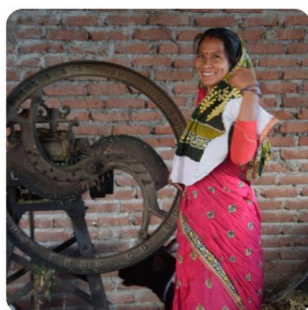


UKaid Skills for Employment (सीप) Programme



SNAPSHOT OF PROGRESS, LEARNINGS AND IMPACT

August 2022

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INTRODUCTION

UKaid 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. Since 2018, 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 Madhesh and Lumbini Province.

The UKaid funded Skills for Employment (सीप) Programme aims to take advantage of the potential economic dividend of a growing working-age population by helping to improve the skill of Nepali people, including women and disadvantaged groups, and helping them to undertake employment activities either in Nepal or through migration. The programme supports the generation of new and improved employment by working with government, employers in the private sector, and training and education institutions to carry out innovative, inclusion-enabling market-based interventions.

Sustained and inclusive economic growth requires investment in human and physical infrastructure. To meet the challenge of fostering strong, sustainable and balanced growth, robust strategies on skilling—relevant to the local context and enterprise-driven—is an imperative. UKaid सीप and its partnerships capture the essence of an enterprise-development-cum-demand-driven approach to workforce productivity, job creation, and growth. As of August 2022, the programme has implemented 18 enterprise-led partnerships with diverse established and emerging firms on a co-funding basis.

Below are the guiding principles that underlines सीप's efforts, geared toward strengthening systems and industries to enable and ensure sustainable investments and collaborations by market actors for sustained skilling, job creation, and migration optimization.

KEY IMPACTS

- **Eighteen enterprise-driven partnerships established** on a co-funding basis with the potential to enable skilling/employment/migration management services for 65,000 youth by 2023.
- Over **30,000 Nepalis have benefitted**, to date, from market-aligned skilling, job placements, and access to migration and enterprise development financial products.
- **Replicable Public Private Partnerships** and industry collaborations established and demonstrated to help revive and drive inclusive growth of both traditional & new-age Nepali industries – such as handwoven Dhaka and high-end carpets.
- **Introduction of new market-aligned curriculum** for emerging job roles in the product delivery sector (logistics); improved and standardized curricula by competing corporates in one of Nepal's top export industries (eg. yarn) to scale a proven apprenticeship-based model.
- **Expansion of job roles in transformative & emerging industries** such as Artificial Intelligence, Cloud Computing, Heavy Equipment Mechanics, poultry, feed, and logistics delivery.
- **Expediting digitization** in the country through support for e-logistics and agribusiness platforms.
- Facilitated & enabled **business recovery and expansion** for several partners, including via injection of private equity (PE) capital, amounting to a total commitment of over \$ 2 million from leading PE players.
- Promoting **new and emerging job roles for women**, including as Heavy Equipment Operators, drivers, and Cloud Computing.

Programmatic Approach: Shifting the Paradigm for Skilling & Jobs

Continuous Analysis: Emerging Worker Needs &

Structural Changes Across Industries

Demand-led Conversations; Understanding Skill Gaps, Firm Growth Needs & Trajectories within Sectors/Firms

Overcoming Constraints with Innovative Employer-Led Skilling/Migration Models

Industry & Job Seeker-centric Approach, led by Employers; Co-Investment & Sustainability Approach; Brokering Demand/Supply through Innovations in Job-occupations, Delivery Modality and Technology

Strategic Focus on Collaborations to Overcome Firm-level and Systemic Gaps

- Whole Ecosystem Vested- Public Private Partnerships; Multi-Sectoral Collaborations; Private Sector Engagement; Replication and Scale up of partnerships by other actors
- Integrated, Holistic Approach to Skilling and Placement for Sustained Job Creation and Enterprise Growth (including access to finance - skilling and entrepreneurship loans)

Dismantling Social Barriers: Mainstreaming GESI and Safeguarding against SEAH

Learning, Knowledge Sharing, and Adaptive Management Prioritized

UKaid सीप has been able to forge strong collaborations, and build recognition of its value proposition, with various other donor agency projects, a range of private sector institutions (from equity and debt finance to various industries and service providers), and with the Federal Government, Madhesh and Lumbini Province governments. The trust and relationships established and managed by the programme have created linkages and mechanisms for सीप's partners to ensure achievement of their objectives while also ensuring scale, replication, and sustainability of the partnerships—i.e. firms as well as the models and approaches co-created and tested by the programme.

Since 2020, the Covid-19 pandemic brought an unprecedented human and economic crisis in Nepal, and globally. Despite the disruptions caused by COVID-19, UKaid सीप—and its partners—have found ways to adapt and sustain their skilling initiatives. This has been possible in large part due to i) an increased and accelerated adoption of digital solutions; ii) innovations in business models; iii) diversification of skilling areas; and iv) expanded shared-value multi-sectoral partnerships that allowed diverse institutions to leverage and optimize resources.

Approach to Shifting the Paradigm for Sustained & Inclusive Jobs and Growth Linked to Sectoral Transformation and Capability of Firms

- Market demand-led conversations – starting with an understanding of growth trajectories and workforce demands within industries and firms; all engagements start with or calls for prospective employers to be in the room.
- Co-creation approach with prospective partners – for designs that are not only industry-aligned but also end-user (job seeker) focused, innovative, and intended at addressing broader market and firm constraints.
- Heightened emphasis on forging stronger multi-sectoral collaborations – unlocking private and public capital and nudge the whole ecosystem to build synergy, foster partnerships, and amplify impact.
- Integrated and holistic approach to skilling and job creation - to enable and accelerate growth and productivity of firms and industries, while also addressing systemic constraints.
- Dismantle social barriers and stereotypes to promote gender equality and social inclusion and promote safeguards against sexual exploitation, abuse and harassment.
- Integrate soft skills – focus is broader than just technical skills to support success and retention at workplaces.
- Embrace and encourage adoption of good human resource management practices – from how to mobilize trainees to retain workforce and sensitization of employers.
- Promote and institutionalize intentional learning and adaptive management practices at सीप and at our partners workplaces. Two-phased pilot and scale-up approach allows for testing ideas, building prototype, learning, and refining plans and strategies continually.
- Serve as an equal partner. सीप's team is equally invested in each partnership, alongside our partners, to support achievement of plans and goals.
- Labour market regulation is likely to increase productivity initiatives and therefore a shift away from demand for unskilled labour to skilled labour will be integral to migration management that also includes fair and affordable migration. Similarly, focus stays on emerging job roles, sectors and industries, and not just current roles.

Alignment with Government of Nepal

UKaid सीप is supporting Nepali firms and people to take advantage of the potential economic dividend of a growing working-age population and emerging markets and job roles by skilling Nepalis, with special focus on women and disadvantaged groups—to help them seize employment opportunities, either in Nepal or through temporary outmigration. Aligned with and approved by the Ministry of Labour, Employment and Social Security (MoLESS) and the Ministry of Finance, UKaid सीप supports the Government of Nepal's vision of creating decent employment opportunities for Nepali youth. The programme is catalyzing and co-funding innovative industry-driven initiatives to enhance and expand quality skilling and job placement services, directly complimenting the Prime Minister's Employment Generation Programme (PMEP)—Nepal Government's flagship initiatives under MoLESS, that aims to enhance employability and promote social protection for Nepalis.

