

Social Security Fund Nepal: Capacity Building and Proposed Training Program:

1. The International Labour Organization in 2012 adopted the Social Protection Floors Recommendation, 2012 (No. 202), an approach endorsed by the G20 and the United Nations. In the Recommendation it is reaffirmed that social security is a human right and a social and economic necessity. The Recommendation provides guidance to countries through the establishment and maintenance of national social protection floors as a fundamental element of national social security systems. The aim and objective is by implementing the floors by countries, within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards. Nepal is in the process of working towards the implementation of these strategies.
2. National social protection floors as envisaged in the Recommendations should comprise at least the following social security guarantees:
 - i) access to essential health care, including maternity care;
 - ii) basic income security for children, providing access to nutrition, education, care and any other necessary goods and services;
 - iii) basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability;
 - iv) basic income security for older persons.
3. The Government of Nepal in accepting the Recommendations has embarked on programs to implement social protection to the population. A number of social security programs to assist the vulnerable sections of the population have been implemented through the Department of Vital Registration and Social Security and the Ministry of Finance and Development. These universal programs provide cash transfers to senior citizens, widows, disabled, single women, children and include other disaster related relief. In addition social insurance based programs are being developed for the formal sector with the objective of extending them gradually to the informal sector.
4. The success and efficient management and administration of such programs require trained manpower with capabilities relevant to the implementation needs of the programs. In this area, while there is manpower and staff within the existing organizations and government their capabilities need to be enhanced, as the concept of social security is relatively new, resulting in limited understanding of the concept. The conceptual knowledge of the schemes, management and administration according to principles of social protection and effective implementation are area where there is a need to build and enhance capacity.
5. In line with this need to enhance human resource capabilities, a training program with the objective of capacity building is proposed. This training program for capacity building targeted at all members involved in the social protection program can be

divided into three categories, namely Conceptual Knowledge building, Process and Administration capabilities and General knowledge to improve awareness of social protection. The training program will cater for the needs of different groups with those at the higher level of responsibility and authority receiving training on the building of the conceptual knowledge related to social protection. The training related to process and administration while having the conceptual component will be for officers involved in the implementation, enforcement and administration of the schemes. The General knowledge and awareness category is targeted at building regional level capabilities in government departments, agencies, NGO's and partners involved in the with social security floor schemes.

6. Conceptual Knowledge training involves Members of the National Steering Committee with an objective of providing them with the macro picture of social protection. The participants selected from the top civil servants from all the agencies that are delivering social protection can be invited to a half-day workshop. A framework for national social security protection for the formal and informal sectors could be presented. This will be based on the Recommendation 202 where the universal schemes that form the foundation for poverty alleviation and social development, financed from revenues, provided without a means test and covering various contingencies would be the base for building the next layer. In addition the principles of social insurance based protection i.e. the schemes accepted by the ILO as social security schemes, the provident fund for old age savings would be shared. Administration monitoring and coordination of the protection programs and providers would be the third aspect to be highlighted in the training workshop. Finally, the challenges faced and the program to move forward in Nepal can be discussed to get some consensus for the future.
7. In addition a study tour, for a select group of members of the National Steering Committee, second level Ministry officials and social partners, to Thailand could improve understanding of the implementation of social protection. Thailand has been chosen as it has progressed since 1990 in covering the four schemes of maternity, unemployment, health and employment injury despite many challenges. The selected members would be able to advocate for the implementation of the schemes and assist in streamlining and coordinating development of social protection by the SSF. The duration of the study tour would be five (5) days with 2 travel days and 3 days for visits to the implementing organizations in the country. In this study tour it is important that the Economic Planning Unit of the relevant country be included as the coordinating mechanism acquired from them is important for Nepal.
8. The second level of training and capacity building is for the senior officers of the SSF, Ministry of Labour officers, Ministry of Finance and Development and other social partners. The training for this group will be focused on improving and enhancing understanding of social protection and the principals that underlie each scheme. The

training, while touching generally on the framework for social protection, would stress on the eligibility conditions, management, financial aspects and the administrative aspects in greater detail. Participants will be informed of the challenges, methods to improve compliance and strategies to get greater acceptance of the schemes to be implemented.

