No decision has been made yet regarding the benefits that should be provided to the contributors.

Other social security schemes are funded through general revenue. However, a contributory health insurance system was initiated in FY 2015–16 on an experimental basis in Kailali, Baglung and Ilam districts, and the Government announced through the FY 2016–17 budget that this programme will be extended throughout the country within three years (it will be introduced in 25 districts in FY 2016–17).

Coverage of the social security system is very limited. The pension benefit is available only to public sector employees: civil servants (employees under the Nepal Civil Service law, office-bearers of constitutional bodies, employees of the Legislature Parliament, employees of special services, the Supreme Court justices and the Appellate Court judges), teachers, Nepal Police, Armed Forces Police and army personnel. In FY 2014–15, 212,007 beneficiaries were covered by the pension scheme (*table 6*).

Table 6. Pension scheme beneficiaries

Fiscal year	Civil servants	Police	Teachers	Nepali Army	Total
2011–12	66 306	42 869	23 885	56 500	189 560
2012–13	68 207	44 630	25 289	58 500	196 626
2013–14	64 354	40 878	28 622	64 109	197 963
2014–15	68 286	43 473	32 850	67 398	212 007

Source: Pension Management Office.

As indicated in table 7, the Employee Provident Fund covered 500,000 employees in FY 2014–15.

Table 7. Employee provident fund participants

Category of employee	Number of employees	%
Civil servants	93 000	18.6
Nepal army personnel	101 000	20.2
Nepal Police and Armed Force Police	103 000	20.6
Public corporations and private sector employees and workers	112 000	22.4
Community and institutional school teachers	91 000	18.2
Total	500 000	100

Source: Employee Provident Fund.

The Citizen Investment Trust's retirement scheme covers about 170,000 employees and workers.

Table 8 outlines the number of persons who benefited from social assistance between FY 2012–13 and FY 2015–16.

Table 8. Number of beneficiaries of social cash transfers

Beneficiaries	Number of beneficiaries			
	FY 2012–13	FY 2013–14	FY 2014–15	FY 2015–16
Senior citizens	864 144	929 180	951 419	1 049 819
Single women	361 350	341 106	231 352	172 842
Persons with disabilities	28 912	32 355	33 578	62 320
“Endangered” and marginalized ethnic groups	18 825	19 223	20 308	23 346
Widows	219 933	313 613	417 201	487 286
Children	551 916	537 118	506 718	469 922
Total	2 045 080	2 172 595	216 0567	2 265 535

Source: Ministry of Federal Affairs and Local Development.

There is no social security scheme of any kind for workers and employees in the unorganized and informal sectors who make up more than 90 per cent of the total labour force in Nepal. No provision for social security has been made for Nepali citizens working abroad (or for foreign citizens working in Nepal). Nepal has not negotiated social security agreements with countries where Nepalis are working.

Despite the many social assistance schemes that have been adopted in the recent past, the total number of beneficiaries of various social security schemes was about 7.6 million⁹ in 2014, which was only about 27.3 per cent of the total population.

Only the public sector seems to benefit from the present social security schemes. There is no provision of a pension for persons working in the private sector, and the gratuity benefit has not been made mandatory for private sector employees. Even the Employee Provident Fund is only available to workers in enterprises employing 10 or more workers. It has failed to incorporate self-employed workers, workers of informal sector and other

⁹ World Bank Nepal, 2014, p. 5.

ordinary Nepali citizens. Thus, the present system is discriminatory and limited to people who are comparatively more educated and well-to-do in society.

There are other flaws in the present social security schemes, such as duplication. When a pensioner dies, for instance, the living spouse is entitled to the pension amount of the deceased as well, in addition to their own pension. Similarly, if an employee retires from service after working for 20 years prior to attaining 58 years of age, they will be eligible to avail of pension. The provident fund was set up as income security for old age, but it is not providing income security for people in their old age; most employees access their provident fund savings during their active working years and thus receive limited support from the fund at the time of retirement.

The benefit amount under the social cash transfer is much lower than the poverty level, and it has not been indexed with inflation. Under coverage of the programmes has been high. For example, 38–40 per cent of eligible beneficiaries for the old age and single women schemes do not receive the benefits.¹⁰

The practice of implementing different schemes by different agencies has not only increased the chances of duplication and created the lack of coordination but has also led to failure of utilizing the limited resources to attain maximum impact.

