



International  
Labour  
Organization

# DECENT WORK COUNTRY PROGRAMME

## 2013-2017



NEPAL

The diagram consists of three rectangular boxes connected by lines. The top box is centered and contains the word 'NEPAL'. A vertical line extends downwards from the bottom center of this box to the top center of a second box. This second box is positioned to the left and is partially obscured by a third, larger box that is positioned to the right and overlaps the second one. The third box is also partially obscured by the second one. The boxes are empty, suggesting they are placeholders for content.

09/08/2013

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## List of Abbreviations

ANTUF	All Nepal Trade Union Federation
CO	Country Office
CP	Country Programme
CLES	Child Labour Elimination Section
CPR	Country Programme Review
CTEVT	Council for Technical Education and Vocational Training
DDC	District Development Committees
DOFE	Department of Foreign Employment
DWCP	Decent Work Country Programme
DWT	Decent Work Team
EC	European Commission
EPF	Employment Provident Fund
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GEFONT	General Federation of Nepalese Trade Unions
GoN	Government of Nepal
GDP	Gross Domestic Product
ILO	International Labour Organisation
ILS	International Labour Standards
IPEC	International Programme on the Elimination of Child Labour
JTUCC	Joint Trade Union Coordination Centre (platform)
KSP	Knowledge Sharing Platform
LMAIS	Labour Market Information System
MoF	Ministry of Finance
MoLE	Ministry of Labour and Employment
MOFALD	Ministry of Federal Affairs and Local Development
MOLJCA	Ministry of Law, Justice and Constituent Assembly
MOLE	Ministry of Labour and Employment
MoLRM	Ministry of Land Reform and Management
NAFEA	National Association of Foreign Employment Agencies
NEFIN	National Federation of Indigenous Nationalities
NMP	National Master Plan
NLSS	Nepal Living Standard Survey
NPC	National Planning Commission
NTUC	Nepal Trade Union Congress
PRSP	Poverty Reduction Strategy Paper
RBTC	Regular Budget Technical Cooperation
ROAP	Regional Office for Asia and the Pacific (in Bangkok)
SPTT	Social Protection Task Team
SSF	Social Security Fund
UNDAF	United Nations Development Assistance Framework
VDCs	Village Development Committees

## I. Country in Context

### *Political Situation*

The past decade has seen one of the most momentous changes in Nepal's social and political landscape. Following the outbreak of the Maoist insurgency in 1996, along with the instability brought about by the perennial inter- and intra-party squabbles, the then King Gyanendra gradually consolidated power before ushering in a short-lived, direct rule by the monarchy in 2005-2006. In April 2006, the political parties and the Maoist insurgents joined hands to overthrow the king's rule through a popular movement and introduce a more inclusive form of democracy that could meet the aspirations of all sections of society.

The years since 2006 have seen incremental but definite progress towards realizing the goals of inclusive democracy and broad-based growth though some of that progress has been held up by profound disagreements at the political level. These have resulted in much political tumult in Nepal, with many constitutional amendments and changes of government. More recently, the transformation of Nepal into a federal republic in 2007-08 has altered the nature of politics in the country but political instability remains. The Constituent Assembly elected in 2008 was dissolved in May 2012 due to its failure to draft a new constitution, and since then there have been no elected representatives at the national or the local levels who enjoy the people's mandate for decision-making powers. Uncertainties are aplenty in the absence of the next national election date, political bickering at the central level, and lack of clarity on the nature of the federal state that Nepal is to adopt. The result, as expected, has been a prolonged political crisis overshadowing economic issues and halting progress towards long-term economic growth and sustainability.

### *Socio-economic Context*

Over the years, the Government of Nepal has focused its development agenda on broad-based economic growth and poverty alleviation. As a result, the past two decades has seen positive trends in the rate of economic growth as well as the associated reduction in poverty. For instance, between 1996 and 2010/11, poverty rates declined by 39 percent from 42 percent to 25.4 percent, respectively.<sup>1</sup> Meanwhile, the poverty gap ratio has also declined by almost 50 percent, indicating that the degree of poverty amongst those who continue to remain poor, is getting lesser. Concomitantly, the levels of inequality have also improved and Nepal's expenditure-based Gini coefficient has gone down from 41 to 35 between 2003/2004 and 2010/2011.<sup>2</sup>

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<sup>1</sup> Using the national poverty line of about USD 230 a year, the poverty incidence for Nepal in 2011 is estimated at 25.4 percent. This is a significant reduction in decline in the number of people living below the poverty line at 42 percent in 1996. Central Bureau of Statistics (CBS). *Nepal Living Standard Survey I, II and III*, 1996, 2004, 2011, Kathmandu, Nepal: CBS.

<sup>2</sup> Central Bureau of Statistics (CBS). 2011. *Nepal Living Standard Survey III, 2010-2011: Statistical Report*

In terms of social indicators, life expectancy at birth increased from less than 30 years in the 1950s to over 60 years in 2010. Literacy rate for the population aged 6 years and older has gone up from 20 percent in 1980 to nearly 61 percent in 2010.<sup>3</sup> There has also been a rise in the Net Attendance Ratio at primary level from 87 percent in 2006 to 89 percent in 2011, and a parallel rise in secondary level from 47 percent to 59 percent over the same period.<sup>4</sup>

While these aforementioned processes suggest that Nepal is firmly on track to achieving most of the Millennium Development Goals (MDG)—halving poverty by 2015, increasing literacy and school enrolment rates, improvements in average life expectancy and decreases in child and maternal mortality rates, few others especially those related to full employment, universal access to reproductive health and improved sanitation, the progress thus far has been uneven and there are still considerable challenges along Nepal's development path.<sup>5</sup> Between 1990 and 2009, the growth in Gross Domestic Product (GDP) averaged 4 percent per year, and due to slow growth in the non-agricultural sector, the economic growth rate of the country was 3.4 percent in 2009-10 against the target of 4.5 percent.<sup>6</sup> Similarly, Nepal continues to be among the poorest countries in the world and currently ranks 157th out of 187 countries on the Human Development Index.<sup>7</sup> While the levels of overall inequalities have declined, horizontal inequalities remain significant—urban poverty is significantly lower (15 percent) compared to rural poverty (27 percent), levels of poverty amongst Dalits is at 42 percent compared to 23 percent amongst non-Dalits, etc.<sup>8</sup>

The challenge in the future for Nepal would be to ensure that economic growth translates into employment-centric and inclusive development. Invariably, it has been argued that this is not possible without a coherent strategy to significantly raise the levels of productivity, including that of labour. Yet, improving labour productivity is also not possible without further facilitating structural shifts, that is, encouraging investment in agricultural productivity, supporting micro- and small-sized enterprises, and stimulating investments in industries that have high potential for growth and employment generation. Further, given the unequal distribution of poverty amongst various groups, urgent attention is also required in the area of social protection and other benefit systems while also bearing in mind the need to promote investment and employment to promote broad-based inclusive growth.

### *Employment and Labour Market Situation*

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*Vol. 1 and 2.* Kathmandu, Nepal: Central Bureau of Statistics.

<sup>3</sup> Central Bureau of Statistics (CBS). 2011. *Nepal Living Standard Survey 2010-2011: Statistical Report Vol. 1 and 2.* Kathmandu, Nepal: Central Bureau of Statistics.

<sup>4</sup> Ministry of Health and Population. 2012. *Nepal Demographic and Health Survey 2011.* Government of Nepal/ USAID/ New Era, Kathmandu, Nepal.

<sup>5</sup> Government of Nepal, National Planning Commission/United Nations Country Team (UNCT) of Nepal. 2013.

<sup>6</sup> Asian Development Bank. 2013. *Asian Development Outlook 2013.* Manila; UNCT. *United Nations Development Assistance Framework (UNDAF) for Nepal 2013-17,* UNCT, Kathmandu, Nepal.

<sup>7</sup> United Nations Development Programme (UNDP). 2013. *Human Development Report 2013,* UNDP.

<sup>8</sup> CBS, 2011. *Nepal Living Standards Survey 2010/11: Statistical Report.* Volumes I and II. Kathmandu: Central Bureau of Statistics.

The size of Nepal's population, at 26.6 million,<sup>9</sup> is quite significant, especially considering its demographic characteristics and distribution. The country is relatively young with 40% of the population below 15 years of age; 30% between 15 and 49 years of age; and 56% of people 20-40 years of age.<sup>10</sup> With 40 percent of the population currently under the age of 15, the rate of growth can only be expected to increase. The entry of this relatively large percentage of young people into the workforce can be viewed as a great opportunity as well as a challenge.

The labour force participation rates for males is significantly higher than for females (males = 87.5 percent; females = 80.1 percent). Over time, however, there has been a decline in the labour force participation rate for youth, perhaps reflecting the increased participation of youths in education. For instance, according to a 2010 ILO report, compared to adults, youths aged 15 to 24 are 2.2 times more likely to be unemployed. The issue of youth unemployment is more acute in urban areas where youth unemployment rate increased from 7.6 percent in 1998/99 to 13 percent in 2008.<sup>11</sup> Thus, the issue of youth unemployment is likely to emerge as a major challenge confronting Nepal, if that is not already the case.