सीप also works to increase migrants' skill, lower their financial burden by reducing the costs associated with traveling abroad while helping the migrants increase savings and creating environments for investment of remittances into more productive use—directly assisting MoLESS achieve its vision for safer and dignified migration. UKaid सीप work in close association with the provincial and local governments, especially Lumbini and Madhesh Province, to promote long-term economic development goals in key priority sectors by supporting the common skilling, employment, and migration management agendas. In collaboration with key government and industry stakeholders, सीप is supporting generation of new and improved employment, also strengthening the Technical and Vocational Education and Training (TVET) system, through innovative employment and migration optimization interventions.

In 2018-2019, UKaid सीप set up a National Steering Committee, comprising of key officials from MoLESS and others, to oversee implementation of the programme. In summary, here's how सीप's interventions are helping in the growth and employment creation through increased sustainable skilling and placement, as well as migration management approaches.

- **Promoting Domestic Employment:** Productive employment adheres to adequate remuneration for the employees; stability of employment and assurance of effective working conditions. To support PMEP's objective of promoting productive employment, सीप is catalysing partnerships and investments to skill and place Nepali youth, especially women and people from disadvantaged and marginalised communities, in productive jobs in priority growth sectors of Nepal: agriculture, construction, ICT, light manufacturing, and tourism. Using a market-driven approach, सीप is working to address labor market, and firm and industry-level constraints and strengthen job-linked skilling systems, solutions, and partnerships.
- **Migration Management:** Nepal has a chronic shortage of employment in the country which has resulted in a significant number of the workforce opting for foreign migration. The impact of the coronavirus pandemic on the national economy has led to shrink in investment and capital accumulation coupled with larger labour supply pressure in Nepal. There are chances of higher distress among aspirant migrants to meet the general knowledge requirement such as skilling, financial literacy and managing finances to make the best out of migrating abroad. सीप creates a bridge for MoLESS programmes and the private sector actors; enables investment to match labour supply and demands in a more regulated environment. UKaid सीप also supports evolving G2G arrangements and undertakes research and evaluation activities to identify the new labour corridors that can help Nepal manage its skilled aspirant migrant.



Partnerships like with the Nepal Yarn Manufacturer's Association has greatly expanded inclusion and empowerment of women and disadvantaged groups.

PARTNERSHIPS FORGED AND SUPPORTED

The partnerships forged by UKaid सीप balance supply- and demand-side approaches to deliver better youth employment outcomes, alongside addressing key industry and labor market constraints. The programme is working with key industry actors i.e. demand-side to increase demand for more workers by encouraging job creation through private sector engagement, market systems development, co-investments, application of innovations, and Government linkages. With and through all the partnerships forged, UKaid सीप is improving and increasing integration of training in core business models and operations. This approach to the supply-side aspect means prospective job seekers are receiving job-relevant skills. So that they are better equipped to enter the workforce and respond to productivity and skill needs of the industries.



Building on the mutual interests and strategic vision, the partnership between UKaid सीप and **Confederation of Nepalese Industries (CNI)** is designed to broker transformational enterprise-driven partnerships to propel growth of employment and enterprise opportunities, primarily in the manufacturing sector—with a special focus on Madhesh and Lumbini Province. With a common aspiration to foster skilled workforce, सीप and CNI's joint "Skill Nepal Campaign" aims to expedite industry transformation while complementing CNI's 'Make in Nepal – Swadeshi' initiative.

Laxmi Bank is expanding and refining the use of block chain technology by integrating an Application Programming Interface platform to make loan against remittance and other services more accessible and affordable for migrant households in Madhesh and Lumbini Province—targeting migrants already working in and traveling to the Dubai and Malaysia corridors. Through its micro finance partner Laxmi Laghubitta, the Bank is also extending tailored financial products, coupled with business development skilling, to promote enterprises—especially for women-led enterprises in the agri-sector.

To support revival of the Palpali Dhaka industry for sustainable job creation and enterprise growth, सीप, with support from the Lumbini Province and Tansen Municipality, catalysed creation of and co-funding for **Palpali Dhaka Association (PDA)**. Comprising of nine firms, PDA is providing a coordinated platform to improve stronger skilling practices, including through standardized three-month apprenticeship-based curriculum on weaving, business literacy, and soft skills; set fair-trade standards; enhanced trainer skills; built marketing capabilities; and improved linkages with diverse actors like the NMB Bank, Triveni Spinning Mill, international buyers and Label STEP.





MAW Earth Movers Pvt. Ltd offers job-linked skilling and certification, aligned with JCB and CTEVT, in Heavy Equipment Operator and Mechanics roles. With सीप's support, MEPL is on its way to introduce multi-tracking capability skilling in multiple and simulator-based skilling for the first time in Nepal; upgraded the capacity of local skilling institutes in Nepalgunj and Bhaktapur; set up a practical skilling centre in Janakpur; and is promoting inclusion in an industry heavily dominated by men.

Label STEP has developed fair-trade based weaving workshops and skilled weavers linked to the carpet value chain to cater to the global high-value luxury carpet industry. This partnership has taken Nepal's carpet manufacturing hub from Kathmandu to an underserved geographic area – Sarlahi which has traditionally served as the origin of Nepal's weaving community, and is creating jobs for local women, primarily from migrant households, and disadvantaged and PwD groups.

Sana Kisan Bikas Laghubitta Bittyasanstha Ltd. is building entrepreneurial capabilities of returnee migrants, women, and disadvantaged groups—through improved access to tailored and bundled financial products, including credit and insurance, coupled with skilling—across 12 districts in Madhesh and Lumbini Province. For this, Sana Kisan is collaborating with 101 Small Farmer Agriculture Cooperatives.



Upaya: CityCargo is accelerating transformation of the intra-city logistics industry as well as farm-to-market delivery of agriculture produce to close supply chain logistic gaps and boost digitally powered self-employment—for drivers and farmers. सीप has helped integrate skilling (covering digital literacy, financial literacy, customer relations, road safety and vehicle maintenance) in Upaya and agri-business partner Kheti's business model to drive up adoption of digital technologies; financing solutions; and inclusion. Upaya has entered the two-wheeler segment (in addition to four-wheelers), expanded to Butwal, Bhairahawa and Pokhara, and integrated with agriculture to expand market access for farmers.

Nepal Yarn Manufacturers' Association and सीप's multi-factory partnership is enabling quality job-linked skilling and employment and improved factory capability at the Triveni Spinning Mill, Jagadamba Spinning Mill, Reliance Spinning Mill, Tricot Industry, and Jaya Spinning Mill. This partnership has led to the development of a standardized industry-adopted curriculum covering five job roles alongside upgraded infrastructure, inclusion, and streamlined operations.

Shreenagar Agro Farm (SAF) has established classroom and farm-based skilling capability in Lumbini Province. Drawing on its linkages with diverse firms, SAF has developed and tested new modules covering five job roles: poultry, livestock, agri-business, maize, and aquaculture. In addition to hands-on skilling, SAF's end-to-end solutions include provision of access to input such as day-old-chicks and feed and market linkage with buy-back guarantees—to upskill and expand market access for smallholders and agri-enterprises, while also strengthening the firm's supply chain.

Financial institute partners **Nepal SBI Bank** and **Prabhu Bank** served the migrant/migrant household population in Madhesh Province with an integrated array of financial products, including financial literacy and credit to promote enterprises.