Although the social security tax has been deducted from salaries for the past seven years, the Government has yet to make a decision regarding the procedure of using the tax and the social securities to be provided to the contributors of the tax.

¹⁰ *ibid.*, p. 21.

To make the social security schemes equitable and sustainable, the multi-pillar social security system, consisting of social insurance, social assistance and labour market interventions, needs to be widened, reformed and strengthened.

Under social insurance, workers and employees and self-employed should contribute during the period of their employment to ensure a minimum income after retirement. In this context, the existing non-contributory pension scheme should be converted into a contributory scheme and be made mandatory for public sector and private enterprises (in which one or more workers and employees are working), Nepali workers in foreign countries and foreign workers working in Nepal-based enterprises. The Employee Provident Fund, which is already run under the contributory principle, should be made compulsory for public sector and private enterprises, Nepali workers in foreign countries and foreign workers in Nepal-based enterprises. Both the pension and provident funds must be made voluntary for self-employed and informal sector workers. The objective should be to allow people to secure income for their old age.

Other approved pension schemes under the Citizen Investment Trust and the Income Tax Act may continue to run voluntarily as supplementary to the pension and provident fund schemes. Workers and employees contribute to it while employers do not. Its objective should be to provide supplementary protection to the depositors by encouraging them to save for the future.

The FY 2016–17 budget proposed work-related injury insurance, maternity benefit, medical care and sickness benefit schemes. This budget also announced several other social security-related measures, including accident insurance to informal sector workers. It is necessary to design these schemes in detail, including the benefit package and contributory mechanism.

The actuarial study (2015) conducted by ILO concluded with the following proposed contributions for nearly 50,000 salaried workers and employees for the following schemes (*table 9*).

Table 9. Social security contributions

Social security schemes	Contribution rate (%)
Maternity Care Facilities	0.4
Sickness Facilities	0.4
Workplace Accident	1.4
Medical Care	3.6
Unemployment Facilities	2.4
Total	8.2

Source: ILO, 2015.

Employers of the private sector have agreed to make a 20 per cent contribution of workers' salaries for the different types of social security. With 10 per cent and 8.3 per cent already being contributed to the Employee Provident Fund and to the gratuity scheme, respectively, the remaining 1.7 per cent can be used as contribution for other social security schemes.

It is necessary to review the contribution rate every three years through actuary analysis to avoid accumulation of unnecessary resources and to ensure that the fund does not run dry.

The total amount of social security tax, which has been deducted at the rate of 1 per cent on the first bracket of the taxable income of salaried people since FY 2009–10, is over NPR 10 billion. This amount should be used as seed money for implementing the social security schemes. The NPR11 billion deposited in the Central Welfare Fund (from the remaining 30 per cent after distributions under the Bonus Act) should be transferred to the social security fund as seed money for funding the social security schemes. In addition, donor support should be pursued for assistance with the various social security schemes.

While the Ministry of Labour and Employment could take a leading role in the development of the country's social security system in the future, it is currently responsible for the establishment and development of private sector social insurance schemes, which is already a herculean task. Passage of the proposed Labour and Social Security Bills will create the legal basis, inter alia, to implement a comprehensive social protection system for the private sector. As noted previously, a Social Security Fund has been set up under the Ministry of Labour and Employment to manage private sector social insurance.

The short-term preparatory work to ensure that the Social Security Fund and the Ministry of Labour and Employment effectively manage their roles should include:

- social security schemes applicable to the private sector (such as work-related injury insurance, maternity benefit, medical care and sickness benefit schemes), including the benefit package and eligibility criteria, and implemented in a phased manner;
- social security regulations, amended labour regulations, explanatory notes, training materials and education materials;
- training programmes for officials of the Social Security Fund and employers in private sector enterprises;
- education campaign for stakeholders, including employees of private enterprises;
- a computerized system;
- necessary preparations regarding the creation and operation of social security funds for various schemes;
- a five-year strategic plan for the Social Security Fund and the Ministry of Labour and Employment;
- a three-year reform plan for the Social Security Fund and the Ministry of Labour and Employment;
- a robust pre-departure training and information dissemination plan for aspiring migrants to ensure their safe migration; and
- bilateral agreements with major destination countries to ensure migrant workers' rights, welfare and security.

