

Skills for Employment (सीप) Monthly Bulletin: May 2021

Funded by the U.K. Government, UKaid सीप, since 2019, is brokering transformational partnerships with the private and public sector to propel growth of employment and entrepreneurial opportunities in priority sectors – commercial agriculture, light manufacturing, tourism, ICT, and construction – primarily in Province 2 and Lumbini Province. सीप uses an innovative Challenge Fund to expand market-aligned skilling, affordable financial products, and ethical migration services linked to gainful livelihoods for Nepalis and growth for industries.

Groundbreaking Digital Portal Transforming the Logistics Industry in Nepal: The Upaya City-Cargo and UKaid सीप Partnership

Nepal is headed towards a digital disruption along the lines of post-Jio scenario in India and the dot com boom in the United States. Internet penetration is on the rise and the use of e-commerce is growing at an impressive rate. Promising startups are creating a mark in ridesharing, payments processing, food delivery, and e-commerce space. The hugely promising potential for a 'Digital Nepal,' a vision shared by the Government of Nepal too, was devoid of a critical pillar of the e-commerce ecosystem: tech enabled logistics providers.

To fill this gap, in April 2019, Upaya City:Cargo, entered the market with a tech-based on-demand, intra-city logistics service. Upaya CityCargo's system aggregates logistics demand and closes information gaps; when a trip is requested, Drivers nearest to the customers—tracked on a real time basis using geolocation—are assigned the trip to ensure quick turnaround. Training is equally imperative to give drivers the tools and the confidence to better navigate a new way of conducting their jobs and access the unique opportunities presented by digital platforms. Upaya City Cargo revolutionizes this specific segment of the logistics industry with innovations such as instant order matching, GPS vehicle tracking, 24/7 services and driver ratings; fulfilling customers' delivery needs and at the same time helping drivers optimize their idle time. "People think that using mobile data from the likes of NTC or Ncell to conduct such services costs exorbitant amounts of money. But that is no longer true," explained Suman Rayamajhi Managing Director and Founder of Upaya City Cargo.

In early 2021, after a series of consultations and co-creation engagements, Upaya City Cargo and UKaid सीप launched its partnership. For UKaid सीप, Upaya City Cargo presented a digitally-powered intervention to spur the growth of e-commerce, address systemic logistics gaps in the supply chains for various sectors like agriculture and manufacturing, build digitally literate workers, and transform self-employment pathways for drivers and other worker groups. Upaya and सीप's partnership is designed to speed and spread their Sworojgaar program through market-aligned skilling in conjunction with other productivity-boosting and market-creating interventions. At सीप, we're proud to be supporting Upaya City Cargo in its efforts to seize the benefits of digital and leapfrog technology with a value proposition that works," shared Baljit Vohra, Team Leader of UKaid सीप.



Photo: Shan Rai and Sana Aryal are on their way to being registered as Upaya's riding partners. Through collaborations with Blue Diamond Society, NIU electric scooters, and others, Upaya is striving for not just inclusive but also a greener economy.

The training has been tailored to help prepare the participants (i.e. underemployed drivers and new drivers) to successfully join and reap the benefits of the digital economy. Training is delivered via a blended medium—class-room, online, and on-the-job—and features a four-part module covering digital literacy, financial literacy, customer relations, and vehicle maintenance and road safety. Post-training, self-employment is enabled through an attractive financing package developed in partnership with the Kumari Bank. Returnee migrants and other job seekers who are interested in being self-employed are able to buy pickup delivery vehicles directly from the authorized distributors like Sipradi Trading—distributor for Tata vehicles in Nepal.

Upaya’s digitally-enabled and GPS powered platform aggregates demand for transporting bulk goods and helps ensure that each enlisted vehicle receives enough trips—to enable the driver partner to earn enough to make a living while also servicing the loan taken for the procurement of the vehicles. As a logistics service provider, Upaya CityCargo is at the center of the digital ecosystem. It can support and strengthen the stakeholders and system—empowering people to use digital technology to gain access to a much-needed service, engage with each other, and pursue economic opportunities. In the recent past, Upaya has onboarded more than 1,000 customers, including industry clients like Prabhu Digital, DHL, Himalayan Brewery, Vianet, and Subisu and nearly 500 driver-partners.

Committed to easing entry barriers for women and People with Disabilities, Upaya has also developed a targeted inclusion framework. Meetings have been held with organizations such as the Blue Diamond Society, National Federation of Disabled – Nepal, Maiti Nepal, and AMKAS Nepal to identify areas of collaboration, with tailored support to attract and create a more inclusive industry.

