



International
Labour
Organization

▶ Enabling Sectoral Pathways towards Formality for Vulnerable Workers and Enterprises in Nepal's Informal Economy

December/2024

Workers in action at the tea garden in Ilam. ©CTCF C. Loktam

▶ At a glance



Partners

- ▶ Ministry of Labour, Employment and Social Security
- ▶ Ministry of Industry, Commerce and Supplies
- ▶ Ministry of Finance
- ▶ National Planning Commission
- ▶ National Statistics Office
- ▶ Social Security Fund
- ▶ Federation of Nepalese Chambers of Commerce and Industry
- ▶ Joint Trade Union Coordination Centre



Donor

ILO



Duration

March 1, 2023 – February 28, 2025



Target groups

Economic units and workers, particularly women within agriculture, construction, and transport sectors.



Geographical focus

National.

▶ Background

The ILO is providing technical assistance to a tripartite national committee at the Ministry of Labour, Employment and Social Security (MoLESS) to develop and implement an integrated National Action Plan on Formalization, in line with Recommendation No. 204 and Working Policy 3.9 under MoLESS 5-year strategy. To operationalize the action plan, the ILO funded intervention supports the diagnostic of informality in the target sectors, capacity development, knowledge sharing, and formulation of an integrated national strategy on formalization. These interventions are in coordination with other United Nations agencies under a European Union funded joint programme and guided by the 2019 Centenary Declaration for the Future of Work and the 2021 Global Call to Action.

The expected results are: – i) Evidence-based and Gender Sensitive National Strategy for Formalization is drafted through tripartite dialogue, ii) Institutional mechanisms and procedures are enhanced to facilitate the transition and maintenance of economic units in the formal economy, and iii) Enhanced capacities and awareness of tripartite constituents and economic units to advance the national agenda on formalization.





Knowledge sharing between Government of Cambodia and Government of Nepal on facilitating transition to the formal economy. ©Ministry of Industry Science Technology and Innovation, Kingdom of Cambodia.

► Objectives

To provide technical support to tripartite constituents to promote the transition towards formality for women workers and enterprises in sectors with high incidence of informality.

► Achievements

- Revision of National Action Plan (NAP) on formalization to incorporate sectoral focus and gender responsive components. The sectoral focus is on agriculture, construction and transport sectors.
- Development of a first procedure on labour inspection in the informal sector based on NAP.
- Development of the first national strategy on formalization.
- Development of first Sudurpashchim labour and employment strategy.
- Supported updates to integrated labour management information system, which digitizes services provided by labour inspectorate from labour audit submission to trade union registration.

► Expected results

Tripartite constituents in Nepal will have increased capacity to promote the transition towards formality for women workers and enterprises in sectors with high incidence of informality. This will be accomplished by contributing to the following immediate outcomes:

Outcome 1: Evidence-based and Gender Sensitive National Strategy for Formalization is drafted through tripartite dialogue.

Outcome 2: Institutional mechanisms and procedures are enhanced to facilitate the transition and maintenance of economic units in the formal economy

Outcome 3: Enhanced capacities and awareness of tripartite constituents and economic units to advance the national agenda on formalization

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