In terms of overall employment rate, the Nepal Living Standards Survey 2010-11 reflects that only 2 percent of the population in Nepal is unemployed.<sup>12</sup> However, more than 81 percent of workers continue to engage in 'vulnerable employment', defined as unpaid family workers and own-account workers (self-employed) as a percentage of total employment. The low levels of unemployment reflect the compulsion of most workers to take up any kind of work available to them since there are no social protection schemes. In this regard, it is estimated that approximately 30 percent of Nepal's labour force is underutilized, and this percentage is much higher in urban areas (49.9%) than in rural areas (32.3%).<sup>13</sup> Further, the labor underutilization rate is highest for the 20-24 years age group.<sup>14</sup>

These recent trends and demographic developments particularly, the 'demographic dividend,' in terms of the burgeoning youth population means that there is a significant potential for country's economic growth and development. However, the challenge for the coming days is for the country to be able to absorb the working-age population into productive and decent jobs. The rapid rate of urbanization, the problem of youth unemployment, particularly in urban areas, the shift from agriculture to the service sector, and rising levels of education, also mean that much focus is required on generating employment opportunities for young men and women.

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<sup>9</sup> Central Bureau of Statistics. 2011. "National Population Census 2011: Preliminary Results," CBS/National Planning Commission Secretariat, Kathmandu, Nepal.

<sup>10</sup> Ministry of Health and Population. 2012. *Nepal Demographic and Health Survey 2011*. Government of Nepal/ USAID/ New Era, Kathmandu, Nepal.

<sup>11</sup> ILO. *Labour and Social Trends in Nepal 2010*, ILO/NPC, 2010.

<sup>12</sup> Central Bureau of Statistics (CBS). 2011. *Nepal Living Standard Survey 2010-2011: Statistical Report Vol. 1 and 2*. Kathmandu, Nepal: Central Bureau of Statistics.

<sup>13</sup> Under utilization means that the workers are either unemployed, work less than 40 hours a week while wanting to work more but unable to do so for involuntary reasons, or work at jobs not commensurate with their skills.

<sup>14</sup> ILO. *Labour and Social Trends in Nepal 2010*, ILO/NPC, 2010.

In addition to the problems associated with labour markets, Nepal also faces considerable challenges with respect to socio-economic inclusion, particularly of vulnerable groups. Child labour, including its worst forms, is pervasive with 2.1 million out of the total child population of 6.2 million currently engaged in economic activities.<sup>15</sup> Similarly, practices of bonded and forced labor are still highly prevalent in Nepal, with more than 100,000 bonded laborer households involved in agriculture and approximately 12,000 girls being trafficked annually from Nepal.<sup>16</sup> Besides, employment in the non-agriculture informal sector is growing and, according to the 2008 Labour Force Survey, it is estimated that of the total population employed in the non-agriculture sector, 86.4% are engaged in the informal sector. Barred from any form of workers' rights, these informal sector workers toil in dismal conditions, without legal recognition, social protection and often without any voice or representation in the workplace.

To cope with the challenges of unemployment and underemployment, Nepal has also witnessed a growing trend of its workers, particularly the youth, leaving the country for employment abroad. According to the unpublished data of Department of Foreign Employment, there are about 2.4 million officially registered migrant workers abroad excluding India. Out of this, 6 to 7% are female. According to the latest data from the 2011 Census as well as the 2010/11 Nepal Living Standards Survey, approximately 7 percent of Nepal's total population is currently absent; every other household has at least one migrant or a returnee; and more than half of the households in Nepal receive remittances sent by their family members working abroad. In fact, the Nepali diaspora abroad contributes approximately 25 percent of GDP—a figure that is the highest in South Asia and the fifth highest in the world.<sup>17</sup>

Further, nearly 56 percent of households in Nepal receive some sort of remittances. The significant contribution of remittances to the national economy has, however, overshadowed the fact that most of the workers leaving for foreign employment are engaged in low-skill occupations and a significant portion of them are undocumented workers, making them susceptible to various forms of exploitation at home and also while abroad.

In recent years, the Government of Nepal has made some progress in establishing basic components of the social protection floor. These include: an old-age pension scheme for the elderly; allowances for single women, highly endangered indigenous peoples, and the disabled; grants to children under the age of 5 in some districts; draft National Framework for Social Protection Floor; and the Karnali 'One Family, One Employment' program geared towards providing employment opportunity for poor households in the country's Karnali zone. In the area of foreign labour migration, the government has also

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<sup>15</sup>ILO. *Labour and Social Trends in Nepal 2010*, ILO/NPC, 2010.

<sup>16</sup>Bandita Sijapati, Amrita Limbu and Manisha Khadka. 2011. *Trafficking and Forced Labour in Nepal: A Review of Literature*, Centre for the Study of Labour and Mobility, Himal Books. See also, *Forced and Bonded Labour in Nepal*, ILO Report, Unpublished.

<sup>17</sup> Central Bureau of Statistics (CBS). 2011. *Nepal Living Standard Survey 2010-2011: Statistical Report Vol. 1 and 2*. Kathmandu, Nepal: Central Bureau of Statistics.

introduced a number of legislations, including Foreign Employment Policy 2012, Foreign Employment Act 2007, Directive for Domestic Workers 2011/12, etc., that are all geared towards improving the rights and welfare of migrant workers.

In addition, the National Planning Commission has recognized the Employment Guarantee Scheme as a social protection measure, and a high-level tripartite committee under the Ministry of Labour and Employment (at that time, the Ministry of Labour and Transport Management) endorsed the draft of the Social Security Act in April 2012.<sup>18</sup> It is widely recognized that the early endorsement of the Act which makes it mandatory for employers to enroll all their staff in social security schemes will help pave the way for introducing controversial labour provisions including, 'hire and fire' and 'no work, no pay'. Further, one of the contentious issues in the draft bill is a provision that makes it mandatory for employers in the formal sector to pay one percent social security tax as a contribution to the Social Security Fund<sup>19</sup> on behalf of employees even if workers remain absent from the workplace.

Despite these policy provisions, the problems of informal workers, child labour, forced labour, the unemployed and the under employed still persists. Thus, in the days to come, the challenge for Nepal would be to strengthen the existing schemes and extend their coverage while also gradually adding in other elements of the basic social protection floor. Equally important would be to focus on employment-based infrastructure investments which could lead to employment creation, reduce inequality, enhance rural productivity. Coupled with that would be the need to focus on improving the quality of jobs which in turn will demand creating an enabling environment for investment by focusing on rule of law, securing property rights and respecting the fundamental principles and rights at work. Much needed are also improvements in the governance of labour markets, including policies that create synergies with macroeconomic and social protection policies.

### *Labour Market Governance*

The issue of employment, also reflected in the country's development plan,<sup>20</sup> is a major concern for the Government of Nepal. Recognizing employment generation as a priority, the Government of Nepal endorsed the Labour and Employment Policy in 2006, which, by ILO standards, is also regarded as being significant—it stresses the central role of productive employment in poverty reduction; the need to distribute employment opportunities across labour-absorbing sectors to encourage broad-based growth; the role of investment in employment creation; and the desirability of good labour relations to facilitate positive investment climate.

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<sup>18</sup> The Act was endorsed with the understanding to resolve few contentious issues in the bill in the coming days. Following that, a Tripartite Task Force on Social Security was established in June 2012.

<sup>19</sup> The government started collecting one percent social security tax on all employees working in the formal sector since 2009/10. The main objective of the fund is to introduce social security schemes for all civil servants and private sector employees working in the formal sector. Thus far, six core social security schemes is expected to be rolled out over the years, including unemployment, disability, maternity, medical, dependent and old-age benefits.

<sup>20</sup> The current Three Year Plan which ends next year (2069/70) set a target to create 1.1 million additional jobs in the country during the plan period. Further, it also adopted a policy to give employment highest priority when making investment.



In particular, the Labour and Employment Policy intends to augment labour productivity by eliminating forced labor practices, including bonded labor, and by establishing congenial labor relations through the introduction of international labor standards at the workplace in both formal and informal sectors. It also aims to make the labor market safe, healthy, competitive and open by developing a social security system that also encompasses the informal sector, and by promoting occupational safety and health, and making the work environment free of discrimination. The policy also includes several strategies to achieve these objectives which among others include employment focused investment in the economic sectors, youth-targeted employment, promotion of self-employment, building an environment conducive to the promotion of investment and employment, and enactment of a comprehensive policy on international employment.

Besides the Labour and Employment Policy, the government has also formulated an Immediate Action Plan on Economic Development and Prosperity 2012 which focuses creating employment. Other such initiatives to generate employment within the country include employment targeted programs such as the Karnali Employment Program, Youth Self-Employment Program, Skill for Employment Program, National Plan of Action 2008-2015 for youth employment, promotion of cooperatives and others. Significant attention has also been paid to promoting and expanding labour market information (LMI) through employment information centers nationwide.