Genese Cloud Academy has helped enhance skilling capabilities of 50 academic institutes, including Institute of Engineering at Pulchowk Campus, by facilitating adoption of globally recognized cloud computing skilling and certification by Amazon Web Services. Using an online and in-person instruction approach, aided by training of trainers, this partnership is building students' work-readiness. With catalytic support from सीप, in 2020, to promote participation of women in ICT, Genese also enabled the introduction of the U.S. based Girls in Tech in Nepal.

Fusemachines has established a state-of-the-art AI centre to impart skills and enable high-value jobs. Fusemachines' short-term curricula—covering Machine Learning, Deep Learning, Computer Vision, and Natural Language Processing—were iterated, tested, and refined and have been adopted by five colleges to build broader skilling capability and democratize access for Nepali students.

Rojgari Services, a medium-sized job placement service provider, is expanding skilling-linked job placements for blue-collar job roles. सीप's partnership has improved Rojgari's digital and physical infrastructure and service quality. To onboard and connect job seekers with industry clients, Rojgari uses a combination of brick-and-mortar Rojgari Pasals, mobile outreach vehicle Ghumti Rojgari Pasal, and mobile and web application <www.rojgari.com>. सीप also brokered support from Rojgari for Lumbini Province Government's digital job portal.



REFLECTIONS AND INSIGHTS

Building Coalition with Madhesh Government to Help Facilitate Economic Growth; Private Sector Involvement and Job Creation

Madhesh Province has historically been marginalized, disconnected from the central power structure, and lies at the bottom of multidimensional poverty in Nepal. As part of the programme's inclusion-building agenda, UKaid सीप initiated connections with the province early on, setting in motion what has been a four-year relationship fueled by trust and sustained mutually beneficial engagements. Starting with the very first Provincial-level Government-Industry conclave in Nepal, conceptualized and organized in October 2018 by सीप, leading to co-design of a \$1 million self-employment and employment fund between November-December 2021, UKaid सीप's support has been welcomed and valued by the provincial government. Below are the key activities undertaken, while ensuring alignment with GoN interests, and their implications and impacts:

The Madhesh Province Government-Industry Conclave 2022 (August 1-3, 2022)

With active participation of the entire Madhesh Government Cabinet, top rung officials from the federal government, including the British Ambassador to Nepal Nicola Pollitt and around 150 representatives of the private sector, the Madhesh Province Government-Industry Conclave 2022 was held on August 1-3, 2022, through सीप's facilitation and technical support. The Conclave builds on UKaid सीप's sustained and continued partnership that started in 2018. The core objective was to review progress on economic growth and upcoming reform actions. The Madhesh Province Government, under the leadership of the Chief Minister Lalbabu Raut, has committed to an ambitious and much-needed agenda for the economic and social transformation of the province. Never have the entire Provincial Cabinet and the industrial community in Madhesh Province sat face-to-face in such a huge number before.



The following are what UKaid सीप deems as the six outcomes from the deliberations of the Conclave proceedings:

- I. Facilitation of Government-Industry deliberations. Since the introduction of the Madhesh Industrial Management Act, the target-subject of the legislation and regulations—the industries—were not aware about its enactment. An exposure to industries about what the provincial regulations entail will help expedite reforms in it. The industries present communicated their pressing concerns on the Act with our support. The government has shown commitment to being open to amending specific provisions we helped identify.
- II. Candid discussions between the federal and province governments. Given that Nepal has not finished even one full cycle of the Federalized structure in 2017, a candid conversation between federal and provincial government stakeholders is critical. With UKaid सीप help, the Conclave managed to orchestrate certain subjects that need to be resolved between the two tiers of government, for a successful federal Nepal. Among others, the following subjects were discussed: effort to bring uniformity in federal-province legislation, realisation of the devolved powers of provinces as envisaged in the Constitution, the need to identify mechanisms to push federal-province cooperation regarding concurrent powers (Schedule-7 of the Constitution) on critical issues such as land-use, distribution of industrial benefits. Also, SEZA (a federal entity), sought increased coordination with the provincial government on the following: Industry registration; recommendations for BIEE/IEE and EIA; approval of designs/drawings; to widen the approach road to SEZ; Security for SEZA and investors; to help resolve the problem of squatters in SEZA land and help with dedicated electricity connectivity up to Simara SEZ.
- III. UKaid सीप helped acquaint the Cabinet and relevant industries about the Simara Special Economic Zone (SEZ). We managed to bring the Chief Minister, key Cabinet Ministers and important industrialists to Simara SEZ. This was to showcase to them the benefits GoN provides for establishing industries in SEZs. Also, conversations while striving through all the Lots brought about the need for integrated planning initiatives (e.g., those envisioned at the Industrial Zones and those at Export Promotion Zones, as well as matters associated with land pooling arrangements).
- IV. The CNI-सीप team put forward 10 amendments to the SEZ Act 2073, only after which industrialists will choose to operate from there. Although, there are dozens of acts in the Federal Parliament that are awaiting amendments in the parliament, including SEZ Act.
- V. A clear set of conclave recommendations have been drafted, not only based on the private sector's demands, but that also considers the government's own limitations in addressing them. It also describes areas that Nepal Infrastructure Bank (NIFRA) seeks to collaborate with the Madhesh Government, such as financing smart cities, developing industrial zones through PPPs, and undertaking infrastructural projects.
- VI. The Conclave was also an opportunity to exhibit UKaid's engagements in Madhesh Province. Many manufacturing industries present learned about UKaid Skills for Employment Program, which could pave way for fresh partnerships. UKaid-supported Economic Policy Incubator also received exposure, the Conclave provided a platform to demonstrate their technical support for preparation of the project bank (unveiled during the Conclave) prepared by the Provincial Planning Commission.

Further Outcomes of UKaid सीप's Engagements in Madhesh Province

Making Madhesh Province PPP-ready. UKaid सीप is facilitate engagement between Nepal Infrastructure Bank, CNI (representing private sector) and Province government to realise PPP projects. NIFRA has an authorised paid-up capital of NPR 40 billion (approximately USD 340 Million) and has agreed to support Madhesh Province. Nepal Infrastructure Bank (NIFRA) is interested in smart cities, developing at least one industrial port through PPP arrangement, and building two blocks in Simara SEZ through private sector participation. Further, NIFRA seeks to engage with Madhesh Province on the following:

- Solid waste management in municipalities, and in industrial corridors
- Develop at least one industrial park through private-sector participation
- Help SEZ Authority in structuring, financing, developing, and operations of SEZ Simara in two blocks, with heavy private sector involvement.

Leveraging Government-funds for Skilling Initiatives in Madhesh Province. UKaid सीप has assisted the Province Government in preparing its NPR 245 million Youth Employment and Entrepreneurship Development Procedures, 2022. Other than technical advisory to inform and shape a market-based initiative that draws on सीप's lessons and experience, the सीप has been requested to help operationalize the fund. Designed for expansion of youth employment and entrepreneurship development, सीप has drawn on its demonstrated partnership-building and Challenge Fund mobilization models, approaches, and practices for the GoN to mobilize the fund towards increased private sector-aligned demand-based skilling, access to finance, and economy recovery.

Strengthening the Foundation for Sustainable and Inclusive Economic Growth

As reported in the Ministry of Finance's (MoF) Nepal Economic Survey report (2020-2021), Nepal experienced negative economic growth of 2.1% in 2019/20—for the first time in the last two decades—due to the Covid-19 pandemic. The economic losses during this period were far more severe than the ones caused by the devastating 2015 Gorkha earthquake. Notwithstanding the serious consequences brought about by the pandemic, Nepal's economic- and political-transformation also continues to evolve and adjust, both systematically and haphazardly. To adjust, keep momentum, and optimize results, UKaid सीप has utilised an adaptive management and multi-stakeholder engagement approach that is responsive and tailored to sector-specific market contexts.



