

UKaid Skills for Employment (सीप) Monthly Bulletin: August - September 2021

Funded by the UK Government, UKaid सीप, 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 support transformation and growth within industries.

Revival of Palpali Dhaka Fabric Underway—for Expanded Local Jobs and Sustained Industry

The Dhaka fabric, which originated from Palpa District of Lumbini Province, holds a special significance amongst Nepalis. The industry—once vibrant and thriving—started facing a critical shortage of artisans once out-migration of workers turned ubiquitous. Those who continued weaving were engaged on a part-time basis, affecting the level of productivity at factories. As laborer got attracted to higher wages elsewhere, there was an urgent need to revive the industry by building a skilled artisan base and making the industry and its fabric attractive—to both weavers and emerging national and global consumers.

In 2019, with support from Finance Secretary Madhu Marasini (formerly Secretary of Ministry of Economic Affairs and Planning, Lumbini Province), UKaid सीप helped catalyze and co-fund creation of the Palpali Dhaka Association (PDA) in collaboration with the Lumbini Province Government and Tansen Municipality. Apart from facing a critical shortage of weavers, the industry suffered from a 'diluted brand' due to oversupply of cheaper Dhaka-like foreign fabrics. Two years on, resurgence of Palpali Dhaka industry is in the works embodying attributes of a sustainable market-led skilling initiative grounded in building productive workers, expanded jobs, and growth of enterprises. To date, सीप has co-invested with nine existing and three new firms—including home-based weavers, encompassing Dalit craftswomen from Tansenmun, Matagadhi, and Tinau municipalities.

Our collective efforts are transforming the face and future of Palpali Dhaka: from new youth-friendly trendy designs; upgraded fair trade-aligned weaving workshops; skilled weavers, tailors, and technicians; expanded production capacity, and jobs, at the enterprises; new home-based and women-led enterprises to resurgence of the Palpali Dhaka brand. Several other exciting national and international alliances are underway as well. “Designed to support revival of the Palpali Dhaka industry for sustained skilling-based job creation and enterprise growth, especially for women weavers and enterprises, this partnership is effectively leveraging the power of partnerships, innovations, and skilling,” explains Stuti Basnyet, Deputy Team Leader at UKaid सीप.

This September, PDA also unveiled a new Souvenir outlet in Tansen. During the launch, accompanied by a graduation ceremony for 108 trainees, Tansen Mayor Ashok Kumar Shahi remarked, “our partnership for revival of Palpali Dhaka can prove a replicable success model. It has the potential to inspire skilling, job creation, and market expansion for other indigenous products.” “These are unprecedented times for our industry. Our efforts, and progress, despite the pandemic, are unlocking key bottlenecks,” added Sagar Maharjan, member of PDA and Ward # 6 Chair in Tansen. [Catch](#) full remarks of Mayor Shahi, UKaid सीप Team Leader Baljit Vohra, and other speakers.



EVENT CORNER: Celebrating New Model for Inclusive Growth and Sustainability of the Carpet Industry

On **October 8, Friday, 2021**, UKaid शीप with partner [Label STEP](#), is bringing together key stakeholders of the carpet sector, national and international, for a blended in-person and virtual engagement followed by an exhibition. From **3:00 to 5:00 p.m.**, at the **Hotel Crown Imperial** (Rabi Bhawan), we will showcase the innovations, progress, and learnings that are unfolding from our partnership with diverse carpet industry actors. We will delve into how our collective efforts are expanding skilling-based livelihoods, growth, and sustainability of the artisans and entrepreneurs associated with the sector. What's more? The event will be accompanied by launch of an **virtual rug gallery** for continued strategic promotion of Nepali carpets as well as **on-site exhibition of international-standard carpets** made and promoted by artisans and entrepreneurs living and working out of Sarlahi in Province 2.

Since 2019, to enable inclusive and sustainable growth of the Nepali carpet industry and skilling-based jobs therein, UKaid शीप has partnered with Label STEP, an international fair-trade organization, to create a new success model for the Nepali carpet industry. Our partnership has set in motion decentralization of Nepal's carpet manufacturing sector: a strong proof-of-concept is now available for an artisan village in Sarlahi—taking weaving out of Kathmandu to the origin district of weavers. It is showcasing how production needs of the industry can be met by highly motivated and skilled weavers living and working closer to home in more affordable rural areas, and expand reliable local jobs for workers and enterprising Nepalis, including returnee migrants.

Join us for a pre-Dasain celebration:

October 8, Friday, virtual engagement & rug gallery launch

October 9, Saturday, on-site carpet exhibition open to the public at the Hotel Crown Imperial, Rabi Bhawan, Kathmandu.