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Appendix

Appendix I. Table of existing social protection programmes in Nepal¹¹

Programme	Benefit	Implementing agency
I. Social insurance		
Employee Provident Fund	Mandatory retirement savings scheme for employees of public institutions (civil servants & employees of state owned enterprises). Other formal sector workers can participate voluntarily. The Fund collects 10 per cent of salary which is matched by the employer.	Ministry of Finance (MOF)
Gratuity	Retiring employees who have served over 3 years are entitled to gratuities at different rates depending on years of service.	MOF
Public Sector Pension Scheme	Civil servants with 20+ years of service, armed forces personnel with 16+ years of service receive monthly benefits and lump sums based on service and salary.	MOF
Work Injury Insurance	Mine workers, organizations with 10+ employees receive lump sums based on salary and service.	MOF
Citizens Investment Fund	Tax deferred investment for retirement savings for public and private sector employees; participation is voluntary. Can take subsidy loan from this fund.	MOF
Crop/Livestock Insurance	Insurance scheme covers the input value with regards to crops or the value of livestock. The government pays 75 per cent of the premium.	MOF, Ministry of Agricultural Development (MOAD), Ministry of Livestock Development (MOLD)

¹¹ This mapping is based on secondary sources and draws on information compiled in reports of the World Bank (2009), UNICEF ROSA (2009), UNICEF SPD (2009), UNCDF (2009), ODI (2009) as well as information supplied by the National Planning Commission and the Social Protection Task Team

Programme	Benefit	Implementing agency
Social Security Fund	Aims to provide contributory social insurance to private sector employees, including benefits for unemployment, sickness, maternity, workplace accident, family and child care, old age, dependent family, disability, and medical care. The SSF is still in the process of being established.	Ministry of Labour and Employment (MOLE)
II. Social assistance		
1. Cash transfers		
Senior Citizens Allowance	Allowance for all Dalits and Karnali residents over the age of 60 (NPR.500/month); all others over the age of 70 (NPR.1,000/month). Additional NPR.500/month as treatment allowance for Senior Citizens	Ministry of Federal Affairs and Local Development (MOFALD)
Single women's Allowance	Allowance for single women 60 years or older and widows of any age (NPR.500/month).	MOFALD
Disability Allowance	Disabled persons 16+ receive NPR.1,000/month if fully disabled, and NPR.300/month for partially disabled.	MOFALD
Endangered Ethnicities Allowance	Allowance for those that belong to one of 10 endangered ethnic groups (NPR.500/month).	MOFALD and Ministry of Women, Children and Social Welfare (MOWCSW)
Child Protection Grant	NPR.200/month per child under 5 for up to 2 children for all Dalit families and all families in Karnali.	MOFALD

Programme	Benefit	Implementing agency
Maternity Incentive Scheme (CCT)	<p>Women receive NPR.1,000 as transportation costs under maternity incentive scheme (CCT).</p> <p>Free check-up and delivery services of pregnant women in local government and community health institutes</p> <p>No cost in treatment of newly born baby till 28 days.</p> <p>Also free delivery care in 25 low HDI districts.</p>	Ministry of Health and Population (MOHP)
Senior Citizens' Health Treatment Programme	Free medicine and treatment reimbursement up to NPR.4,000/year to poor aged over 65 with recommendation from the district.	MOHP
Poor Citizens' Medical Treatment Fund (<i>Bipanna Nagarik Aushadhi Upachar Kosh</i>)	Medical expenses of up to NPR.100,000 for poor citizens as recommended by the district committee for treatment of: heart disease, kidney, cancer, Parkinson's, Alzheimer's, spinal and head injury.	MOHP
Children Affected by AIDS (CABA) fund	Provides NPR.1,000 per month to children infected with HIV. Funded by Global Fund.	MOHP
Natural disaster emergency relief	Cash and in-kind transfers in flood and landslide affected areas.	Ministry of Home Affairs (MOHA)