UKaid सीप's industry-aligned contributions – illustration follows below – have been recognized by diverse sectoral leaders, across the public and private domain, as having influenced and catalyzed a paradigm shift for sectoral transformation alongside the delivery of skilling initiatives, for addressing systemic firm, sectoral and labour market constraints, as well as inclusive job creation and affordable financial access commensurate with industry growth. 'What is impressive about सीप: it is a model for how we can deliver inclusive economic growth,' remarked [Nathanael Bevan, Development Director of](#)

[British Embassy in Nepal](#), at an event held in October 2021 with carpet sector stakeholders. The way the programme has built partnerships with the private sector & Government; how it is balancing the supply & demand sides of the system; and addressing key labor and firm market constraints while integrating skill components to all efforts, is transformative...’

As part of its support for workforce upgrading in conjunction with structural transformation across priority sectors, सीप is working with industry leaders/firms in priority sectors to **recover from the setbacks of COVID**: revenue downfalls (20-30% average across sectors), disruption in supply chains, lost position in export markets (for select products), and significant productivity losses. During the COVID period, average capacity utilization across sectors fell to 64% [Light Manufacturing (57.2%) and Agribusiness (40%) among others]. सीप’s efforts with stakeholders are incorporating the following:

- **demand-driven** sector/sub-sector development; working with the most promising anchor firms to drive chain (process, product and functional) improvements with SMEs (at the back end) as well as strategically pushing the policy/regulatory reform agenda;
- **workforce upgrading strategies** for these firms predicated on their growth plans and organizational capability to absorb **process-based knowledge** derived from in-depth knowledge on post-COVID trajectories for upgrading their sector/sub-sector;
- **improved inclusion and worker retention rates** for increased productivity by transforming how firms approach employee management (from mobilization, recruitment, skilling, to safeguarding) and adapt to the future of work with more-flexible work environments and diverse workplaces, and
- **increased adoption of digital solutions and forging of shared-value partnerships** to avail benefits of transition to a ‘digital economy’, including for efficient product/services delivery and to leverage other resources and networks available in the market.



Adoption of digital solutions in hand-woven carpet weaving workshops at Artisan Villages in Sarlahi District.

The programme’s support for the light manufacturing (yarn)-, ICT-, logistics- and hand-made Palpali Dhaka- and carpet-industries has demonstrated a viable, scalable approach to bolstering organization capabilities-for continued expansion of reliable jobs and industries. Further, it has helped some of its partners receive growth and recovery funding from private equity funds and other type of blended financing vehicles e.g. recent equity investments by BO2 and Dolma Fund in Rojgari, Genese Cloud Solutions and Upaya City Cargo.

- As part of its efforts, सीप is already **strengthening government-industry coalition to stimulate systemic-and-transformative changes** through joint work with the 3-tiers of Government and industries spanning different sectors. These are being evidenced through i) policy changes necessary to eliminate administrative bottlenecks faced by Nepali firms; ii) establishment of market-aligned incentives and mechanisms that cost-effectively lead to productive workers, inclusive jobs, and enhanced sustainability/growth of priority sectors; and iii) demonstration of replicable and scalable co-investment and partnership models that trigger sectoral transformation and address the skilling and income increment needs of economically and socially disadvantaged people.
- **Replicating सीप’s practical demonstrated Public Private Partnership approach to unlocking greater investments and fostering backward-and-forward linkages** for expanded enterprise-led skilling, job creation and linkages to supply chains/other key market actors. The progress, learnings, impacts coming out of the system-wide partnerships forged by सीप are continuing to yield improved and expanded livelihoods for Nepalis and high-growth Nepali firms. Equally important, it is continuing to inform and support the British Embassy’s economic growth pursuits in Nepal and also building stronger trade linkages with the U.K. in the coming years. The programme has co-created and demonstrated several PPPs and collaborations, some are firmly established while others are in motion, with and through industries in the manufacturing, agriculture, and construction sectors [e.g. with/via Morang Auto Works (JCB),

NYMA, Palpali Dhaka Association, Shreenagar Agro Farm] as well as directly with targeted Federal, Provincial, and Municipal governments [e.g. Ministry of Labour, Employment and Social Security (MoLESS), Madhesh Province Government, Tansen Municipality and Tilottama Municipality].

- Based on the **high level of trust and credibility established**, सीप is extending **focused technical assistance for Government** to better understand and better align with the existing and emerging needs of the private sector and public—from productive reintegration of returnee migrants to coordination with foreign Governments (through G2Gs) to open lucrative opportunities for Nepalis through ethical recruitment, especially women. For instance, सीप's support—working alongside British Embassy and Department of Health Services—to the MoLESS and other GoN entities for the highly visible UK Nursing Initiative is well-positioned to further strengthen the British Embassy-Government of Nepal relationship.
- **Furthering the Provincial Governments' agenda for skilled human resource development for expanded employment/self-employment and enterprise development**, including to improve business enabling environment for socio-economic transformation in the two Provinces. सीप has strong relationships with Madhesh and Lumbini Provinces, based on sustained, previous engagements/assistance, and these are paving the way for expanded/improved provincial government-industry collaborations. In the 1st quarter of 2022, for instance, सीप will help Madhesh Province roll-out a market-based Self-Employment and Employment fund (that draws on सीप's experience with Challenge Fund mobilization and partnership-building) as well as a follow-up industry forum with the private sector.
- As part of its ongoing priority to take quality market-based skilling, financial access, and livelihood-enabling services to underserved geographies, for excluded, disadvantaged groups, सीप is demonstrating how development partners can co-invest with private sector (e.g. through partners like MAV, SAF, Label STEP and others) to **further decentralize and expand services/industries outside Kathmandu, while also demonstrating models/practices to further the private-sector-aligned inclusion (GESI) agenda**.



Outgoing MoLESS Secretary Surya P. Gautam interacts with Palpali Dhaka producers in Palpa.



- **Reshaping and accelerating growth of the ICT sector and ICT-based sectors through strategic promotion and integration of digital-based solutions and skilling systems** that better prepare youth for emerging jobs in Artificial Intelligence and Cloud Computing on the one-hand, and also enable self-employment and improved livelihoods for drivers and farmers e.g. via Upaya City Cargo and Shreenagar Agro Farm.
- Given global emphasis on **Green Resilient and Inclusive Development (GRID)**, and tangible, immediate opportunities to promote green economy through existing partners and broader stakeholders, सीप is undertaking knowledge-sharing, as well as setting aside modest co-investments, to encourage climate-smart and environment-sensitive practices. Among other outcomes, this will build a more-ready base for future work in the area. Efforts are in motion to support further actions from partner industries, including the Nepal Yarn Manufacturers' Association (NYMA), transition towards environmental sustainability and increased resource efficiency, strengthened resilience to environmental pressures and risks, and more and smarter use of green technologies and innovations.
- **Better access to affordable MSME financing for returnee migrants / migrant households to utilise remittance towards productive use**, including further rural-based job creation. MSMEs are less likely to be able to obtain bank loans than large firms; instead, they rely on internal funds, cash from friends and family, or debt-trap inducing informal money lenders to launch their enterprises. Currently the programme is working with its partners SKBBL and Laxmi Bank to address key market constraints around access to finance, and also testing innovative technology-based models to close access to finance gaps.