[REGISTER HERE FOR THE EVENT](#)

Perspectives of the CEO: Conversation with Laxmi Bank's Ajaya Shah

UKaid शीप's partnership with [Laxmi Bank](#), since May 2021, is enabling expansion of a new and improved technology- and-remittance-based credit product, collaborations with key institutions in the national and international migration system, and integration of skilling and inclusion in the Bank's operations to better and directly reach and service migrant households and communities.

1. Why do you think innovations in technology and financial products matter? What has the Laxmi Bank done in this regard—what was its experience?

Innovations in financial technology makes banking and money management easier and safer for customers at the same time creating efficiency in terms of cost and capability for financial services providers like banks. It is a classic example of getting more done with less – saving time and money or money and time, however you want to put it. At Laxmi Bank we consider ourselves the banking industry's 'explorers' when it comes to trying out new technologies and channels. It is true that not all ideas and initiatives work but we learn from every failure and come out stronger and wiser. We introduced mobile banking in Nepal way back in 2005 through SMS alerts. That was when SMS was not even considered a reliable communication channel. Similarly, we introduced the concept of mobile wallets in 2011 via Hello Paisa, which did not succeed, but led the way for other players in the market and today we see many fintechs offering wallet-based services.

We recently announced a partnership offer inviting fintechs and other interested partners to join us through our API Banking platform, enhanced through UKaid शीप's support. I believe this will further encourage innovation and expedite roll out of products and services for the benefit of our common customers. Today we continue to enhance and strengthen capabilities of our core digital banking channels such as mobile and the internet – balancing convenience with security.

2. What role can the banking sector play to resolve bottlenecks in the adoption of digital payments and creation of digitally enhanced learning ecosystems?

New technology is changing the way financial services are being delivered but financial inclusion must go hand in hand with digital inclusion, and the banking sector plays a crucial role in extending the base of electronic delivery channels to resolve the bottlenecks in the adoption of digital payments. We saw digital payments grow both in terms of volume and value during



the pandemic. However, it is very easy to overlook the fact that this became possible only because of the existing technology and payments infrastructure that was already in place as a result of the investments made by the bank and our technology partners, which Nepal Rastra Bank and others have built on and helped enhance. Banks have been investing in and offering tech-based solutions in Nepal at least since the past 15 years but yes, some of them may have been 'ahead of the times'.

The banking sector is well positioned to meet the demands of the consumers and service providers for P2B to take off in a major way but there are few challenges that need to be overcome such as data cost and quality of connectivity. On the other side, the businesses need to upgrade their own capabilities to offer frictionless buying and paying experience for consumers. Apart from offering solutions, I believe that banks must also invest in promoting digital literacy especially to the customer segment that are not digital natives. While QR Code is a great example of simplifying payments, we need wider adoption in other areas such as utility and bill payments.

3. What aspects of the Bank's partnership with UKaid सीप are you most excited about and why?

We are excited about the possibility of bridging the identified gaps in the market primarily for migrant households: migration loans, remittance loans and loans for returnee migrants. While we understand some of these demands are already being met by formal or informal participants in the market, this partnership will help us offer technology-based products and solutions and a phygital approach that can replace high-cost, high-risk transactions that under-served borrowers typically engage in. I am confident that the experience of Laxmi Bank group and the technical expertise of UKaid सीप will result in a meaningful access to finance for the migrant households.

Upaya Launches Two-wheeler Delivery Service—Bolstering Inclusive Jobs and Logistics Market

To enable its vision to be the logistics backbone of digital Nepal, [Upaya: CityCargo](#) with UKaid सीप's support, officially launched its two-wheeler delivery services in Pokhara and Kathmandu this September 2021, adding to its existing four-wheeler delivery capabilities. सीप partnership with Upaya is designed to accelerate and strengthen its digitally powered intervention to spur growth of e-commerce and address systemic logistics gaps in the supply chains for various sectors (like agriculture and manufacturing) by building digitally literate workers and transforming self-employment pathways.

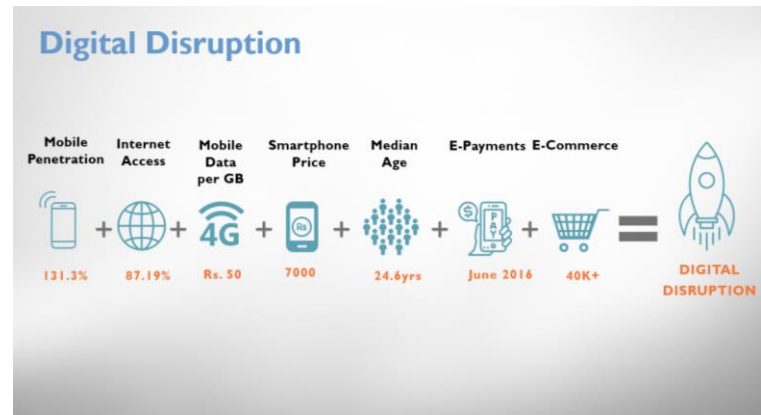
"With introduction of 2-wheeler delivery, Upaya can complete its last-and middle-mile delivery service for small businesses and individuals," highlighted Suman Rayamajhi, Upaya's Chairperson at a recent event. With technical inputs from सीप, Upaya is working towards an inclusive, green and accelerated growth.