The government has also tried to systematize, formalize labour migration and ensure the right of Nepali workers, through bilateral and regional understandings with the destination countries. In addition, the government is also considering bringing out 'relief type' employment schemes in the next budget, and is planning to develop policies and programs that would help utilize the skills, capital and work culture that migrant workers bring home.

However, in the absence of institutional capacity, lack of resources, and most importantly, the poor state of political affairs in the country, these existing legislations are yet to be implemented effectively. There is thus an urgent need to make concerted efforts towards improving the efficiency of labour market institutions, ensure fair enforcement of labour standards while also strengthening the links between improved industrial relations and the safeguarding the decent working conditions of the workers.

### *Social Dialogue and Tripartism*

In Nepal, as in other countries, there exists a long-standing debate on the extent to which the regulation of the labour market is a facilitating or obstructing feature of investment—the latter being the source of job creation. In general, the employers in Nepal believe that the trade unions pose major threat to growth and employment generation, and the difficulties that the existing law imposes especially on the dismissal of workers discourages hiring and enterprise growth. For their part, the trade unions express dissatisfaction due to the non-implementation of the law and the ability of employers to evade it. More specifically, the forefront of workers' demands presently includes freedom of association and jobs, minimum wage, and social security to the

workers. Because of these differing positions between the workers and the employers, there has been a significant crisis of confidence between the two parties resulting in worsening industrial relations with strikes, lockouts and blockages becoming a commonplace. This has not only soured the relationship between employers and workers but also constrained investment and growth in the country.

In recent years, the Government of Nepal has taken several initiatives in the direction of improving social dialogue aimed at advancing the labor and employment agenda in the country. Some important milestones include: establishment of a Tripartite Task Force on Social Security; drafting of the Social Security Act; adoption of the 15-point Declaration by the National Labor Conference in July 2012; drafting of five labor-related acts after extensive tripartite social dialogues, namely, the Labor Act, the National Labor Commission Act, the Trade Union Act, the Bonus Act and the Unemployment Benefit Insurance Act; the draft of National Plan of Action on the Implementation of ILO Convention 169 on Indigenous Peoples' Rights; and consideration of ILO Convention 87 on Freedom of Association and Protection of the Right to Organize.

However, these policies as well as the social dialogue platforms, remain weak and largely inactive. Thus, what has become clear overtime is that in the absence of well-functioning and well-implemented labour laws, the already volatile industrial relations are being further aggravated. This will require facilitating tripartite dialogue on the law's reform, reaching consensus between flexibility allowed to employers in terms of adjusting staffing needs to demand, security and protection for workers, and strengthening social dialogue forums.

## II. National Priorities, UN Development Assistance and ILO Strategic Frameworks

### *Three Year Plan of Nepal 2010/11-2012/13*

The current Three-Year Plan of Nepal (TYP) (2010/11-2012/13) reflects the developmental priorities of Nepal in the political, economic and social fields over the course of three years. The main objective of the TYP is to help people realize a 'direct change in their living standards by contributing to reducing poverty and bringing sustained peace through employment centered inclusive and equitable economic growth.'

To reduce existing inequality and poverty in the country, the TYP specifically mentions increasing dignified and profitable employment opportunities through the expansion of inclusive, productive and targeted programs. The TYP aims to achieve this by, among others, increasing workforce employability through employment support and vocational training; improving labor markets by increasing employment opportunities and initiating reforms in labour law and administration to increasing production and productivity; increasing dignified and profitable employment opportunities through the expansion of inclusive, productive and targeted programs; making foreign employment decent, safe and productive; increasing access of youth, women, indigenous people, people with disability, Madhesi, Dalits, conflict affected people as well as backward and poor people to productive employment; ensuring social security to workers and elimination of worst forms of child labor in accordance with international commitments.

Accordingly, these policy goals and outcomes are well-aligned with the priorities outlined in the DWCP for Nepal.

### *United Nations Development Assistance Framework for Nepal*

The DWCP is also closely aligned with the United Nations Development Assistance Framework (UNDAF) (2013-2017), which has identified four priority areas, including enhancing systemic reforms, ensuring social equity, investing in young people and preserving the environment. Closely related to ILO's mandate are Outcomes 2 and 3, which mention increased capacity to design, execute and manage economic development programs, inclusive labor and economic policies, and social protection benefits that would help bolster productive employment and income opportunities, including for the youths.

The UNDAF also emphasizes the need to implement non-discriminatory policies and procedures, including those related to consolidating peace, such as implementation of ILO Convention 169, which is geared towards increased participation and protection of the rights of indigenous groups, apart from targeting people affected by conflict for productive and decent employment services.

## *ILO's Strategic Policy Framework 2010-15*

The Strategic Policy Framework (the SPF) is the ILO's medium-term planning document that details the strategic orientation of the ILO, its aims and objectives and work methods that will support an integrated approach to achieving results. The strategic framework is centered on essential priorities in the world of work captured in 19 outcomes.

Among these 19 outcome areas, the DWCP for Nepal focuses on employment promotion, skills development, social security, working conditions, labour migration, employers' organizations, workers' organization, labour administration and labour law, social dialogue and industrial relations, decent work in economic sectors, decent work in economic sectors, freedom of association and collective bargaining, forced labour, child labour, international labour standards and mainstreaming decent work.

## *ILO Co-operation Review and Recommendations*

The Nepal Country Program (2008-2012) Review was conducted in September 2012 with the support from consultants, the Regional Office and in consultation with stakeholders. The objectives of the review were to review the appropriateness and adequacy of DWCP design; examine the progress made so far to achieve the outcomes; examine the usefulness of the strategies, partnerships and the constraints to be addressed; identify the major challenges, weaknesses and strengths of the Nepal DWCP; and identify lessons learned and provide recommendations for the next DWCP.

The findings of the review show that the implementation of the DWCP has progressed well in most of the stated outcomes. It has rated overall performance of the country as satisfactory; and commendable especially considering the sustained political transition process resulting in prolonged insecurities and disruptions of public life. Key results achieved under the past DWCP amongst others include, establishment of social security fund, revision of labour laws including foreign employment regulations, organization of national labour conference, support to conduct Labour Force Survey 2008 and 1998. The technical assistance to undertake 2 labour force surveys has also established the capacity within the Central Bureau of Statistics to undertake the survey without any external technical support.

Based on the findings of the evaluation, the following key measures amongst others were recommended:

- Organize six-monthly tripartite consultation meetings on the implementation and monitoring of the DWCP in order to strengthen partnership and ownership of DWCP among ILO constituents.
- Establish a Knowledge Management Strategy, including identifying good practices/lessons learned, developing relevant data bases, and sharing knowledge.
- Strengthen the Results-Based Monitoring system of the country programme.

- Enhance the involvement of the tripartite constituents, especially of the trade union organisations during the implementation of ILO Convention 169.
- Enhance the provision of substantial and timely follow-up support to the GoN and the line agencies to implement already ratified conventions in order not to discourage the GoN to ratify other conventions.
- Support to the labour law reform process including the tripartite dialogue, in order not to lose the momentum considering the on-going political transition.
- Continue to facilitate the activities of the task force set up by MOLE to finalize the draft acts of the five labour laws, thereby guaranteeing 'peer support' from all constituents.

These recommendations have been duly incorporated in the current DWCP.

### III. Decent Work Country Programme and Priorities

The mandate of the ILO is to promote opportunities for all women and men to obtain decent and productive work in condition of freedom, equity, security and human dignity. The Decent Work Country Programme (DWCP) serves as the main vehicle for delivering ILO support in Nepal and to realize the overall goal for decent work for all. Further, it promotes decent work as a key component of development policies of governments, social partners as well as of other local actors and cooperating agencies.

The DWCP 2013-17 for Nepal reflects the priorities of the tripartite constituents in Nepal, as expressed through several rounds of independent discussions and consultations with them and other key stakeholders. The DWCP is also aligned with the national development priorities of the government, strategic priorities of the ILO and the United Nations Development Assistance Framework.

Consultation on DWCP (2013-2017) began in September 2012 and the DWCP has been drafted through a series of consultation involving high level officials at the Ministry of Labour and Employment, National Planning Commission, members of Federation of Nepalese Chambers of Commerce Industries (FNCCI) and leaders from trade unions. The DWCP has also taken due consideration of experiences, achievements and evaluation of the DWCP 2008-2012 and previous initiatives undertaken. The DWCP also incorporates inputs from ILO staff in Kathmandu and ILO DWT team based in ILO-Delhi.

The DWCP for Nepal (2013-17) provides a framework to determine priority areas of cooperation in accordance with the ILO's mandate and strategic objectives and will be implemented through partnerships with the tripartite partners. The three priority areas for the next five years that emerged from the consultations are:

Priority 1: Promotion of employment-centric and inclusive growth

Priority 2: Improved labour market governance and industrial relations

Priority 3: Promotion of fundamental principles and rights at work

The following three crosscutting issues will be mainstreamed under the three priority areas mentioned above:

- a. Gender equality
- b. Tripartism and social dialogue
- c. International labour standards

Gender equality and non-discrimination are critical to achieve decent work for all and are central to all four strategic objectives which are clearly reflected in ILO's strategic documents such as ILO Declaration on social justice for a fair globalization the SPF 2010-15. The contextual analysis reflects high gender disparity and discrimination prevalent in the labour market in Nepal. For these reasons, a strategy of mainstreaming

gender will be used throughout the implementation of all DWCP activities. The office will achieve them by providing technical assistance in reviewing policies and/or through the implementation of targeted projects that would exclusively address the problems and concerns of marginalized people.

