

## UKaid Skills for Employment (शीप) Programme Quarterly Bulletin: September 2022

Funded by the British Embassy in Kathmandu, UKaid शीप, 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 Province and Lumbini Province. शीप 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.

### G2G Bilateral Agreement between GoN and the UK for High-value Migration to UK Healthcare Sector

In August, Government of Nepal and Government of the UK forged Government-to-Government Bilateral Agreement to recruit Nepali healthcare professionals in the UK's health sector. UKaid शीप worked alongside MoLESS, the British Embassy in Kathmandu, and the UK Department of Health and Social Care (DHSC) to support and facilitate this G2G signing process. The Secretary of the Ministry of Labour, Employment and Social Security (MoLESS) Eaknarayan Aryal and the British Ambassador to Nepal Nicola Pollitt signed Memorandum of Understanding in the presence of Minister of Labour, Employment and Social Security Sher Bahadur Kunwar—to establish an agreement on fair and ethical recruitment of Nepali healthcare professionals to work in the UK's health sector that will also encourage individuals seeking healthcare careers and help strengthen the healthcare workforce in Nepal.



MoLESS Secretary Eaknarayan Aryal and the British Ambassador to Nepal Nicola Pollitt after signing the MoU

Our programme has continuously worked closely with MoLESS to propel growth of employment and entrepreneurial opportunities through market-led skilling, access to finance, and ethical migration support to maximize livelihoods generation for Nepali youth. This signing particularly is a milestone to enhance household income of Nepali migrants while enhancing professional development of healthcare professionals and enhancing the credibility of Nepali healthcare sector in global space.

We are delighted to be acknowledged by the Ambassador during the signing ceremony, for our continued effort in optimizing migration and remittance economy in Nepal. Testimonial video → <https://www.youtube.com/watch?v=QGFgbQUo9tU>

The MoU establishes cooperation between the two governments for Nepali healthcare professionals to work in the UK National Health Service (NHS) and ensures dignified, lucrative and a managed recruitment process to fill NHS vacancies in the UK. Upon selection, the Nepali healthcare professionals will be provided the support required for them to be placed in the UK Health system. They will also receive equal rights, privileges, protections, and dignity as health professionals from the UK.

The Governments have agreed to launch a pilot phase that will begin with the recruitment of Nepali nurses. Further details of this pilot, including a protocol for the recruitment and placement, will be jointly agreed between the Governments. Both governments will evaluate the success of the pilot phase upon its completion and jointly decide on a scale-up phase with the potential to expanding the recruitment initiative.

Official web link for the UK recruitment offer on the MoLESS website → <https://moless.gov.np/en/page/uk-health-care>

All questions regarding the initiative should be directed to → [uknursing@moless.gov.np](mailto:uknursing@moless.gov.np)

 UK Government



- The MoU establishes a G2G arrangement; no third parties are involved.
- The MoU ensures a safer, dignified and managed migration to fill NHS vacancies in the UK.
- The MoU highlights cooperation between the UK and Nepal to strengthen their healthcare workforce.
- The pilot phase will begin to recruit Nepali nurses. Further details of the pilot, including a recruitment protocol and agreed standards, will be agreed between both governments.
- Successful nurses will not incur any recruitment fees. Costs associated with recruitment for successful candidates will be reimbursed or paid for.

## UK - Nepal Bilateral Agreement on Health Professionals' Recruitment Highlights



*Snapshot of arrangements agreed in principle and will be elaborated in the initiative implementation protocol document that is currently under discussion.*

## Building Coalition with Madhesh Government to Enable 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. Here are the key activities undertaken, while ensuring alignment with interests of the Government of Nepal, and their implications and impacts:

**The Madhesh Province Government-Industry Conclave 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



UKaid सीप Team Leader facilitating the discussions during the Conclave

Conclave builds on UKaid सीप's sustained and continued partnership that started in 2018. The core objective of the conclave 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 had the entire Provincial Cabinet and the industrial community in Madhesh Province sat face-to-face in to deliberate on the industrial growth and development agenda of the province in such a huge number before.

## SIX TOP 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:** As Nepal has not finished even one full cycle of the Federalized structure since 2017, a candid conversation between federal and provincial government stakeholders is critical. Through UKaid सीप's facilitation, the Conclave orchestrate certain subjects that need to be resolved between the two tiers of government, for successful of federalized structure. Among subjects of discussion were 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, the federal entity Special Economic Zone Authority (SEZA), sought increased coordination with the provincial government on industry registration; recommendations for BIEE/IEE and EIA; approval of designs/drawings; to widen the approach road to Special Economic Zone (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's facilitation to acquaint the Cabinet and relevant industries about the Simara 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 drafted:** The recommendations were drafted not only based on the private sectors' 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 Public- Private Partnerships (PPP), and undertaking infrastructural projects.
- VI. **Opportunity to exhibit UKaid and सीप Programme's engagements in Madhesh Province:** Many manufacturing industries present learned about UKaid सीप, 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.

## Key Outcomes of UKaid सीप's Engagements in Madhesh Province

**Making Madhesh Province PPP-ready:** UKaid सीप is facilitate engagement between NIFRA, 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. 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 (USD 1.9 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, 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.