Programme	Benefit	Implementing agency																
Cash transfers for the conflict affected	Varying amounts of cash to families of those killed, those injured, disappeared, displaced	Ministry of Poverty Reduction and Cooperatives (MOPRC)																
Tax exemption and debt relief	For women, Dalits, disabled, poor farmers, disaster- and conflict-affected	MOF and national banks																
Basic education scholarships	Basic education scholarships for girls, dalits, disabled and marginalized communities. Divided in three groups based on situation of all dalits and girls. Amount allocated of scholarship per student of class 1-8 based on geographical region.	MOE																
	<table><tr><th>Group</th><th>Himali</th><th>Hilly</th><th>Terai</th></tr><tr><td>Stationery only</td><td>NPR.200</td><td>NPR.175</td><td>NPR.150</td></tr><tr><td>Dress only</td><td>NPR.400</td><td>NPR.350</td><td>NPR.300</td></tr><tr><td>Both Stationery and Dress</td><td>NPR.600</td><td>NPR.525</td><td>NPR.450</td></tr></table>		Group	Himali	Hilly	Terai	Stationery only	NPR.200	NPR.175	NPR.150	Dress only	NPR.400	NPR.350	NPR.300	Both Stationery and Dress	NPR.600	NPR.525	NPR.450
	Group		Himali	Hilly	Terai													
	Stationery only		NPR.200	NPR.175	NPR.150													
	Dress only		NPR.400	NPR.350	NPR.300													
Both Stationery and Dress	NPR.600	NPR.525	NPR.450															
Scholarships for secondary education	Scholarships for girls, Dalits, disabled, marginalized, conflict-affected, children of martyrs, freed Kamalaris, and other targeted groups	MOE																

Programme	Benefit	Implementing agency															
	Based on disability, scholarship amount to class 1-10:																
	<table> <tr> <th>Rank</th><th>Description</th><th>Scholarship Rate</th></tr> <tr> <td>A</td><td>Unable for daily travel from home and stay in rent for study</td><td>NPR.2500/month, NPR.25,000 for 10 month</td></tr> <tr> <td>B</td><td>Daily travel from home and require support from others</td><td>NPR.500/month, NPR.5,000 for 10 month</td></tr> <tr> <td>C</td><td>Require transport means and equipment for travel from home</td><td>NPR.300/month, NPR.3,000 for 10 month</td></tr> <tr> <td>D</td><td>Able to daily travel from home</td><td>NPR.100/month, NPR.1,000 for 10 months</td></tr> </table>	Rank	Description	Scholarship Rate	A	Unable for daily travel from home and stay in rent for study	NPR.2500/month, NPR.25,000 for 10 month	B	Daily travel from home and require support from others	NPR.500/month, NPR.5,000 for 10 month	C	Require transport means and equipment for travel from home	NPR.300/month, NPR.3,000 for 10 month	D	Able to daily travel from home	NPR.100/month, NPR.1,000 for 10 months	
Rank	Description	Scholarship Rate															
A	Unable for daily travel from home and stay in rent for study	NPR.2500/month, NPR.25,000 for 10 month															
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C	Require transport means and equipment for travel from home	NPR.300/month, NPR.3,000 for 10 month															
D	Able to daily travel from home	NPR.100/month, NPR.1,000 for 10 months															
2. In-kind transfers																	
Public food distribution system	Transportation subsidy on essential food (rice, lentils, etc.) by the Food Corporation in 30 remote districts	MOAD, Ministry of Commerce and Supplies (MOCS) and Nepal Food Corporation (NFC)															
Food for education and maternal child health care	Children and mothers provided with mid-day meals and take-home rations and food and nutritional supplements	Ministry of Education (MOE)															
Midday meals	Midday meals (haluwa) in schools prepared from fortified blended flour supplied by WFP for all students in ECD and grades 1-5 in in the five districts in Karnali and additional 11 specified districts	MOE															

Programme	Benefit	Implementing agency
Iodized salt distribution	Supply of salt to boost nutrition	MOHP and Salt Trading Corporation (STC)
Nutritional supplement program for pregnant women and children under 5	Iron and Folic Acid tablets to pregnant woman; Vitamin A capsules to children aged 6-59 months and deworming tablets to children aged 12-59 months	MOHP
Integrated child health and nutrition program - Fortified flour distribution	Nutritional supplement for all children aged 6-23 months in 5 districts in Karnali and Solukhumbu	MOHP
Tuberculosis and Control of AIDS and STDs	Food supplement for TB and AIDS patients	MOHP
Immunization	Free immunization of BCG, DPT, Measles, Rubella, Polio and Hepatitis B for all children at local public health facilities	MOHP
Family planning service	Free family planning counselling and services (Vasectomy and Laparoscopy) by the public health service center	MOHP
Medicines facilities	70 different medicines to the patients without charging cost by the local public health service centers	MOHP