Tripartite mechanisms will be strengthened at all levels to promote social dialogue and facilitate good labour relations and prevention of disputes. Throughout the implementation of DWCP activities tripartite culture will be strengthened.

In the world of work principles of social justice and equity are based on international labour standards. While providing support to the constituents ILO will ensure that laws, policies and programme formulations are in line with the requirements of international labour standards.

## **Priority 1: Promotion of employment centric and inclusive growth**

### **Outcomes, Indicators and Strategies**

Slow pace of economic growth, persistent levels of poverty and inequality, and low levels of job growth are critical constraints to economic and social progress in Nepal. Thus, promoting inclusive and employment-centric growth is a central challenge to the country especially since it is also regarded as a major contributory factor to economic and social progress and political stability.

Foreign labour migration while generating substantial benefits for Nepal in terms of serving as a safety valve for employment and a source of remittances and foreign exchange remittances is nevertheless rife with problems relating to abuses during recruitment and employment, including human and labour rights violations in the destination countries. Evidently, these problems are compounded by ineffective regulation of recruitment agencies; lack of timely information on job opportunities' barriers to finding overseas employment, especially for women; and ineffective pre-employment and pre-departure information systems/programs.

In this context, Priority 1 will be guided by the following key outcomes and strategies:

#### **Outcome 1.1: Policies, strategies and regulatory frameworks are strengthened for the promotion of employment- centric and inclusive growth**

Over the past decade, the informal sector in Nepal has been growing including in the non-agriculture sector. Given that workers in this sector are unable to enjoy any rights

or legal protection, the ILO will work with the Government of Nepal to either frame new legislations, regulations or policies or modify existing ones to promote the transition of workers from informal activities to formal ones. The ILO will also extend its technical and financial support to the Government to develop an umbrella Employment policy. To streamline its efforts in promoting employment-centric and inclusive growth, the ILO will target GON's priority growth sectors including agriculture, service, tourism, construction and manufacturing. More specifically, the ILO will provide technical assistance and initiate demonstration projects in DDCs, Municipalities and VDCs that are targeting, monitoring and evaluating employment content of investments in these potential growth sectors.

ILO will also provide technical assistance to the GON to have quality data on employment through Labour Force Surveys.

To maximize impact of foreign labour migration in economic growth, the ILO will work towards promoting well-managed labour migration from Nepal in order to ensure effective protection of the rights of vulnerable migrant workers, enhance the development impact of labour migration, and reduce irregular flows. In particular, it will assist in developing a reliable information system on overseas employment opportunities, building capacity for matching qualified job seekers with the demand from foreign employers, and developing a structured pre-departure orientation course for domestic workers and construction workers. To help reduce the cost of migration and prevent recruitment-related abuses in countries of origin and destination, the ILO will work towards improving recruitment services by working with the government and private sector such as Nepal Association of Foreign Employment Agencies (NAFEA) and introducing protection measures for migrant workers during employment by putting in place better monitoring and reporting mechanisms, and support services in destination countries. To secure the benefits of foreign labour migration and promote the development impact of the same, the ILO will focus on increasing the quality of training and portability of skills among migrant workers and introducing mechanisms to leverage remittances for enhanced and long-term development impact.

### ***Key performance indicators***

- Number of new or modified legislations, regulations, or policies adopted that promote transition of informal activities to formality.
- Gender sensitive Labour and Employment Policy adopted. Percentage of recommendations of the sectoral studies for employment targeting by priority growth sectors (agriculture, tourism, construction and manufacturing industries) implemented.
- Number of District Development Committees (DDCs), Municipalities and Village Development Committees (VDCs) that are targeting, monitoring and evaluating employment content of investments with a gender lens in potential growth sectors through ILO technical assistance and demonstration projects.



## **Outcome 1.2: Vulnerable groups, especially the young men and women have improved access to employment services and to productive employment and income opportunities**

Youth employment has come to the forefront of national priorities and demands as Nepali young workers (age 15-24 years) are 2.2 times more likely to be unemployed. To improve the access of vulnerable groups, especially young men and women to employment services, the ILO will assist the Ministry of Labour and Employment to establish and strengthen Employment Information Centers that provide information and counseling services. To further aid this process, it will also support the establishment of the Labour Market Information Analysis System (LMIAS). ILO will mobilise resources to implement Technical Cooperation (TC) projects that are geared towards generating and providing productive employment for men and women. The ILO will also assist in the adoption and implementation of the National Action Plan for Youth Employment.

### ***Key performance indicators***

- LMIAS is established and functional.
- Number of Employment Information Centres of MOLE providing information and counseling services.
- Updated data (disaggregated by sex) on school - to -work transition available and used.
- Number of young men and women employed through TC projects.

## **Outcome 1.3: Institutional capacity, legal and policy frameworks are strengthened for the improvement and extension of social protection coverage**

A draft National Framework for Social Protection Floor is being developed by the GON. ILO will provide advisory support to finalize the framework, especially to do the costing of the Framework. Similarly, the ILO will also support the Social Security Fund (SSF) implement the prioritized social security schemes, namely, maternity benefit, sickness benefit, workplace accident and unemployment insurance benefits. To ensure that social security benefits are sustainable, the ILO will assist in the revision of existing policies and the enactment of the Social Security Organization Act and Unemployment Insurance Benefit Act.

### ***Key performance indicators***

- National framework for social protection floor endorsed by the National Planning Commission Board.
- SSF implements prioritized social security schemes (i.e., maternity benefit, sickness benefit, workplace accident and unemployment insurance benefit).
- Social Security Organization Act and Unemployment Insurance Benefit Act enacted

## **Priority 2: Improved labour market governance and industrial relations**

### **Outcomes, Indicators and Strategies**

It has been widely recognized that the promotion of social dialogue and tripartism are the most appropriate methods for making labour law and institutions effective, including in terms of providing due recognition of the employment relationship. However, the ILO constituents in Nepal continue to face major challenges, especially in terms of limited capacity, inadequate authority and resources required to formulate appropriate labour policies, and to secure their effective implementation. To promote fair industrial relations, issues relating to freedom of association, effective recognition of the right to collective bargaining, labour legislation based on international labour standards, social dialogue and tripartism, and an efficient and well-coordinated system of labour administration, are fundamental. To this end, the DWCP will focus on the following outcome areas:

#### **Outcome 2.1: Labour legislations, regulations and policies are developed and enacted in line with international standards.**

To improve labour market governance and transform the current hostile industrial relations into a more productive and harmonious one, an appropriate legal framework is needed which could provide adequate labour market flexibility for investment and growth as well as respect for the rights of workers, including social protection.

The ILO will apply participatory law-making approach to draft necessary labour legislations and regulations. In particular, it will work closely with the Government of Nepal (GoN), especially, the line ministry while preparing draft recommendations for a set of legislations namely Labour Act, National Labour Commission Act and Freedom of Association Act.

To ensure that the new acts are in line with international labour standards including human rights instruments and gender equality, the ILO will sensitize its constituents at different levels on relevant ILO conventions through training workshops and interaction with ILO Specialists. Further, based on their individual needs, technical assistance will be provided to the constituents in different areas of labour legislations, international standards, social dialogue and tripartism so that they can get into a consensus as quickly as possible. Exposure visits for the constituents to the countries, where replicable practices mechanisms and institutions are in place, will also be organized. Once the draft acts are finalized, works on drafting necessary regulations and

finalization of code of conduct related to non-discrimination, termination of employment and collective bargaining, will be initiated.

In all the aforementioned events, broader participation will be encouraged in a spirit of social dialogue and transparency. Since regular and effective social dialogue is essential for consensus building, a series of individual, bi-partite and tripartite consultation meetings and workshops will also be held.

### ***Key performance indicators***

- Gender responsive Labour laws (Labour Act, National Labour Commission Act, Freedom of Association Act are) endorsed by the parliament reflect relevant ILS.
- Regulations adopted to extend labour administration services to workers and employers in the informal economy.
- Code of good practices on collective bargaining, non-discrimination and termination of employment adopted and implemented.

### **Outcome 2.2 The Constituents (MOLE, Wos and Eos) have strengthened capacity to achieve better industrial relations.**

Workers' and employers' organizations are key stakeholders for improved industrial relations climate. It is, therefore, essential to enhance their technical capacity whereby they can influence national policies and programmes which are directly linked to the interest and welfare of their members. Globalization provides employers and workers with new opportunities - as well as challenges - from which they can both benefit. By working as partners, rather than as adversaries, they will be better equipped to address issues arising from a more open and competitive global economy.