Efforts to ramp up job creation, more critical now given the losses post-COVID, have been bolstered through Upaya City Cargo’s move outside Kathmandu. The firm, with support from Ukaid SEEP, now has offices in Pokhara and Butwal to serve firms as well as job seekers in the Lumbini and Gandaki Provinces. Another intervention that is bringing both firm and employment growth is Upaya’s entry into the two-wheeler market segment, which has firmed its ability to rope in biker-partners for small-package deliveries, and cater to the last-mile delivery. Pursuit of ‘green actions’, encouraged by सीप, has been an imperative for the company. Although currently most of the fleets are IC engines, Upaya is planning to onboard electric fleets for greener mobility/ e-mobility. Upaya has already started and tested an arrangement with two electric vehicle companies: Eco Infinity and TheeGo. The team at Upaya is elevating the discourse for green e-mobility promotion through continuing engagements with the likes of the International Finance Corporation as well.

Through its partnership with the Kumari Bank, Upaya City Cargo is systematically driving up adoption of digital payment solutions too. Amir Rana, Chairman of Kumari Bank and a prominent industrialist in Nepal remarked, **“I see a giant in the making,”** recognizing the transformative potential of Upaya City Cargo at a recent event in Kathmandu.

Agri-business expansion—Integrating e-logistics and e-skilling to improve market access for farmers

Collaborations are key to enabling sustainable and scalable growth of skilling-based jobs and enterprises. UKaid सीप’s partnership is also helping propel Upaya’s foray into agriculture. In 2019, Upaya made a strategic investment in DVExcellus (“Kheti”), an online marketplace for farm products and provider of end-to-end solutions for farmers and small agri-enterprises. Upaya’s integration with Kheti will connect farmers directly with consumers (eliminating the need for middlemen), bringing farmers into the fold of e-commerce.

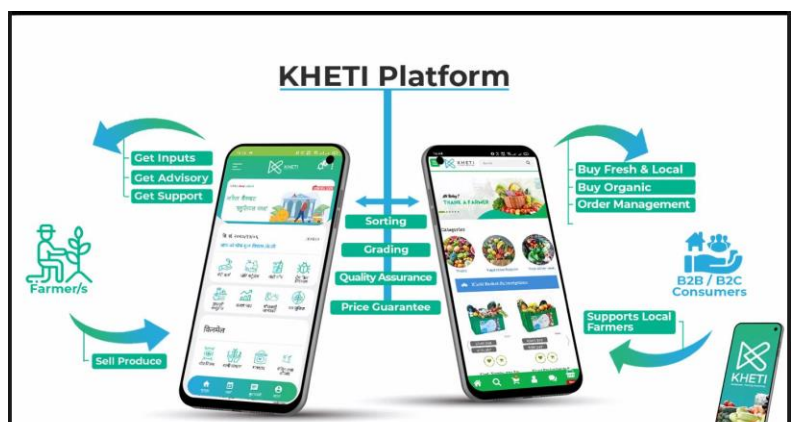


Photo: सीप’s partnership is helping propel Upaya’s foray into agriculture.

Through सीप’s support, Upaya is developing and delivering a similar skilling model for farmers (as with driver partners) focused on digital literacy, digital payments, and customer service. We’re also working together to evaluate and refine

Kheti's farm management tool for efficient supply chain management through use of data, by Kheti and farmers both, to better manage farm produce and also enable integration of agri-logistics platforms such as cooling boxes and load pooling mechanism that can greatly improve the supply chain for perishable agri products and help the farmers avail a fair price. [For an in-depth case study, visit: < https://seepnepal.com/Upaya-city-cargo.html >](https://seepnepal.com/Upaya-city-cargo.html)

AWS Academy Comes to Nepal through an Industry-Academia Collaboration in the ICT sector catalyzed and co-funded with UKaid सीप's Challenge Funding

June 1, 2021, marked the launch of Amazon Web Services (AWS) Academy at the Institute of Engineering (IoE) Pulchowk Campus, Tribhuvan University. Introduced through UKaid सीप's partnership with **Genese Solution**, the AWS Academy—coming to Nepal—will give thousands of students access to globally-recognized upskilling and certification opportunities on various cloud computing disciplines for emerging high-growth job roles. Through a virtual engagement hosted together with the IoE, UKaid सीप and Genese Solution brought together diverse leaders and professionals from academic institutions, industries, donors, media, and career aspirants for a forward-looking discussion on expanding and expediting skill-building and job-creation efforts in the country. [Catch the video here: https://fb.watch/5UiOF2dMHP/](https://fb.watch/5UiOF2dMHP/) | [For more on the partnership: <https://seepnepal.com/Partnerships.html>](https://seepnepal.com/Partnerships.html)