Sustainable & Innovative Rural-based Skilling, Job & Enterprise Model for Carpet Industry



Kumari Dong, 31, a home-based weaver from Sarlahi District began her carpet weaving journey in Kathmandu 15 years ago. Living and working out of Nepal's capital city came with benefits, as well as challenges. Her basic cost-of-living expenses were too steep; little income went into savings or productive use. After [Label STEP](#) initiated the decentralization of the carpet manufacturing process with [UKaid सीप's support](#) in November 2019, Kumari, for the first time, saw an opportunity to weave carpets for livelihood right from her home-village.

The Kathmandu-centric carpet industry, in recent years, has been plagued with rising production costs and rapid turnover of skilled weavers due to foreign out-migration. Frequent turnover, and subsequent shortage of workers, persisted despite efforts by Label STEP and its industry partners to boost work environment for weavers. With production volume and quality both affected, the once-thriving handmade carpet industry has become increasingly fragile.

Sarlahi in Madhesh Province is the second largest origin district of weavers; this is where the traditional rug weaving community of Nepal resides. Weavers like Kumari (pictured above), preferred working from their own hometown. With सीप's support, Label STEP and its industry partners—NP Rugs Industries, Vijaya Laxmi Organization, Bagmati Galaincha Udhog, Anugraha and Lalbandhi Galaincha Udhog—have co-invested in the creation of seven weaving workshops, linked to national and global carpet value chains. These enterprises, fully functional at Sarlahi, are equipped with skilled and productive weavers that are essential for the productivity and sustenance of the firms involved.

“Nepali handmade rugs already hold a niche in the high-end luxury crafts market; the industry and its stakeholders see the benefit of inclusive growth and job creation,” remarked [Nathanael Bevan](#), Development Director of British Embassy in Nepal, reflecting on UKaid सीप's role in catalyzing growth of skilled labor and jobs in the industry. Hand-knotted carpets rank 4th in export value (TEPC, 2020) with the industry's contributions notable for foreign exchange generation (approximately USD 70 million) and employment. UKaid सीप's approach is anchored in the creation of sustainable skilling-based jobs in productive sectors while also supporting revival and growth of the Nepali economy. The innovative model co-created by सीप and STEP is linked to sustainability of the weavers and the industry. UKaid सीप's partnership with Label STEP has helped bridge key labour and growth barriers for the carpet industry through a demand-driven approach to skilling and job creation.

[Michael Christie](#), honorary brand ambassador for hand-made Nepali carpets (for the Nepal Carpet Manufacturers and Exporters' Association) and editor of the [Ruggist](#) holds the same view: ‘Over the last two years, we have proven that we can make the same quality of carpets in rural villages while expanding rural employment as opposed to urban-centric production and employment.’

Like Kumari, Padma Kumari Bomjon, 47, from Harion in Sarlahi is an experienced weaver. For over eight years, Padma (pictured on right) wove carpets in Kathmandu. The earnings she made barely sufficed for essentials, causing her to migrate for low-skill jobs in India. She lived in Punjab for more than 12 years, rotating from job to job, and unable to utilize her artisanry skills. In 2020, when she learnt about the establishment of weaving workshops in her own village, she got on the first bus back home. Upskilled and certified by STEP and its partners, since January 2021, a motivated Padma shared, “Weavers like us are treated as valued contributors. Our satisfaction means the success of the factory as well.” She has found meaning and purpose in her artisanal role.



Stories of Kumari and Padma are common to nearly 400 weavers who now are benefiting through the innovative skilling-linked enterprise development model created by सीप and Label STEP. “These artisans are proof that our partnership—envisaged as an Artisan Village concept—has demonstrated feasibility of high-caliber carpet production outside of Kathmandu. We’ve helped foster a rural-based economy while contributing meaningfully to the generation of productive workers, inclusive jobs, and sustained industry growth through linkage with buyers,” remarked Baljit Vohra, Team Leader of सीप.

“I am moved by the initiatives of UKaid सीप given how it has opened avenues for rural based employment generation. I am particularly pleased to witness inclusion of women labour force especially when most of the manufacturing job roles

are male dominated in Madhesh Province. This work is a great example of a transformation of the labour market,” remarked [Dipendra Jha](#), Chief Attorney, Madhesh Province Government.

UKaid सीप’s contributions alongside strategically chosen diverse national and international partners have mainstreamed women’s economic empowerment, bringing quality gender-intentional services from skilling, certification, jobs creation, and enhanced working conditions right to the doorsteps of workers—making dignified locally-based employment viable for women. Chief Attorney Jha also noted the potential of replicating the model through Madhesh Province Government’s soon-to-release Youth Employment and Self-Employment Fund, which सीप is supporting as a technical advisor.



RT Rug Factory at the Artisan Village in Sarlahi.

Revival of Palpali Dhaka Fabric—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 workers 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.



Weaving workshop at factory run by Purna Maya Maharjan, whose family introduced the Palpali Dhaka fabric in Nepal

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.

In September 2021, PDA also unveiled a new Souvenir outlet in Tansen. During the launch, accompanied by a graduation ceremony for 108 trainees (pictured above), 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.



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 made. Her initial days were full of skepticism. But once she started getting used to the machine, her confidence deepened. Now able to operate a machine, she is convinced that this rewarding job is equally viable for women to take on.

Tamang (pictured right) has undergone a month-long skilling at an Operator Training Centre, supported by Morang Earth Movers (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 Sujan 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.



UKaid सीप's partnership with MEPL has brought together an industry leader in the construction sector, local training providers, local governments, NGOs, and the wider private sector for establishing pathways for industry-led skilling-based employment for job seekers as well as growth for interlinked industries. Using a system-strengthening approach, MEPL's co-investment and leadership, with support from सीप, has resulted in: establishment of a state-of-the-art Operator Training Centre at Janakpur; significant upgrades to training partners at Nepalgunj and Bhaktapur; and newly-forming Public Private Partnerships (PPP) with Municipalities that will expand MEPL's MAW Skills Academy in Lumbini and Madhesh Province.

In addition to the special scholarship fund, in order to reach and mobilise greater numbers of women and youth from disadvantaged communities, MEPL provides accommodation provision at the training centers and has mastered gender-inclusive marketing and communication—embarking on a path to inclusion for the first time as an industry. MEPL has also actively forged collaborations with 11 government entities including 10 local government bodies and 14 CBOs/NGOs including MAW foundation. Elsewhere in Janakpur, Anjila Devi (middle front row, in the photo) graduated in July 2021, through a 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.”



“Lack of access to quality, relevant and affordable education in the 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.” When job-linked skilling, with provision of globally and nationally recognized certification (JCB and CTEVT), financial support, accommodation facilities are closer to home, more women can find and build dignified jobs.

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

Groundbreaking Digital Portal Transforming Logistic in Nepal: The Case of Upaya City:Cargo

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.