Programme	Benefit	Implementing agency
Cure of heart disease	Free treatment facilities for heart disease to any Nepalese citizen above 75 years and below 15 years NRP.50,000 to 100,000 medical expenses support for treatment of heart disease to individual from poor and marginalized family by the government of Nepal but depends on the availability of the budget in the ministry	MOHP
Medical test for cancer and kidney disease	Free medical test service for uterus cancer and kidney related disease to all people one time in a year at local public health service provider	MOHP
Medical test and medicines for HIV and TB	Free medical test and voluntary counselling service in case of suspected infection of HIV and TB in local public health center or district hospital	MOHP
3. Public works		
Rural Community Infrastructure Works	Self-targeted public works program for food security in 21 selected districts; mainly unskilled and low skilled works in rural roads, micro projects and livelihood support programs	MOFALD
Karnali Employment Programme	Employment guarantee scheme aimed at providing 100 days of employment in all five districts of Karnali; HHs without any employed member is eligible	MOFALD

Programme	Benefit	Implementing agency
III. Social care and services		
1. Care services		
Social care services for children, senior citizens, PWDs and women	Social Welfare Centres with residential facilities for senior citizens and orphans, and other welfare programs	MOWCSW
IV. Labour market interventions		
Technical and Vocational Education Training (TVET)	Skills training for poor and disabled people	MOE, MOLE
Youth Self Employment Fund	Collateral free loan up to NPR.200,000 for self-employment activities in commercial agriculture, agro-Industries or service sector for all unemployed people aged between 18 and 50	MOF
Technical Education for Dalits and Poor Girls	Skills Oriented Training	MOE
Schemes under Foreign Employment Promotion Board	NPR.150,000 to families of migrant labourers who die or are injured during contract period abroad (help with flying the body over) and rescue operations for migrant labourers who are stranded abroad.	MOLE
V. Others		
Free treatment for target groups	Free treatment for the poor, those under age 15 and those over 75, endangered ethnicities for cancer, heart diseases and dialysis	MOHP

Programme	Benefit	Implementing agency
Special provisions for people with disabilities	50 per cent discount on transport fare in public land transport, domestic flight and reserve at least one seat free health check up to persons with disabilities in government hospital 5 per cent quota reservation in civil service and 4% in private sectors company (according to the disabled protection and welfare Act) Custom tax waiver to import the specially made four wheels scooter and assistive devices for persons with disabilities.	MOPIT MOHP MOHA MOF
Special provisions for senior citizens in transport sector	50 per cent discount on transport fare in public land transport, domestic flight and reserve at least one seat	MOPIT
Tax exemption and debt relief	Writing off interest in excess of principal to those farmers who had borrowed up to NPR.40,000 from the Agriculture Development Bank before 1994 (2008) and another scheme in 2009; Women, Dalits, disabled, poor farmers, disaster- and conflict-affected	MOF
People's Residence Program - Subsidized housing*	Low cost housing for 1000 Dalit and Muslim households each in three Terai districts	
Micro Insurance Support Program (MoF)	Grants to Deposit and Credit Guarantee Corporation (Nikshep tatha KarjaSurakshan Nigam) which offers subsidy on credit on (i) micro finance and deprived sector credit; (ii) small and medium enterprises (SMEs) credit and (iii) livestock credit.	MOF

Appendix II: Authorities and experts consulted

Ms Aabha Shrestha Karna, Joint Secretary, Ministry of Labour and Employment

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Mr Ramesh Badal, Advocate

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An analytical briefing on the social security sector in Nepal

More than 90 per cent of the total labour force in Nepal comprises workers and employees in unorganised and informal sectors. Unfortunately, there are no any social schemes for them.

The social insurance schemes benefit only workers in the formal sector. These include pension and gratuity benefits, the Employees' Provident Fund and the Citizen Investment Trust as well as insurance for disability, maternity leave, work-related injury, sickness and survivors' benefits. The pension and gratuity benefits and cash transfers are financed through general tax revenue.

The modest social assistance programmes that exist today include social cash transfers, in-kind transfers, primary health care and basic education. Labour market interventions include an employment programme in Karnali Zone, rural community infrastructure works, technical and vocational education training, skill and entrepreneurship development programmes, and child labour elimination and labour law reform programmes. Social security costs consume 15 per cent of the current expenditure for which funding remains a concern. Therefore, it is strongly recommended that workers and self-employed contribute to the improvement and extension of social security benefits during the period of their employment.

Until now social security schemes have been introduced one after another without any systematic policy framework. Governed by their own law, regulations, directives and guidelines, there is no systematic institutional strategy to implement and monitor them. It is hoped that passage of the proposed Labour and Social Security Bills will create the legal basis, inter alia, to implement a comprehensive social protection system for the private sector.

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