9. A separate training session limited to senior SSF officers the focus of which, in addition to the conceptual framework and principles of the schemes, would be detailed procedures and work flows of administration of the schemes will be conducted. In addition the limitations and challenges they may face at the time of implementation, issues of acceptance of the schemes, enforcement and management aspects shall be a focus of the training session. In a formal setup the training will take two days with two sessions each day.
10. Training program for the general staff of the SSF involved in the day to day administration of the schemes will cover two aspects. The first, improving their understanding of social protection in general in Nepal and the schemes being implemented by the SSF. The second aspect covers details of benefits and qualification conditions, the process and procedures necessary for the administration of the schemes. The sessions will cover registration of employer, employee, contribution payments, recording, collection and enforcement. This is only the introductory course of staff training. Similar training will be given to all new recruits or staff working for the SSF
11. In addition to the above a course dealing with detail processes in all the areas of administration and enforcement will be designed and given when the procedures and manuals are ready and the designed IT system is in place. All these training sessions for the staff would be done in house involving small groups of trainees and specific to each functional division of SSF. Each training course could run for 2 day with morning and afternoon sessions.
12. In the area of General Knowledge to improve awareness of social protection the capacity building will be carried out with workshop sessions held at all the regional capitals. The day workshops would be attended by officials from all agencies under the Department of Vital Registration and Social Security, officials representing NGO's in social protection and social partners at district level. The presentations at these workshops will cover in general the concept of social protection and the mechanism to deliver the protection.
13. Training Schedule: The training sessions for the National Steering Committee may be planned for the middle of May 2015 and a Study Tour arranged in the month of July 2015. Arrangements and approvals have to be sought from the relevant Social Security Organizations in Thailand with the assistance of ILO Bangkok.
14. Training sessions for the Senior Officers can be held at the SSF from the Third week of April 2015 and for the staff a week later. The newly recruited staff will be trained when they are employed or emplaced in the SSF Nepal.

15. Arrangement and resources for the training course will be the responsibility of the SSF. These will include the place and all other facilities. In the process of organizing there will be capacity building in the administrative aspects for the staff.
16. General Knowledge workshops could be conducted at regional level in August 2015 over a period of 2 weeks with the cooperation of the Department of Vital Registration and Social Security.
17. This training/ capacity building programs could build the foundations of understanding of social protection its scope, administration and benefits which will in turn will allow for consensus building, implementation and development of the protection schemes in the near future.

Employee Provident Fund Nepal (EPF):

A meeting with the management of the EPF was organized by the International labour Office Nepal on 8/4/2015. The meeting was in the office of the Administrator (CEO) Mr. Krishna Parsad Acharya and four other senior officers of the EPF were present. Nita Nuepane the ILO program officer introduced the consultant and informed the EPF that the ILO had brought the expert to work with all the agencies for development and capacity building. The CEO gave a brief history of the EPF and said that they were in the process of getting an amended law approved which would increase the number of schemes being administered by the EPF.

During the discussion the following matters were discussed:-

1. The coverage of the EPF Act is not compulsory and this has led to a low compliance by the private sector employers. Only 25% of all eligible employers are covered by the EPF.
2. Employers with 10 or more employees are covered.
3. There is a need to make the EPF compulsory for all employers with 10 or more employees.
4. Despite the desire to extend coverage and administer the new schemes there is no internal capacity to manage and administer the new schemes.
5. There is a need to improve the ICT system and there is an apparent lack of knowhow and expertise.
6. The EPF wants to work with the ILO in the program for capacity building and development.
7. It was agreed EPF can utilize the services of the consultant and arrangements for a meeting to be made.

Meeting with the EPF

The EPF made a formal request for a meeting on 13/4/2015 and it was agreed the consultant would meet the senior officers on Thursday 16/04/2015 at 11.30 am at the headquarters of the EPF.

The meeting was held as scheduled with Mr. Krishna Prasad Acharya (CEO), Rajendra Kafle, Deputy Chief Officer, Dalip Raj Paudel, Manager HR Planning & Development section and 3 other officers. The consultant was provided with a copy of the EPF Laws.

The discussion focused on the direction the EPF wanted to take and it was important to establish the Vision of the Organization so that a strategic plan could be developed. The capacity building would be guided by the strategic plan which in turn would determine the ICT systems and human resource requirements. Although the desire of the CEO was to cover all sectors, self-employed and informal sector the challenges and time frame to achieve these had to be discussed. The consultant shared a progressive methodology to reach the planned objectives. Initially the government had to agree that the EPF should be made a compulsory scheme for retirement followed by extending coverage to employers with 5 and more employees and finally all employers. The next phase after all the process, systems and procedures are well established the self-employed could be covered on a voluntary basis and made compulsory after a period of time. Publicity of the schemes and its benefits also needs to be upgraded. The CEO requested for ICT expertise from the ILO.

The discussion had the following conclusions:

1. A brainstorming session is conducted amongst the senior officers to determine the vision for the EPF.
2. A situational analysis of the organization is carried out.
3. A capacity building program to be designed.

Training in the Social Security Fund:

A training session was held on 22/04/2015 at the conference room of the SSF at 10.30 am after a discussion with the Executive Director and Director. They had been invited for a discussion with the Ministry of Labour and Employment for a discussion. They were briefed on the question of age of retirement and why the difference can occur. In the initial Social Security Act the age of retirement was decided to be 60. This was changed by the Ministry of Law to 65 and no reason has been stated for the change. A difference in the age at which entitlement to old age benefits can be adopted by the government as one type of benefit is paid out of general revenues while the other is a right acquired by the payment of contributions and the ability to continue such payments stops with the secession of

economic activity. The government on the other had has to limit its liability for payment of flat rate pensions hence a higher age for qualification is determined.

A training session involving 4 officers was conducted for an hour to familiarize them with terms used in social security and also in accordance with Convention 102 the types of schemes. This was well received and the matter was understood.