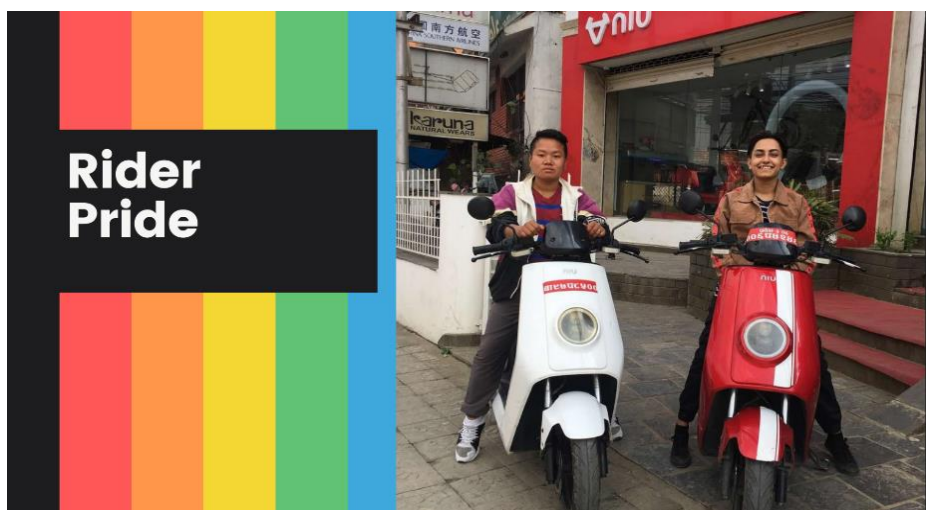
To fill this gap, in April 2019, Upaya City:Cargo, entered the market with a tech-based on-demand, intra-city logistics service. Upaya CityCargo's system aggregates logistics demand and closes information gaps; when a trip is requested, Drivers nearest to the customers—tracked on a real time basis using 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.

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

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 ecommerce, 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 Stuti Basnyet, Deputy Team Leader of UKaid सीप. 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 bank partners'. Returnee migrants and other job seekers 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.

As of October 2021, Upaya has onboarded more than 1,800 customers, including industry clients like Prabhu Digital, DHL, Himalayan Brewery, Vianet, and Subisu and above 900 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. 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.



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 सीप, 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.

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 solutions 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.

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 emobility promotion through continuing engagements with the likes of the International Finance Corporation as well. Through its partnership with financial institutions, Upaya City Cargo is systematically driving up adoption of digital payment solutions too. Amir Rana, 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.



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 Photo: सीप's partnership is helping propel Upaya's foray into agriculture. सीप Matters 3 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.

Case Study: Innovations and Systemic Changes Catalyzed in the Agriculture Sector

UKaid सीप's support has triggered increased investments from the private and public sector and enabled expansion of improved job-linked skilling practices. Between November 2019 till April 2021, सीप piloted a partnership with [Shreenagar Agro Farm \(SAF\)](#) to enable systemic changes in the agriculture sector—primarily in poultry, livestock, feed and maize—through an industry-led skilling approach to expanding capability of farmers and aspiring agri-entrepreneurs with focus in the Lumbini Province. As a mid-sized growing company with active vertical integration—from feed, poultry, frozen and processed meat products, restaurants, and online delivery of products—SAF, with सीप's support, has adopted and integrated a skilling agenda in its core business operations.



Given their longstanding history in Lumbini, in response to **Inequitable Access** issues for poor farmers, SAF, over the last two years, has established a class-room and laboratory-inclusive training centre in Amarpath, Butwal. This centre complements the farm-based trainings being delivered since early 2020 out of SAF's farm at multiple mobile locations and demo-farms across the province. Given the system-strengthening perspective encouraged by सीप, SAF has also spearheaded efforts to improve coordination with training providers, government, other I/NGOs, other private sector actors/institutions.



Kamala Sharma Panthi, from Saina Maina Municipality at Rupendehi started layers chicken farming after getting skilling through Shreekisan Innovation Hub last year. She currently has 1,000 chicks and produces over 800 eggs a day.

Together with सीप, SAF has built an **industry-led multi-sectoral collaborative approach** to better reach and service farmers with trainings and market linkages. Over the last two years, it built ties with 15 local cooperatives, Government Agriculture Knowledge Centres, and 20 local municipalities.

Cognizant of the need for pro-poor model in the agri space, SAF forged linkages, some formally and others informally, to leverage public funding and mobilize local farmers who're already connected with local GoN and cooperatives, and yet without reliable or quality access to industry-relevant trainings, key inputs, and output markets. Similarly, SAF drew on its own capital as well as funds unlocked from other donors/NGOs. Use of such a diverse **demand side financing model**, is playing an important role in enhancing access to quality market-led services for those who cannot afford the upfront costs of trainings. In addition to hands-on trainings, farmers affiliated to SAF and its partners can access critical inputs such as day-old-chicks and feed; build market linkages with buy-back guarantees; and seek financing solutions via partner banks.

SAF's end-to-end service model centered around skilling is promoting self-employment for agri-entrepreneurs and increasing productivity and incomes for farmers, while also strengthening the input supply chain mechanism and market system for target agri-products. As one of the largest industry players in the Lumbini Province, with interests aligned with the development sector, SAF's ability to provide contract farming arrangement (covering both inputs and outputs) is critical to the success of farmers. This is a key differentiator compared to trainings delivered by other I/NGOs and CTEVT-aligned training institutions.

Post-COVID, SAF pivoted rapidly to digital adoption—testing online delivery of trainings. Building on this experience, it is now in the process of creating the first industry-led online learning management system to house its curricula (developed through सीप's support) and administer training for literate job seekers/aspiring entrepreneurs. Moreover, given the realized potential of digital technology, last year, SAF initiated design of a mobile application 'Shree Kisan App' (available on google play) to integrate smallholder farmers, women, and MSMEs into the digital economy by strengthening their access to key market information, inputs, skilling/reskilling activities, and broader markets.

With the training infrastructure, networks, and resources created, SAF is well-positioned to expand delivery of practical hands-on trainings across multiple job roles/sectors such as poultry, aquaculture, livestock, agri-entrepreneurship, dairy, cattle/dairy, and feed—targeting farmers, aspiring MSMEs, job seekers, as well as other



Another livestock farmer, Bhuwan Bhandari from Rupandehi, supported by SAF.

industries. This partnership has the potential to tangibly increase interest in industry-led trainings, and in building livelihoods in a sector that is critical not just for rural-based job creation in Nepal, but also for food security and nutrition.

Inclusive Job Creation and Industry Transformation in the Yarn Industry

In April 2021, together with industrialists and HR professionals from the Nepal Yarn Manufacturers' Association (NYMA), at a small special event in Kathmandu, we commemorated the progress and the learnings of the सीप-NYMA partnership and reflected on the way forward—for sustained job creation and industry transformation of the yarn industry. NYMA and सीप's multi-factory partnership, since November 2019, has enabled quality job-linked skilling and employment for nearly 4,000 workers and improved factory capability at the Triveni Spinning Mill, Jagadamba Spinning Mill, Reliance Spinning Mill, Tricot Industry, and Jaya Spinning Mill. At the event, organized also to mark the closure of the first phase of the partnership (pilot period) with सीप, NYMA unveiled an industry-led curriculum covering five job roles. The Curricula was tested, refined, and standardized with inputs from the factories, alongside interventions for improved trainer capability, upgraded infrastructure, and streamlined processes.



Skilling initiatives coupled with firm growth-enabling interventions, co-created and collectively pursued with the industry, form an integral part of the progressive yarn industry's push to structurally transform through modernization and expansion, diversification of exports to new geographies, and improved organizational capability of the firms.' - Nicola Pollitt, British Ambassador to Nepal.