'This migration to cloud solutions by industries in Nepal, and globally, has been expedited in the wake of the COVID-19 pandemic. This equates to the need for increased human capital—to respond to and seize opportunities in an evolving job market that demands more cloud computing expertise,' explained Lokesh Mehra, Head of Amazon Web Service Academy for South Asia. Since 2019, using market-based approaches, UKaid सीप is brokering transformational partnerships with the private and public sector, including Genese Solution, to propel growth of employment and entrepreneurial opportunities in priority sectors, including ICT. "UKaid सीप's partnerships with entities such as Genese

Solution are helping create local capacity to integrate artificial intelligence-, cloud computing- and e-mobility solutions that are enhancing productivity and creating new employment opportunities across industries," shared Baljit Vohra, Team Leader of UKaid सीप. With support from UKaid सीप, Genese Solution has led a skills development initiative that has successfully expanded adoption of AWS and other cloud-based solutions by industries in Nepal through enhanced capacity of academia and employability of students. Anjani Phuyal, Global Chief Technical Officer of Genese Solution noted, "with Genese's support, leading enterprises in Nepal such as Sastodeal, Sanima Bank, Citizen Bank, APCA Nepal, Leapfrog and Buddha Air have migrated to the cloud." UKaid सीप and Genese's partnership has strengthened the capacity of 50 partner colleges across Nepal and skilled over 2,100 students in future-proof job roles.

The Dynamically Changing ICT Industry - Three Insights

1. COVID-19 has accelerated digitization globally. A Microsoft study in 2020 highlighted that there will be an expected 149 million new jobs in ICT by 2025 with a bulk of these in software development, cloud and Artificial Intelligence roles.
2. Nepal's ICT Market overview: 5,500+ ICT graduates every year; there are 500+ ICT companies; annual growth of employment: 21%; 1,804 ICT specific vacancies in 2019 only through the MeroJob Job Portal; as of May 2021, 16% of the total jobs posted in Mero Jobs are ICT based; fastest growing sectors:
 - Cloud Computing | Software Development | Internet Service Provider
 - Digital Content Development | Mobile Application Development.
3. Future of jobs: rise of jobs in digital sectors; creation of new jobs in digitally-enabled sectors; increased demand for ICT skills in traditional sectors. Remote working, gig economy, human and machine collaborations, and continuous learning are new ways of working that is here to stay.

Sakshi Chaudhary: New Cloud Practitioner in Town



Photo: Shakshi aims to become a solution architect and utilise her knowledge in the best way to solve the problem of people regarding cloud computing.

Born and brought up in Janakpur, Shakshi's childhood passed with Janakpurdham. A prominent Hindu religious destination, Janakpurdham attracts spiritual tourists from far and wide. Watching people from different walks of life come and go, she remembers harbouring a professional inclination from early on. While in grade 12, she got hooked on the idea of engineering. Last year, she completed her undergraduate degree and is now a certified Amazon Web Services Cloud Practitioner.

Upon her certification, Shakshi was promptly hired by Genese Solution as a cloud practitioner in May 2021. Shakshi aspires to become a solution architect and use her knowledge to solve real world problems. Acutely aware of how underrepresented women are, especially those from the Terai community (Province 2), Shakshi, hopes to also inspire more women (and men) to challenge gender stereotypes. "ICT is as much for girls, as it is for boys," she explained.

Partner Spotlight:

UKaid सीप's partnership with **Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd. (SKBBL)** designed to build capacity, increase access to affordable finance, and support integration into the market value chains for returnee migrants, migrant households, and women in Province 2 and Lumbini Province, Intended at building stronger support systems for rural-based enterprise development, this partnership is working to address COVID-19 economic recovery needs of individuals and institutions. SKBBL, established in 2001, is a wholesale lending microfinance institution.

Through its partnership with सीप, SKBBL has designed customized and targeted financial products that bring migrant communities—across 20 districts in the two Provinces—into the formal banking system and decrease their cost of borrowing. SKBBL couples this with financial literacy and business development training and market linkage support to build viability and sustainability of the enterprises set up by the target group. SKBBL has also expanded to Rolpa and Pyuthan districts in the Lumbini Province—geographies with limited access to formal financial institutions—for the first time.

Key Facts:

Duration: January-December 2011

Geography: 20 districts in Lumbini Province and Province 2

Intended Impacts:

- 3,123 people to benefit from financial literacy and business development training and market linkages.
- An estimated 6,500 households to benefit from hassle free entrepreneurship loans at affordable interest rate.
- An estimated 1,000 households (migrants) will benefit from affordable pre-migration loan.
- An estimated 13,468 people/households benefit from savings accounts and remittance transfer services.