For this to happen, it is essential to strengthen social dialogue mechanism between the workers and the employers. Therefore, the ILO will provide technical assistance to develop mechanism and procedures for effective bi-partite and tripartite forums at the national and local levels. More specifically, at the national level, the ILO will assist in strengthening institutions and processes for social dialogue so that they become well-established and regular practice for decision taking on socio-economic issues. Selected social dialogue institutions and processes will be supported, and the capacity of the social partners will be enhanced to participate effectively in social dialogue.

There is also a dire need for better negotiations skills based on the principles of good faith bargaining to both the employers and the workers. In many cases, collective bargaining agreements were not effectively implemented because of technical problems, ambiguity in the terms and conditions or simply because the agreements were not based on "good faith bargaining". The ILO will provide technical assistance to

enhance the capacity of the constituents for better negotiation including for minimum wages.

Institutional development of workers' and employers' organizations is a key challenge in Nepal. Many units/departments within the organizations are not functioning well. The ILO will provide technical assistance to improve the functions of these units/departments especially by encouraging them to share good practices on labour-management relations at the workplace from other countries where conditions are identical to Nepal.

Already, the national employers' organization-the Federation of Nepalese Chamber of Commerce and Industry (FNCCI), has in recent years taken initiatives to address concerns relating to adversarial Industrial Relations in Nepal through the promotion of Work Place Cooperation. In a broader sense, it recognizes the importance of social dialogue and the need to promote dialogue at national, sectoral and enterprise level and to work toward establishing bipartite forums for social.

In Nepal discriminatory labour practices are not uncommon. Under the first phase of the ILO-Norway Partnership Agreement (2011), support was provided for the development of gender policy guidelines for employers. This work will be continued by finalizing and disseminating the gender policy guidelines to FNCCI member companies.

### ***Key performance indicators***

- Gender balanced bi-partite and tripartite forums at national and local level functioning effectively (meet regularly and take common decisions).
- Number of Collective Bargaining Agreements (CBA) that include vulnerable workers' (women, Indigenous People, Dalits, Differently abled) concerns and priorities signed and implemented at national and plant level.
- Number of Units/Departments within the Workers' and Employers' Organizations with dedicated human and financial resources.

### **Outcome 2.3 Improved labour administration for effective implementation and monitoring of labour legislation**

There is a common understanding among the constituents that labour administration in Nepal needs to be strengthened so that it has a modern policy orientation, can deliver effective services and promote a culture of labour law compliance and sound industrial relations. The ILO will work closely with the constituents to set up a National Labour Commission, an independent statutory tribunal appropriate to national conditions with powers and functions in relation to education on the law, a collective bargaining service and conciliation and arbitration (of individual and collective rights and interest

disputes). The ILO will provide technical advice and other assistance drawing on comparative international experience of similar bodies, including facilitating direct contacts with members of industrial tribunals and courts from other countries. Depending on the availability of resources, the International Training Centre of the ILO based in Turin (ITC Turin), will play a role in the training of the newly appointed members, support staff and the social partners.

In 2008, the ILO conducted an assessment of the Department of Labour and its Offices in the districts to assess its role, scope, functions and powers. The report of the assessment provides a set of recommendations to improve its effectiveness and efficiency. The ILO will provide technical assistance to implement the recommendations on priority basis. In particular, the ILO will provide technical assistance to the Department of Labour in terms of preparing its strategic plans, improved guidelines and tools for the labour inspectors. This will also include expansion of scope of labour inspection to include areas like wages, working and employment conditions. Similarly, labour inspectors will be provided appropriate opportunities to enhance their understanding of the provisions of the labour law. Further, to assess the level of compliance of labour laws and regulations, the ILO will assist the constituents to conduct a perception survey on compliance of the laws and the regulations.

#### ***Key performance indicators***

- Percentage reduction in days taken for dispute settlement
- Number of enterprises for which labour administration has recorded statistics (sex disaggregated) concerning conditions of employment and work.

### **Priority 3: Promotion of fundamental principles and rights at work**

#### **Outcomes, Indicators and Strategies**

While Nepal is making considerable headway in terms of growth and social development opportunities, some of the long-standing labour issues, particularly in areas of child labour and bonded labour continue. Further, the shift to a market economy and pressures of globalization is putting more pressure on labour markets and introducing new insecurities to individuals, families and societies.

Nepal is a party to various ILO Conventions aimed at eliminating forced labour and human trafficking, in particular, ILO Convention No. 29, 105, 182 and 169 concerning Forced Labour, Abolishment of Forced Labour, Elimination of Worst Forms of Child Labour and Rights of Indigenous Peoples in Nepal respectively. The Government of Nepal is making significant efforts to comply with these internationally binding conventions; however, there still are many challenges and gaps in terms of effective

implementation of the laws and policies especially in conformity with international standards. To address these challenges, the outcome and strategies in this area include:

**Outcome 3.1: Constituents and major stakeholders have improved capacities to address the implementation gap in respect of conventions 29, 105, 169 and 182 and to ratify conventions of national priorities.**

To achieve this outcome, a 3 point strategy will be implemented that entails: (1) Providing technical and financial assistance to the constituents and stakeholders to effectively implement the provisions of ratified conventions, especially the conventions on Child Labour, Forced Labour and the convention on the Rights of Indigenous Peoples; (2) supporting the constituents' initiatives to ratify conventions of national priorities (3) supporting policy and legal reform. Detail strategy will be as follows:

*Child Labour:* Building on the achievements of the ILO-IPEC project on "Support to the Implementation of Nepal's National Master Plan on the Elimination of Child Labour," ILO through its technical cooperation projects will continue supporting the Child Labour Elimination Section (CLES) under the Ministry of Labour and Employment (MoLE) and other social partners. Special focus in this regard will be in the implementation of a number of National Master Plan (NMP) driven actions with emphasis on the elimination of the worst forms of child labour. The ILO will also seek to strengthen monitoring and reporting system of CLES for prevention and early identification of the emerging sectors related to the worst forms of child labour. It will also support the implementing partners in mapping of service providers in the communities for child labour mainstreaming, referrals and for convergence of plans, programs and strategies.

The ILO will also focus on policy level interventions to create an enabling environment for the endorsement of the National Master Plan and the adoption of the amended legislation, and the National Child Labour Policy. It will assist GoN to determine (develop) and endorse a hazardous child labour list. Further, it will work closely with the CLES and other relevant Government agencies, including their Departments and Commissions, social partners and civil society towards the anti-child labour drive.

To address the data and knowledge gap on child labour situation, policy research and studies will be conducted on the priority areas of child labour as specified in the National Master Plan. The implications of the strategies applied by the ILO and its constituents to combat the worst forms of child will be documented to measure the impact of the interventions and tested strategies will be disseminated widely to ensure that lessons from those strategies guide future actions in addressing the concerns of child labour.

*Bonded Labour:* The government of Nepal has identified various forms of bonded labour such as Kamaiya, Haliya, Haruwa, and Charuwa primarily working in the agriculture sector. The Ministry of Land Reform and Management (MLRM) has prepared freed Haliya rehabilitation modality and an Action Plan which is currently in the process of receiving government endorsement. The ILO will support to the Government in the reformation of Kamaiya Labour (Prohibition) Act 2002 and other legal framework to

address all forms of bondage in the agriculture sector. Such support will include technical assistance and capacity building of the concerned social partners, including the government, to design and implement programmes and policies relating to the rehabilitation of freed bonded labour.

*Vulnerable migrant workers:* Through the implementation of the technical assistance projects, the ILO will engage with relevant actors, trade unions and service providers at the community level to support the empowerment, organisation and representation of women migrant workers, and promote their access to accurate and timely information. To this end, the ILO will provide training to the service providers and provide skills training to potential domestic workers and test innovative methods to prevent trafficking of women and girls, and improve their access to information and remittance transfer.

The ILO in coordination and collaboration with other organisations in the field of migration will also promote the principles set out in Conventions No 97 and 143 and United Nations Convention on the Protection of the Rights of all Migrant Workers and Members of their Families 1990 as well as raise awareness on the provisions of recently ratified Convention No 189. Furthermore, it will seek to foster collaboration and communication with the representatives of trade unions, domestic workers' organisations and their allies as well as policy makers within South Asia on how to better empower women migrants.

Knowledge management and sharing will be an integral part of the ILO programme. At present there is little documented information suggesting whether international, regional and national efforts to assist trafficking victims are having noticeable impact. To counter this challenge, the ILO through its technical assistance project will conduct systematic baseline and end-line surveys of migrant workers. The surveys will map trends concerning experiences, financial situations, working conditions and risks of trafficking. Media will be engaged at the local level both for sensitisation purposes and for disseminating information on labour migration issues, sharing research findings and the ILO's work in this area.