The two-wheeler delivery market is well-positioned to flourish in the next decade given the number of two-wheelers plying on the road; increase in delivery needs of e-commerce and the brick-and-mortar companies; and evolving buying behavior of consumers which has led to e-commerce-based purchases and digital transactions. E-commerce needs the support of last-mile logistics to ensure efficient delivery of goods and. Two-wheelers provide ideal delivery solution for B2C purchases, which tend to be under 20 kgs as they are cost-effective and can navigate urban traffic congestions well. "With current 1.1 million two-wheelers registered in Bagmati Province and 2.8 million two-wheelers throughout Nepal, there are plenty of potential riders to meet the demand of the two-wheeler delivery market," explains Nawang Sherpa, Project Manager at Upaya.



"Our community is excited to know that they will have the opportunity to get decent work through Upaya. This self-employment opportunity will help enhance the quality of life for people with disabilities. This will also have an impact on our self-esteem" - Hem Bahadur Gurung, Chairperson, Independent Living Centre, Pokhara

The two-wheeler delivery market provides a unique opportunity to include women, disadvantaged groups, and people with disabilities as rider partners. To further cement its commitment towards advancing gender and social inclusion, Upaya has partnered with organizations working with women, LGBTIQ+, and People with Disabilities. During its recent launch in Pokhara, Upaya signed a partnership with the Independent Living Center (CIL) to provide self-employment opportunities for people with disabilities as Upaya's rider partners. Through new-gained skills, PwDs can embrace digital technologies and partake more fully in the digital economy. Upaya is also able to facilitate financing through bank partners to increase access to finance and self-employment opportunities for PwDs, women, and other groups in need.



Snapshot of factors behind digital disruption in Nepal.

Watch [this](#) deliberation moderated by Melisha Rajopadhaya, the Head of HR at Upaya, with UKaid सीप Team Leader Baljit Vohra and Upaya City: Cargo Chairperson Suman Rayamajhi on how UKaid सीप - Upaya partnership is working to make the logistics and mobility space more inclusive.

Dismantling Gender Stereotypes in the Construction Industry

Indira Tamang, 30, originally from Dolakha is on her way to graduate as a heavy equipment operator. She received a scholarship to be skilled at heavy equipment operation through [Morang Earth Mover's](#) MAW Skills Academy, through support from UKaid सीप. Not long after her skilling started, she faced negative comments about the choice she has made. Her initial days was full of skepticism. But once she started getting used to the machine, her confidence has deepened. Now able to operate a machine, she is convinced that this rewarding job is equally viable for women to take on as it is for men.



From Dolakha District, Indira Tamang, 30, at her training.

Tamang has undergone a month-long skilling at an Operator Training Centre, supported by MEPL, housed within the Underprivileged Children Education Programmes (UCEP) office. Along with Tamang, 13 other women recently went through training at UCEP. "This is the first time MEPL has seen such interest from women," says Sujana Neupane CEO of MAW Skills Academy. Enabled by a proactive and deliberative approach to challenging and changing gender stereotypes in the construction industry, MEPL, with technical advisory from सीप, has adopted several mutually reinforcing interventions to encourage and attract women, including a recently unveiled scholarship fund.

Elsewhere in Janakpur, Anjila Devi (middle front row, in the photo) has graduated, through scholarship as well. Anjila says, “it is rare for women from my community to take a step like this but if I am able to control a machine as heavy as a dozer, there’s nothing impossible for a woman to do.”

Meanwhile, 20-year-old Lashmita Rai, also on a scholarship skilling programme in Bhaktapur OTC, thinks it is better to take a bold a step and pursue a career that actually sells in the market rather than making a career that the society views as appropriate for women.



“Lack of access to quality, relevant and affordable education in construction sector in Nepal and lack of basic information and awareness about the benefits of the sector has kept women from entering this sector,” explains Prathistha Rai, Communications and Marketing Manager at MAW Academy. “We’re working to change perceptions and expand opportunities to level the playing field for all.”

Know a go-getter stereotype-breaking woman who might be interested in MAW Academy’s scholarship fund?
 Contact: Sujan Neupane, 9801902277, sujan.neupane@mawnepal.com
 or Birendra Nepali, 9802330053, birendra.nepali@mawnepal.com



Lashmita Rai, 20, says, “I want to be an example so more people perceive well-paying job roles such as heavy equipment mechanics and operators as a sector where women can thrive too. No reason why we can’t!”