SKBBL's revised loan product—how it is different:

- Zero collateral
- Affordable interest rate (lower than industry average)
- Covers the pre-migration costs (migrant loan)
- Returnee migrant focused--to enable post COVID-19 recovery

SKBBL is collaborating with 100 Small Farmers' Agricultural Cooperative that are spread across the two Provinces. The Agriculture Cooperatives have deep rural penetration, longstanding engagement history with target communities, and an average membership base of 250,000 households. SKBBL is building the capacity of the Cooperatives through training of trainers on business development services and financial literacy and co-development of improved, customized financial solutions. Further, SKBBL will allocate and transfer five percent of its annual profits for capacity development of the Cooperatives. [Learn more about this partnership: < https://seepnepal.com/Partnerships.html>](https://seepnepal.com/Partnerships.html)

Perspectives from the Field: Lumbini Province and Province 2

Province 2: Bara-Parsa Corridor	Lumbini Province: Bhairahawa-Lumbini Corridor
<p>There are about 1,300 large, medium and small industries operating in the corridor, which spans about 25 km from Birgunj (Parsa) to Pathalaya (Bara). Primary production: food, medicine, rod/steel, pipe, cement, cloth, thread, paint, chemical, spice, garment, biscuit, chocolate, alcohol, cigarette, juice etc. are produced. Employs more than 100,000 people. Prominent factories:</p> <ul style="list-style-type: none"> • Multinational companies like Dabur Nepal, Surya Nepal, Britannia Nepal, Patanjali Ayurved. • Spinning mills- Jay and Triveni Spinning Mills. • Cement Industries: Trishakti, Shalimar, Narayani, Ambe, Vishwakarma, Reliance Supertech, Krishna, Unitech, Shubha Shree Jagdamba, Araniko. • Steel Industries like Sarvottam, Jagdamba, Hulas, Hama, Ashoka, Saakha, and Narayani Strips. 	<p>More than 36 large and medium size industries. Mostly from the construction sector like: cement, clinker, steel, brick, polysacs; and the agriculture sector like: flour, oil, noodles, paper processing, and yarn. Investment of about Nrs 50 billion. Employs more than 10,000 people. Prominent factories:</p> <ul style="list-style-type: none"> • Cement factories: Argakhachi, Jagdamba, Brij, Supreme, Siddhartha, Nepal Ambuja, Reliance, Kailash, Agni, Dynasty, Goenka, and Bishal. • Export oriented industries like Jagdamma spinning mill, Jagdamma synthetics. • Steel factories: Ambe steels, Goenka steels. • Agro industries: Siddhartha Flour Mill, Siddhartha oil, Himalaya Snacks and Noodles, Instant Meals. • Others: Shyam Plywood, Reliance Paper Mill.
Effects of COVID-19	
<ul style="list-style-type: none"> • Production capacity has been reduced by half as demand for the products have fallen. Almost all the industries are currently operating with limited manpower. • Industries producing yarn, iron, cement and paints have been hit hardest at present; industries producing construction materials, textiles, garments and liquor have also been affected. • When these industries come back full scale operation, 125,000 to 150,000 workers will get employment. At present, only about 75,000 workers are employed. • More than 50 iron-based industries have shut down due to the ongoing lockdown and lack of oxygen--as oxygen has gotten diverted to life-saving needs at hospitals. 	<ul style="list-style-type: none"> • Most industries are operating at 40-50 percent capacity; export oriented industries producing yarn are still operating at 90 percent capacity. This is due to continuing demand for yarn from India, as industries across the border have been more affected with labour shortages. Jagadamba Spinning Mill, for instance, is able to continue yarn production due to: <ul style="list-style-type: none"> ○ Residency facilities made available to workers inside industry; adequate raw material storage capacity; and health and safety measures set up after the first COVID wave. ○ Replaced foreign workers with Nepali workers after the first COVID wave. • Most raw materials for cement industries like limestone, silica, and clay are locally available, making this industry more self-reliant than others. • Several industries report delay in maintenance/ repair works due to delayed custom clearance of goods.
Private Sector Feedback on Economic Recovery in the Provinces	
<ul style="list-style-type: none"> • The Government of Nepal should bring programs to facilitate industries affected by the second phase of the corona epidemic in the upcoming budget. • The industries producing iron rods, cement and paints were hit the hardest. The government should provide a relief package for them. • In the Budget of FY 2078/79, the government has given a positive message to refinance, reduce the interest penalty, low interest rate loan, discount on demand fee, facilities for tourism industry and other industry to solve the problems of the business world. 	<ul style="list-style-type: none"> • COVID-19 prevention, control and treatment with immediate vaccination. • Resume COVID insurance policy for factory workers. • Incentivize private sector to build health infrastructure to cope with pandemic. • Special relief package for the most affected sectors like hotels, transportation, entertainment, communication, and manufacturing direly needed. • Business continuity and concessional loans and refinancing with more flexible provisions through the monetary policy.