*Indigenous Peoples:* Nepal ratified ILO Convention No.169 on Indigenous and Tribal Peoples in 2007. Since then indigenous peoples' issues in Nepal are increasingly being seen as part of a rights-based approach to development, along with issues related to caste and gender. Likewise, indigenous peoples and government representatives are increasingly participating in international processes related to indigenous peoples' rights, including in the Sessions of the UN Permanent Forum on Indigenous Issues and technical expert meetings of various focus. Despite increased awareness amongst concerned stakeholders on this, there have also been a few incidents of activists misinterpreting the Convention and using it to raise claims beyond the scope of the instrument. As a result, there is fairly widespread concern that failure to raise awareness, to build capacity and implement the principles contained within the Convention No. 169 and UNDRIP, in real terms, will see an increased potential for conflict. To address these potential problems, ILO together with a wide range of government and indigenous civil partners will facilitate and support the implementation of the National Action Plan of ILO Convention No 169 by building

capacity of stakeholders at the local, district and central levels for the implementation of indigenous peoples' rights in the Nepali context.

#### ***Key areas for performance indicators***

- The National Master Plan on child labour endorsed and Hazardous Child Labour List (economic sector and occupation/activity wise) adopted by the GON.
- Number of selected zones free from child labour Kamaiya Labour (Prohibition) Act 2002 reformed in line with other relevant conventions and endorsed to address all forms of bonded labour in agriculture sector.
- Number of action points from the National Action Plan of Convention 169 implemented.
- Number of potential migrant workers (men, women and girls) benefitting from targeted trafficking prevention services.

## **IV. Implementation management, monitoring and evaluation**

### ***a. Implementation, performance monitoring and evaluation arrangements***

The DWCP is a time-bound results-based partnership framework between the ILO and the tripartite constituents to achieve the provisions in the national development agenda. The Government of Nepal and its respective ministries and agencies at national and district level are important partners for the implementation of DWCP in Nepal. Employers and workers' organizations will play crucial role as social partners in the effective implementation of the DWCP. To ensure tri-partite high-level engagement, the capacity of ILO constituents will be strengthened through various development activities and training.

The ILO Office in Kathmandu will coordinate the implementation, monitoring and evaluation process with full involvement of the constituents and with support from the Regional Office for Asia Pacific (ROAP), different technical departments at HQ and the Decent Work Team (DWT) in New Delhi.

Three main tools will be used for the monitoring and evaluation (M& E) of this DWCP, namely, (i) implementation plan; (ii) results framework; and (iii) M & E plan. The DWCP results framework, M&E plan and the implementation plan for 2014-2015 are given in Appendix 1, 2 and 3 respectively. The ILO Kathmandu Office will meet with its constituents, at least twice a year to discuss on the progress of the DWCP. International and national expertise will also be sourced to for the implementation of the DWCP as and when required.



## ***Assumptions and Risks***

For the successful implementation of the DWCP, it is necessary to have continued engagement and strong collaboration between the tripartite constituents and the ILO. This also necessitates political will as well as continuity and collaboration from representative ILO constituents irrespective of political differences. Similarly, to advance the agenda of DWCP, staff turnover at the Ministry of Labour and Employment, which is a lead partner Ministry of ILO, needs to be minimal.

The success of ILO Policy work in advancing national frameworks including National Employment Strategy, Youth Employment Strategy, Foreign Employment Act, National Child Labour Implementation Plan, Social Protection Floor, is subsequently dependent upon continued tripartite prioritization of these issues and their ownership. The implicit assumption therefore is that ILO partners will take ownership to the initiatives and remain as active partners for the implementation of the DWCP.

Resource mobilization is another factor that determines the likelihood and the level of impact of each outcome implementation. The ILO Kathmandu Office will work closely with the constituents on mobilizing additional resources as and when required and update the availability of resources for outcome implementation on regular basis.

## Results Framework: Part-II

First Preparation Date: 05-12-2012

Revision Date: 06-12-2012

Results	Indicators and Data Source	Critical Assumptions & Risks	Link to UNDAF and National Development Plan	Link to P&B Outcomes	Link to Regional Agenda
<b>CP Priority 1: Promotion of employment centric and inclusive growth</b>					
<b>Outcome 1.1</b> <b>Policies, strategies and regulatory framework are strengthened for the promotion of employment-centric and inclusive growth.</b>	Indicator 1.1.1 # of new or modified legislations, regulations, or policies adopted that promote transition of informal activities carried out by women and men to formality.	<p>-MoLE assumes lead role for the revision of the policies and regulatory frameworks.</p> <p>-There is a buy-in from the Sector Ministries on the recommendations provided through the sectoral studies of ILO.</p>	<p>UNDAF OUTCOME 2: “Vulnerable Groups have improved access to economic opportunities and adequate social protection”.</p> <p><b>Three Year National Development Plan ( TYP 2010/11 – 2012/13) Objective:</b> To enable people to feel change in livelihood and quality of life through employment centric inclusive and equitable growth, poverty alleviation and sustained</p>	<p>Outcome 1: More women and men have access to productive employment, decent work and income opportunities.</p>	
	Data Source: Project Document: “Way out of informality”.				
	Indicator 1.1.2 Gender responsive labour and employment policy adopted.				
	Data Source: Second labour Conference Report, MOLE				
	Indicator 1.1.3 % of recommendations of the sectoral studies for employment targeting by priority growth sectors (agriculture, tourism, construction and manufacturing industries) implemented.				
	Data Source: ILO Policy Review of potential growth sectors				
	1.1.4 # of DDCs, Municipalities and VDCs that are targeting, monitoring and evaluating employment content of investments in potential growth sectors through ILO technical assistance and demonstration projects.				
Data source: Pipe line TC project document					

<b>CP Outcome 1.2</b>  <b>Vulnerable groups, especially young men and women, have improved access to employment services and to productive employment and income opportunities.</b>	Indicator 1.2.1 LMIAS is established and functional	- Resources available to establish LMIAS.	<b>UNDAF OUTCOME 2:</b> “Vulnerable Groups have improved access to economic opportunities and adequate social protection”.  <b>TYP OBJECTIVE:</b> To enable people to feel change in livelihood and quality of life through employment centric inclusive and equitable growth, poverty alleviation and sustained peace.	<b>Outcome 2:</b> Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth.
	Data Source: ILO review of existing LMIAS	- Relevant GON entity commitment to host LMIAS.		
	Indicator 1.2.2 # of Employment Information Centres of MOLE providing information and counseling services.	- Resource available for TC projects.		
	Data Source: Employment Department of MOLE.	-MOLE takes lead and adopts the NAP for youth employment.		
	Indicator 1.2.3 Updated data (disaggregated by sex) on school - to -work transition in place.			
	Data source: ILO W4			
	Indicator 1.2.4 # of productive employment generated for men and women through TC projects.			
	Data Source: Draft project documents.			
	Indicator 1.2.5 National Action Plan for youth Employment adopted and implemented.			
Data Source: Draft NAP				
<b>CP Outcome 1.3</b>  <b>Institutional capacity, legal and policy frameworks are strengthened for the improvement and extension of social protection coverage.</b>	Indicator 1.3.1 National framework for social protection floor endorsed by NPC Board.	-Extension of SP continues to be the priority of GoN and social partners.	<b>UNDAF OUTCOME 2:</b> “Vulnerable Groups have improved access to economic opportunities and adequate social protection”.  <b>TYP (2010/11 – 2012/13)</b> includes a new chapter focusing on social protection. The strategy is to lay foundations for accelerating job-rich, inclusive economic growth.	<b>Outcome 4:</b> More people have access to better managed and more gender equitable social security benefits.
	Data Source: Draft National Framework	-Resources available for technical assistance to SSF.		
	Indicator 1.3.2 SSF is implementing the prioritized social security schemes ( Maternity benefit, sickness benefit, workplace accident and unemployment insurance benefit )	-GON allocates budget for the implementation of schemes.		
	Data Source: SSF/MOLE	-Constituents’ continued commitment for the enactment.		
	Indicator 1.3.3 Social Security Organization Act and Unemployment Insurance Benefit Act enacted.			
	Data Source: Draft Act			