Top 3 Learnings from the सीप-NYMA Partnership

- Unity of purpose helps leaders and followers alike- 5 competing factories setting aside their business interests to forge a common vision towards developing a uniform approach to skilling in critical job roles- for the betterment of the industry as a whole. This not only helps the industry leaders but also creates a sense of urgency among the followers to ensure survival.
- Export-oriented industries lay added emphasis on Skilling - Given the focus of the industry on exports, the necessity to stay abreast on product and process improvements, coupled with progressive thinking of owners/CEOs, a top-down culture emphasizing modernization and productivity adds to the importance of skilling.
- Meso-level industry bodies can do more for the betterment of the industry- NYMA embodies the attributes of an effective meso-level body that is committed to bringing in best practices through unified approaches to skilling and job creation, in addition to its usual role as an advocacy organization.

AWS Academy Comes to Nepal through an Industry-Academia Collaboration in ICT

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/)

'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 the ICT sector 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



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 (Madhesh Province), 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.

Harnessing the Potential of Returnee Migrants to Expand Rural Enterprises and Livelihoods

Mohammad Mustafa, 27, from Yamunamai Rural Municipality in Rautahat, Madhesh Province, returned home in 2017 after working as a migrant in Saudi Arabia. Once back, he set up a shop that provides electronics repair and plumbing services and supply of electrical goods. As demand surged, Mustafa (pictured on right) needed additional capital for business expansion. Familiar with the informal credit system, he approached a few known lenders in his village, all of whom quoted a whopping 36% interest rate; a high-debt trap he did not want to fall into. Through a local FM station, he then learnt of UKaid सीप partner Prabhu Bank's migrant-focused financial products. Within a month, Mustafa's loan application of NPR 10,00,000 (£6,897) was approved at an interest rate of 4.39%.



Mohammad was able to avail a loan product that had been especially designed through UKaid सीप's support for foreign labor returnee migrants—affordable, collateral-free, and through a simplified application process—all of which aligned with his interests and needs. An affordable, collateral-free, and used a simplified application process, all of which aligned with his interests and needs. The loan application process and the support he received from the Bank was tailored too, making this service from [Prabhu Bank](#) different from other loan products available in the market. Over the course of its pilot period partnership with सीप, Prabhu Bank has extended a wide array of financial services to nearly 11,000 Nepalis. Today, Mustafa's business is growing; he has added new staff and diversified his business. He's also bringing home, for the first

time, an average monthly savings of NPR 45,000 (£310). More than anything, Mustafa is excited about the prospects of staying productive and employed within the country itself, while also creating new jobs for local youth.

Temporary labour migration is a prominent feature of Nepal's migration profile. Over 4 million work permits have been released by the GoN since 2008. Wage differentials—two times higher wage levels in the destination countries—is among the major push factor of migration for Nepalis. But there are risks: the potential for exploitation during recruitment and employment is high, and there is often a little guarantee of on-the-job safety or respect for the rights of the migrant workers. Due to missing markets i.e., unavailability of formal and affordable financing options, these migrants are dependent on informal money lenders and vulnerable to exploitation and excessive borrowing costs—over 36% and equivalent to almost two years of earnings for unskilled migrants. On the other side, remittances sent by labour migrants are mostly used in consumption and purchase of real estate/ housing in the absence of locally viable investment opportunities or financial products offered to them.

In this context, with support from UKaid सीप, two other [partners](#) – Laxmi Bank and Sana Kisan Bikas Laghubitta Bittiyasanstha (SKBBL) – are expanding migrant-community focused financial solutions designed to i) promote productive savings and utilization of hard-earned incomes for returnees and their families; and ii) lower the cost of migration for aspiring migrants. सीप has supported [Laxmi Bank](#), since May 2021, in its quest to accelerate the country's shift towards digital finance—for migrants and migrant households to better harness the benefits of migration with technology-powered remittance-based credit products. Through its micro finance partner [Laxmi Laghubitta](#), the bank is extending financial credit and saving products—coupled with financial literacy and vocational training—to support rural-based enterprises especially those that are women-led with the finance and skills they need to start and grow their businesses, creating more local jobs in the process.

Similarly, सीप partner [SKBBL](#) has customized financial products designed to catalyze enterprise development and migration optimization for migrant communities—across 12 districts in Lumbini and Madhesh Province. Through 101 partner Small Farmer Agriculture Cooperatives (SFACs), SKBBL is extending training-linked credit products for migrants and migrant households to better access affordable enterprise-startups services. SKBBL is also expanding pre-migration credit for aspiring migrants to lower their cost of migration. Further, the pre-migration loan of up to NPR 300,000 (£2,068) is covered through an insurance to reduce the burden of loan repayment in case of injury or death during foreign employment. Through सीप's support, SKBBL has branched out to Rolpa and Pyuthan Districts too—geographies with limited access to formal financial institutions—for the first time.

Like Mustafa, Chandrakanta Chaudhary, 34, from Kanchanpur Municipality in Saptari worked as a migrant labour. His migrant journey, however, faced a harsh start and ended abruptly. Only a few months into his job as a security guard in Malaysia, Chandra's mandatory medical test revealed chest conditions that did not meet the medical protocols of the company. Chandra (pictured on right) was compelled to take the next plane back—empty handed and debt-ridden. With SKBBL's support, Chandra, fortunately, was able to acquire credit to grow a small poultry, fishery, and livestock business. Although off to a slow start due to the second covid wave, since January 2021, like Chandra, nearly 800 migrants have taken advantage of SKBBL's affordable enterprise start-up loan (Samriddhi Karja) or pre-migration loan (Sunaulo Bhavisya Karja). In the post COVID context whereby Nepal is seeing unprecedented return by migrant workers, these financial services will become increasingly important.



Driving Inclusion Together with Enterprise Growth-centric Skilling and Job Creation

Only 22 percent of working age women are in paid employment in Nepal. Across all partnerships, the programme is working with the private sector to understand the transformational challenges that firms as well as women face in order to address key barriers and expand livelihood enablers for women, including in non-traditional and emerging job roles. UKaid SEP's technical assistance, along with co-funding for gender-intentional activities, are helping improve mobilization, recruitment, growth, and retention of women in high-growth sectors. SEP's partners are upgrading/expanding skilling and job-linked systems and services that support women to pursue empowering jobs.

We use a three-tiered domain approach (pictured on right) to assess GESI gaps for targeted solution-designing with partner firms. [Recommended read](#) for more on SEP's GESI strategy and conceptual framework.

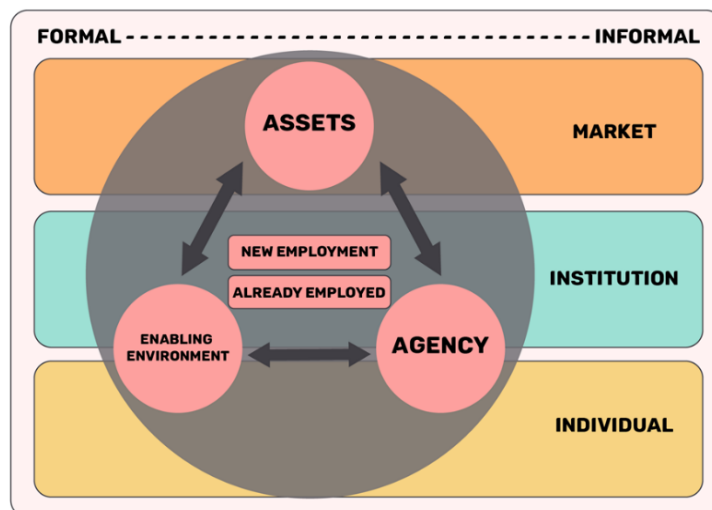


Illustration of activities and progress:

- Through Morang Earth Movers Pvt. Ltd (MEPL) supplier of JCB's heavy equipment operators for the **construction sector**, SEP has catalyzed expansion of job-linked training infrastructure to underserved regions of Nepal, so that women and other disadvantaged groups are better able to access and avail well-paying jobs right inside Nepal. As a JCB-certified and licensed operator, and one that can command upwards of £250 and £885 monthly in the Gulf Cooperation Council (GCC) countries. This partnership has deployed several complementary gender-integration activities, including recruitment of women as trainer-role models, to dismantle gender stereotypes in a heavily male-dominated sector.
- Through Label STEP, SEP has triggered decentralization of the **carpet manufacturing** process—taking weaving workshops and jobs, linked to fair trade-based national and global carpet value chains, to rural Sarlahi in Madhesh Province. This has made-possible local women-centric jobs for the first time. In addition to weaving jobs, the programme has tactfully groomed women as master weavers—demonstrating women in leadership roles to attract and onboard more women workers.
- In the **ICT sector**, through the U.K.-headquartered Genese Solution, the programme promoted female 'role models' and financial aid to shape the choices by, and opportunities available to women for skilling and employment. In addition to expanding internationally-recognized skilling and certification to build work-readiness of students across 49 colleges, SEP catalyzed introduction of Girls in Tech-Nepal in 2020 to encourage greater participation of women in ICT. The programme, through bank partners like Prabhu Bank and Nepal SBI Bank, also helped Genese Solution mobilize scholarships for deserving female candidates from Madhesh Province.
- In the **agriculture sector**, through Shreenagar Agro Farm, the programme has supported expansion of quality industry-led training and a range of essential livelihood-creating services to Lumbini Province targeting rural farmers, who are predominantly women. Shreenagar's end-to-end solutions, now available in the last mile, is poised to sustainably enhance farm-based productivity, incomes, and enterprises.
- In the **Yarn industry**, SEP's partnership with the Nepal Yarn Manufacturer's Association (NYMA) has catalyzed inclusion-driving skilling and employment practices alongside improved factory capability—with robust emphasis on gender-sensitive processes and infrastructure—at five large-sized factories. As a result, factories like Jagdamba Spinning Mill and Triveni Spinning Mill opened their doors for women in 2020—for the first time in the factory's 16/20-year history—in addition to creating space for women taken on higher-value job roles.
- In the **Palpali Dhaka fabric** industry, to boost ability of women weavers to set up and sustain their own enterprises (in addition to job access), UKaid SEP facilitated partner Palpali Dhaka Association's (PDA) linkage with a range of service providers in the enterprise development ecosystem—from training, financial access, raw material supply, fair-trade standard certification, innovations, and growth markets. Equipped with skills and networks, PDA's training graduates are choosing to purchase handlooms and start their own workshops.

Today, women are increasingly opting to join job roles traditionally considered as a bastion for men only—in the fields of ICT and construction, for instance. SEP partners are expanding skilling-based livelihood opportunities for women, and as a result, industries in the agriculture, yarn, carpet, and Palpali Dhaka (fabric) are reaping the benefits of a productive and stable workforce. Similarly, the programme is working out ways to tackle entry barriers for women and people with disability to join the fast growing two- and four-wheeler delivery service industry.

In the migration space, the programme is working closely with the Ministry of Labor, Employment, and Social Security to improve coordination of Government-to-Government dialogues—with added emphasis on skilling and safer migration opportunities for women—to open new more-lucrative destinations and job roles for Nepali migrants like as nurses in the U.K.

GESI Best Practices

1. **Start with analysis**– expand understanding of GESI gaps/barriers and opportunities
2. **Gravitate towards partners who demonstrate strong GESI potential**–cemented by making inclusion a key investment criteria
3. **Co-create GESI-intentional intervention with the partner**–helps deepen GESI understanding and strengthen GESI approach and plans
4. **Set aside dedicated resources (budget/staff) for GESI**–vital to maintain adequate attention
5. **Ensure sustained and context-responsive TA on GESI** – from training, mentoring, to monitoring
6. **Facilitate industry linkages to local NGOs, Government ESCs, and community networks**- will enable increased mobilization of women and DAG groups
7. **Integrate GESI as part of business operation/value chain**-so it's not just project-limited, and ad-hoc
8. **Deliberate GESI focus via Monitoring, Evaluation, and Reporting**
9. **Cultivate Inclusion Champions and Role Models** -who also 'get it' and advocate for it
10. **Sociocultural barrier & entry on GESI for the 1st time for industries** - longer time and effort required to create inclusion
11. **GESI-based Adaptive Management and Scale-up**- scale-up partnership based on GESI achievements, evidence, and learning
12. **Practice what you preach**-ensure inclusive, empowering, safe work environment starts at home

Enabling Green, Resilient, And Inclusive Development

WSP Global, implementor of the UKaid सीप Programme, recently released its 2020 Global Environmental, Social and Governance (ESG) report that also featured its projects in Nepal. Through UKaid सीप, Sakcham-Access to Finance Programme, and other projects, WSP, since 2014, has helped mobilize and expedite investments and partnerships in Nepal that have enhanced access to quality skills training, inclusive financing solutions, and decent reliable jobs. Through सीप, WSP is contributing to several SDGs. The ESG report outlines WSP's efforts to build a more sustainable and resilient world in over 100 countries where it operates: www.wsp.com/en-GL/investors/reports-and-filings/esg-report



Environmental protection is a key feature that WSP/UKaid सीप also shares with its challenge fund partners. “Since 2019, we’ve worked with Label STEP to decentralise Nepal’s carpet industry, taking national and global value chain-linked weaving workshops to Madhesh Province, expanding skilling and fair-trade based jobs and production processes, including support for mills to achieve ecologically sound production,” said Stuti Basnyet, Deputy Team Leader, UKaid सीप. Label STEP does this by introducing methods to reduce water and energy use, the treatment of water waste, reducing the use of hazardous ingredients and implementing proper air filtration systems. Similarly, pursuit of ‘green actions’, encouraged by सीप, has been an imperative tool for Upaya: CityCargo. With much-needed tax relaxations introduced by the government for green vehicles this year, Upaya is moving forward its conversations with two-wheeler electric vehicle companies Eco Infinity and Thee Go to incentivise increased adoption of green transportation modes.

Post-Covid-19, Green, Inclusive, Resilient Development (GRID) has been amplified as a priority for the UK Government, and the development community more broadly, as an essential approach to accelerate Nepal’s economic recovery and growth. This entails short, medium, and long-term approaches to trigger and contribute to investments in green and inclusive jobs, while maintaining natural capital and promoting inclusion. With parts of Nepal seasonally inundated with heavy rainfalls and floods, and marred by landslides, it is clear that business-as-usual approach by the construction industry can have catastrophic consequences. The hundreds of heavy equipment operators navigating Nepal’s complex geographic terrain should better protect Nepal’s fragile terrain as they go about their jobs. Through partner MEPL, we have initiated conversations for integration of environment-conscious skilling in the curricula and training approach for heavy equipment operators and mechanics. Through scenario analysis and other green-action tools, UKaid सीप aspires to help the private sector understand risks and opportunities and identify appropriate actions—to enable adoption and integration as part of their broader skilling, employment creation, and industry growth agendas.

In Nepal, सीप is working towards harnessing WSP’s global expertise to deepen its green growth engagements with key actors across our five priority sectors—agriculture, construction, tourism, ICT, and manufacturing. The programme is systematically exploring and informing private sector actions to better integrate climate-smart initiatives that protect and build resilience to various threats that arise from climate change, natural disasters, and other risks.





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