## CP Priority 2: Improved Labour Market Governance and Industrial Relations

<p><b>CP Outcome 2.1</b></p> <p><b>Gender responsive labour legislations, regulations and policies are developed and enacted in line with international standards.</b></p>	<p>Indicator 2.1.1 Labour laws (Labour Act, National Labour Commission Act, Freedom of Association Act ) are endorsed by the parliament reflect relevant ILS</p> <p>Data Source: Draft Acts</p> <p>Indicator 2.1.2 Regulations adapted to extend labour administration services to workers and employers in the informal economy.</p> <p>Data Source: No regulations</p> <p>Indicator 2.1.3 Code of good practices on collective Bargaining, non-discrimination &amp; termination of employment adopted and implemented.</p> <p>Data Source: No code of practices</p>	<p>- Government and SPs Commitment remains strong.</p> <p>-Parliament election takes place on time or bill enactment mechanism exists.</p> <p>-Prolonged political transition /vacuum (risk)</p>	<p>UNDAF OUTCOME 2: Vulnerable Groups have improved access to economic opportunities and adequate social protection.</p> <p>TYP (2010/11- 2012/13) Objective: To enable people to feel change in livelihood and quality of life through employment centric inclusive and equitable growth, poverty alleviation and sustained peace.</p>	<p>OUTCOME 11: Labour administrations apply up-to-date labour legislation and provide effective services.</p>	
<p><b>CP Outcome 2.2</b></p> <p><b>The Constituents (MOLE, Wos and Eos) have strengthened capacity to achieve better industrial relations.</b></p>	<p>Indicator 2.2.1 Gender balanced bi-partite and tripartite forums at national and local level functioning effectively (meet regularly and take common decisions).</p> <p>Data Source: WOs and Eos planning documents</p> <p>Indicator 2.2.2 # of CBAs that include vulnerable workers' ( women, IPs, Dalits, Differently abled) concerns and priorities signed and implemented at national and plant level.</p> <p>Data Source: Reports of DOL and Labour Offices</p> <p>Indicator 2.2.3 # of Units/Departments within the Workers' and Employers' Organizations with dedicated human and financial resources</p> <p>Data Source: Internal reports of Workers &amp; Employers Organizations and</p>	<p>-Priorities remain unchanged even with the change in leadership.</p> <p>Risk: - High turnover of the domestic workers to capture in survey and baselines</p>	<p>UNDAF OUTCOME 3: Vulnerable groups experience greater self-confidence, respect and dignity.</p> <p>TYP (2010/1 – 2012/13): Industry is among the four high priority sectors of the GON.</p>	<p>OUTCOME 12: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations.</p>	
<p><b>CP Outcome 2.3</b></p>	<p>Indicator 2.3.1 % reduction in days taken for dispute</p>	<p>- Tri-partite constituents'</p>	<p>UNDAF OUTCOME 2:</p>	<p>OUTCOME 11:</p>	

<b>Improved labour administration for effective implementation and monitoring of labour legislations.</b>	settlement.	commitment to conclude the Labour Market Reform Process remains strong.  - Adequate resource available.	Vulnerable Groups have improved access to economic opportunities and adequate social protection.  OUTCOME 3: Vulnerable groups experience greater self-confidence, respect and dignity  TYP (2010/11- 2012/13) Objective: To enable people to feel change in livelihood and quality of life through employment centric inclusive and equitable growth, poverty alleviation and sustained peace.	Labour administrations apply up-to-date labour legislation and provide effective services.	
	Data Source: DOL Report				
	Indicator 2.3.3 # of enterprises for which labour administration has recorded statistics (sex disaggregated) concerning conditions of employment and work.  Data Source: DOL and Progress of report of TC Project				

**CP Priority 3: Promotion of Fundamental Principles and Rights at Work.**

<b>CP Outcome 3.1</b>  <b>Constituents and major stakeholders have improved capacities to address the implementation gap in respect of conventions 29, 105, 169 and 182 and to ratify conventions of national priorities.</b>	Indicator 3.1.1 The National Master Plan on child labour and Hazardous Child Labour List (sector and activity wise) adopted by the GON.	Assumption: -Child labour elimination continues to be a priority of the government.  Risk: -Lack of adequate funds with the government for NMP implementation.  Assumption: -Commitment from the MoLRM, MoLE and concerned government	Outcome 10: Nepal's institutions are strengthened for more effective integration of policy and the economy into intergovernmental economic and normative processes, and international policy and legal regimes.	OUTCOME 18: International labour standards are ratified and applied.	
	Data Source: National Master Plan Document; Child Labour (Regulation and Prohibition) Act.				
	Indicator 3.1.2. # of selected zones free from CL.				
	Indicator 3.1.3 Kamaiya Labour (Prohibition) Act 2002 reformed in line with relevant Conventions and endorsed to address all forms of bonded labour in agriculture sector.				
	Data Source: Strategy Plan of MoLRM				
	Indicator 3.1.4 # of potential migrant workers (men, women, girls) benefitting from targeted trafficking prevention services.				
	Data Source: Project document submitted to DFID (Project report, training reports, evaluation reports)				
	Indicator 3.1.5 # of action points in the National Plan of Action on Convention 169 implemented by GON and IPOs.  Data source: the UNIPP document; and draft national plan of action of the GON.				

## NEPAL DWCP ( 2013-2017): MONITORING PLAN

First preparation date:07-01-2013									
Revision date:									
Indicators	Means of verification (Data sources, frequency and collection methods incl. any M&E link to TC projects)	Baseline and date	End target and date	Milestones					Responsible staff (Focal Person/CO-KTM)
				Year 1 - 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017	
<b>CP Priority 1: Promotion of employment centric inclusive growth</b>									
<b>CP Outcome 1.1 Policies, strategies and regulatory framework are strengthened for the promotion of employment-centric and inclusive growth.</b>									
Indicator 1.1.1 # of new or modified legislations, regulations, or policies adopted that promote transition of informal activities to formality.	Nepal Gazette; M & E reports of Way Out of Informality Project ; Reports of MOLE & relevant line ministries.	To be developed by Way Out of Informality Project in the first semester of 2013.	7 policies/ laws/ regulations revised and adopted (2017)	Consensus developed among GON and social partners for the review of relevant regulations, legislations and policies that promote transition of informal activities to formality.	GON and social partners are progressively engaged in the revision of selected laws, regulations and policies..	3 policies/ laws/ regulations revised.	4 additional policies/laws/regulations revised.	Adoption of the revisions .	Mr. S. Jha ( NPC-Way out of Informality Project)
Indicator 1.1.2 Gender responsive labour and employment policy adopted.	Nepal Gazette, ILO reports, MOLE reports	Labour and employment policy (2005)	New Labour and Employment Policy adopted (2014)	Policy document drafted following ILO NEP formulation guideline.	NEP endorsed by the Cabinet.				N. Neupane (Programme Unit)

Indicator 1.1.3 % of recommendations of the sectoral studies for employment targeting by priority growth sectors (agriculture, tourism, construction and manufacturing industries) implemented.	ILO review of GON	0 % (2012)	50 % (2014)	Sectoral Ministries and National Planning Commission have increased knowledge on the policy and programme action for employment targeting by growth sectors.	Sectoral Ministries adopt 50 % of the recommendations & improve their implementation and monitoring plan to achieve employment target.	X	X	X	N. Neupane (Programme Unit)
Indicator 1.1.4 # of DDCs, Municipalities and VDCs that are targeting, monitoring and evaluating employment content of investments in potential growth sectors through ILO technical assistance and demonstration projects.	ILO project report; Municipality/DDC/VDC planning docs and progress reports.	Policy/directives exist (2012)	12 DDCs/Municipalities/VDCs.		TC project designed and resource mobilised	Local government has gained capacity to target, monitor & evaluate employment contents of their annual plans.	5 DDCs/Municipalities/VDCs	7 DDCs/Municipalities/VDCs	N. Neupane (Programme Unit)
<b>CP Outcome 1.2 Vulnerable groups, especially the young men and women, have improved access to employment services and to productive employment and income opportunities.</b>									
Indicator 1.2.1 LMIAS is established and functional	Report on ILO technical Assistance; MOLE Reports.	No Consolidated LMIAS (2012)	LMAIS start its operation (2017)	X	GON and ILO joint review of existing situation	GON has formed a central unit to host the LMIAS.	TC project developed and resource mobilised to support the GON to establish and operationalise LMIAS.	LMIAS operational	N. Neupane (Programme Unit)
Indicator 1.2.2 # of Employment Information Centres of MOLE providing information and counselling services.	M & E report of TC Project-"YES"; MOLE Reports	14 EICs established with minimum resources and not functional (2012).	At least 8 EICs are providing employment information and counselling services.		MOLE has fully equipped the EICs with necessary physical, technical, human and financial resources.	2 EICs are fully functional .	Total 5 are fully functioning.	Total 8 are functioning.	NPC of the project

Indicator 1.2.3 Updated data (disaggregated by sex) on school - to - work transition available and used.	STW transition survey report.	STW Transition Survey proposal sought by ILO (2012)	STW Survey Report ( 2013) and STW Survey Report (2016)	STW Survey report (2013) published.	GON,Wos, Eos are progressively using the available data to improve their youth employment focussed interventions.	X	STW Survey report (2016) published.	GON,Wos, Eos are using the new data to improve their youth employment focussed interventions.	N. neupane (programme Unit)
Indicator 1.2.4 # of young men and women employed through TC projects.	M & E report of TC Project "YES" and other; Reports of implementing Agencies	0 (2012)	tbd (2017)	Projects finalised and resource mobilised.	Young men and women in selected project districts have improved access to information, training for employment and business development services.	20 % of the target beneficiaries are employed (self or wage)	additional 30 % of the target beneficiaries are employed (self or wage)	50 % of the target beneficiaries are employed (self or wage)	NPCs of the TC projects.
Indicator 1.2.5 National Action Plan for Youth Employment adopted and implemented.	Nepal gazette; ILO Review of GON reports.	NAP (2010) Prepared by NPC not adopted by GON (2012)	NAP adopted and implemented ( 2017)	X	MOLE has owned up the NAP (2010) and updated.	Revised NAP endorsed by the cabinet.	Sectoral Ministries revise their plan to integrate and implement the relevant components of the NAP.	X	N. Neupane (Programme Unit)
<b>CP Outcome 1.3 Institutional capacity, legal and policy frameworks are strengthened for the improvement and extension of social protection coverage.</b>									
Indicator 1.3.1 National framework for social protection floor endorsed by NPC Board.	NPC Reports,.	Framework Drafted by the NPC with ILO TA for the costing of the same (2012)	Framework finalised and ready for submission to the Cabinet (2014)	The Social Protection Task Force under the NPC has finalised the framework and submitted for the approval of NPC Board.	NPC Board has endorsed the Framework and submitted it for Cabinet's approval.	X	X	X	N. Neupane (Programme Unit)



Indicator 1.3.2 SSF implements the prioritized social security schemes ( Maternity benefit, sickness benefit, workplace accident and unemployment insurance benefit )	SSF reports, ILO TA reports	Schemes not designed (2012); Regulation....	4 Schemes designed and implemented (2017)	Social Protection stakeholders have improved knowledge and information base to design and implement the schemes..	SSF has established beneficiary registration and monitoring system.	SSF has designed and implemented at least 1 scheme.	SSF has designed and implemented additional 1 scheme.	SSF has designed and implemented additional 2 schemes.	N. Neupane (Programme Unit)
Indicator 1.3.3 Social Security Organization Act and Unemployment Insurance Benefit Act enacted	National Gazette; ILO reports	Draft acts prepared (2012)	The 2 acts are enacted (2016)	The 2 draft acts are finalised.	Draft acts reviewed by cabinet and comments provided..	Draft acts finalised and submitted for Parliament's endorsement.	The 2 acts are enacted.	X	N. Neupane (Programme Unit)
<b>CP priority 2: Improved Labour Market Governance and Industrial Relations</b>									
<b>CP Outcome 2.1 Gender responsive labour legislations, regulations and policies are developed and enacted in line with international standards</b>									
2.1.1 Labour laws (Labour Act, National Labour Commission Act, Freedom of Association Act are) endorsed by the parliament reflect relevant ILS.	Draft Acts/Nepal Gazette	Draft Acts (2012)	3 new laws (2016)	Consensus reached among the tripartite constituents on the final drafts.	Final drafts reflecting relevant ILS submitted to Parliament.	The draft acts reviewed by the Parliament.	New Laws enacted.		S. Rajbanshi ( Programme Unit)
2.1.2:Regulations adopted to extend labour administration services to workers and employers in the informal economy.	Draft Regulations/Nepal Gazette	No (2012)	Regulations adopted in 5 informal sectors. (2017)	Tripartite consensus on priority sectors.	Sector Specific analysis & recommendations adopted by constituents.	Regulations drafted.	Regulations reviewed by Cabinet and comments provided.	Consensus and Enactment of the new regulations.	S. Rajbanshi ( Programme Unit)
2.1.3: Code of good practices on collective Bargaining, non-discrimination & termination of employment adopted and implemented.	Draft Code of Good Practices/Reports of constituents	Drafts Ready (2012)	Endorsement by Workers and Employers (2016)	X	X	Draft code of practices reviewed and aligned with the new laws.	Code of Practices adopted by Workers and Employers.	X	S. Rajbanshi ( Programme Unit)

<b>CP outcome 2.2 The Constituents ( MOLE, Wos and Eos) have strengthened capacity to achieve better industrial relations.</b>									
2.2.1: Gender balanced bi-partite and tripartite forums at national and local level functioning effectively (meet regularly and take common decisions).	Meeting Minutes of the forums	informal forums exist (2012)	1 at National level (2016) & in 10 industrial belts.	Funtional forum established at National level.	2 industrial belts have functional forums.	additional 2 industrial belts have functional forums.	additional 3 industrial belts have functional forums.	additional 3 industrial belts have functional forums.	N. Bhattarai (FP for Wos and P. Sharma (FP for Eos)
2.2.2: Number of CBAs that include vulnerable (women, IPs, Dalits, Differently abled ) workers' concerns and priorities signed and implemented at national and plant level.	Copy of CBAs/Reports of DOL and Press Release/Websites of constituents.	to be established	At least 80 % of CBAs signed are implemented ( 2017)	Human resources developed among the Constituent to strengthen collective bargaining.	Awareness raising programmes launched on collective bargaining by one or more constituents.	Mechanisms for collective bargaining at enterprise level is strengthened .	Mechanism for Sectoral baraganing established and functional.	80 % of the signed CBAs are implemented effectively.	N. Bhattarai, and P. Sharma (FP for EOs)
2.2.3: # of Units/Departments within the Workers' and Employers' Organizations with dedicated human and financial resources.	Review report of ILO	WOs and Eos have Units & Departments with insufficient human, physical and financial resources. .	All Social Partners have dedicated & functional Units/Departments for Education, Training, Women, and Youth	Systematic Capacity Assessment & recommendations for improved capacity available.	WOs and Eos implement programmes to strengthen the functioning of their technical Units/Departments.	1 out of 4 Units/Departments ( Education, training, women, youth) within the Eos and Wos have sufficient human, physical and financial resources.	additional 1 Unit/Department has sufficient human, physical and financial resources.	additional 2 Units/Departments have sufficient human, physical and financial resources.	N. Bhattarai, & P. Sharma
<b>CP outcome 2.3 Improved labour administration for effective implementation and monitoring of labour legislations.</b>									
2.3.1 % reduction in days taken for dispute settlement.	Reports of DOL	72 days (2012)	<b>40 % reduction in the days taken.( 2017)</b>	X	Workers and Employers are able to review and improve the process for resolving disputes.	Labour disputes resolution mechanism is strengthened .	Labour Offices have increased capacity for dispute settlement.	40 % reduction in the number of days taken for dispute settlement.	S. Rajbanshi ( Programme Unit)
2.3.2: # of enterprises for which labour administration has recorded statistics (sex disaggregated) concerning conditions of employment and work.	Monitoring progress report of MOLE/DOL/Lab Office; ILO review reports.	to be established	to be developed	X	Enterprise monitoring guidelines and data collection tools/ instruments are developed and used by the Labour Offices..	Labour Offices have strengthened capacity to collect data. analyse and write reports.	Labour Offices have set up and operationalise an Information management system.	# of enterprises for which statistics are recorded.	S. Rajbanshi ( Programme Unit)

CP priority 3: Promotion of fundamental principles and rights at work									
CP Outcome 3.1 Constituents and major stakeholders have improved capacities to address the implementation gap in respect of conventions 29, 105, 169 and 182 and to ratify conventions of national priorities.									
Indicator 3.1.1 The National Master Plan on child labour endorsed and Hazardous Child Labour List (sector and activity wise) adopted by the GON	National Master Plan on Child Labour; Child Labour (Regulation and Prohibition) Act.	a/ National Master Plan awaiting endorsement by the Cabinet. (2012). b/Hazardous CL list not developed (2012)	Endorsed NMP on Child Labour and New Hazardous Child Labour List adopted ( 2014)	Social partners lobby for the endorsement of NMP and are actively engaged in developing the Hazardous list.	a/NMP endorsed; b/HCL adopted; c/HCL implementation strategy developed.	X	X	X	Ms Bipina Sharma ( NPC-IPEC) and PO
Indicator 3.1.2 # of selected zones free from CL.	M & E report of the IPEC project; Reports of MoLE, Reports of Coalition group on child rights	0 (2012)	5 (2016)	TC project doc. finalised and resource mobilised.	Priority zones for intervention selected in collaboration with Constituents.	2 selected zones free from CL.	total 5 zones free from CL.	X	Ms Bipina Sharma ( NPC-IPEC) and PO
Indicator 3.1.3 Kamaiya Labour (Prohibition) Act 2002 reformed in line with the relevant Conventions and endorsed to address all forms of bonded labour in agriculture sector.	M and E reports of RBSA funded activities; MOLRM reports.	Kamaiya (Prohibition) Act 2002	Revised Act addressing all forms of bonded/forced labour in agriculture sector enacted (2015)	Revised draft bill addressing all forms of bonded labour in agriculture sector submitted to MOLJ for technical approval.	The revised bill reviewed by Cabinet.	Revised bill enacted.	X	X	Ms. Bharati Sharma (NPC) and PO
Indicator 3.1.4 # of potential migrant workers (men, women, girls) benefitting from targeted trafficking prevention services.	M and E reports of ILO-DFID project; Ips reports,	tbd (2013)	10000 potential migrant workers (2017).	Ips have gained capacity and means to implement targeted antitrafficking interventions .	1000 among the target population benefitting from the services under the TC project.	Additional 3,000 among the target population benefitting from the services under the TC project.	Additional 4,000 among the target population benefitting from the services under the TC project.	Additional 2,000 among the target population benefitting from the services under the TC project.	Ms. Bina Thapa and NPC of DFID-ILO project
Indicator 3.1.5: # of action points from the National Action Plan of Convention 169 implemented.	M and E reports of UNIPP project; Ips reports; GON's report.	tbd in 2013	4 Action points from the NAP implemented (2014)	3 action points implemented.	total 4 action points implemented.	X	X	X	Ms. Anshu Gurung and PO