## UKaid सीप - CNI Partnership Highlight



This year, we proudly kicked into gear a forward-looking partnership with the Confederation of Nepalese Industries (CNI). Designed to expedite industry transformation and complement CNI's 'Make in Nepal – SWADESHI' initiative, UKaid सीप - CNI partnership intends to support and integrate a 'SKILL NEPAL' agenda for expanded and improved job creation and industry productivity within interested partner firms such as Gold Star and Litmus Cable, to begin with. CNI's multi-year 'Make in Nepal – SWADESHI' Campaign, based on a public-private collaboration approach, seeks to enhance competitiveness of local firms and stimulate demand for Nepali goods and services. The Nepali public and private sector cannot achieve its objective of inclusive growth and broadening the country's industrial base unless industrial skills are enhanced.

सीप's partnership with CNI, will support its ambitious goal of creating 150,000 domestic jobs annually via creation of demand-driven skill sets targeting the most marginalized segments of Nepali population. The key intended impacts of our partnership:

- ✓ Train and place up to 4,000 people, including at least 55% women within CNI member firms.
- ✓ Establish सीप - Skill Nepal Knowledge Hub within CNI.
- ✓ Leverage public- and private funding from the Government of Nepal and other market actors to support the Skill Nepal agenda.
- ✓ Enhance inclusion and safeguarding within the partner firms.
- ✓ Expand, diversify, explore, and pursue linkage with British firms.

## Supporting the Ambitious Nepal Infrastructure Summit 2022

This September, we extended support to CNI, in organizing the Nepal Infrastructure Summit (NIS) 2022 that gathered a wide spectrum of participants including the Government of Nepal, private sectors, development partners, think tanks, and investors—bringing in a diverse set of insights, critical for Nepal’s infrastructural development. Followed by our assistance and engagement on CNI’s Make In Nepal – Swadeshi Summit 2022 and CNI Nepal Young Entrepreneurs’ Forum-led Start-Up Fest this year, we’re happy to extend assistance to CNI to organize the summit.



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**8 – 9 September 2022**

The Soaltee, Kathmandu

### Highlights of our engagement at the summit

- During the Business Session that opened discussion on “Infrastructure for Growth - The Big Picture”, the Deputy Development Director at the British Embassy in Nepal Heidi Tavakoli highlighted the role development partners should endeavor to help mitigate market challenges through technical expertise they bring from experience in diverse jurisdictions across the world while providing last mile support in avenues that are not financially attractive to the private sector. Check out her full deliberation here → [https://www.youtube.com/watch?v=Grf2MHQ\\_Ikk](https://www.youtube.com/watch?v=Grf2MHQ_Ikk)
- We are also pleased to gather interests on the aspirational works of WSP USA, the lead implementer of UKaid सीप Programme—that works on infrastructural development with an intimate sense of local realities, looking at complex problems from different angles and delivering solutions that break paradigms. Learn more about WSP → [wsp.com](http://wsp.com)
- We highlighted our work in partnership with MAW Enterprises, the official distributor of JCB—also the lead sponsor of the summit—in creating an inclusive skilled workforce base to support the construction industry of Nepal.



*The British Embassy Deputy Development Director Heidi Tavakoli partakes in panel discussion.*

Infrastructural development projects mean an equal access to opportunities—bridging the geographic exclusion and opening avenues for economic growth opportunities. For the rural and underserved regions in Nepal, infrastructure development is linked to food security, education, health, and markets. Equal access to markets can enable local economies and contribute to socioeconomic transformations. During the summit, we were part of the deliberations that delved into topics fundamental to sustainable infrastructure development of Nepal, such as financing modalities, foreign direct investments, more meaningful engagement of the private sector, technology adoption, digital transformation, green and resilient development among others— involving an array of experts from diverse backgrounds. It’s incredibly inspiring to witness stakeholders come together with

a zeal to spark and exchange innovative ideas, and inspire policy reforms, bringing a bottom-up lens to growth and enabling policy reforms for inclusive growth. This ambitious summit seeks to contribute to:

- 🏠 Building on the legacy of the past three editions to continue to identify key constraints to infrastructural development.
- 📅 Catalyze reforms promised by the government for infrastructure development.
- 🌉 Forge stronger networks and alliances in the region for seamless connectivity and shared growth.
- 🌍 Attract large scale private and foreign investments in Nepal's core needs and strengths.
- 🌱 Prioritize green, climate resilient infrastructure projects that help achieve the Sustainable Development Goals.

Congratulations, CNI on the success of the fourth edition of the summit. Proud to partner with CNI including in the recently successfully launched SWADESHI - Make in Nepal campaign through our joint Skill - Nepal Initiative. More on our partnership with CNI → [seepnepal.com/media/1933/cni\\_partnership-snapshot.pdf](http://seepnepal.com/media/1933/cni_partnership-snapshot.pdf)



सीप Skills Market Specialist Niraya Bhatta interacts with the summit participants at the WSP booth

UKaid सीप Team Leader who is also the Senior Vice President of WSP, the lead implementing agency of UKaid सीप Programme delves into the nitty-gritties of skilling workforce in construction industry. His full article → [seepnepal.com/knowledge-hub/insights-and-impacts/skilling-workforce-in-construction-sector/](http://seepnepal.com/knowledge-hub/insights-and-impacts/skilling-workforce-in-construction-sector/)

## Bridging Gap for Nepali Start-Ups; CNIYEF Start-Up Fest 2022 Parallels to CNI - Make in Nepal Campaign



This quarter, we got the honor and privilege to be part of the biggest Start-up Fest in Nepal and witness the dawn of a bold new age of Nepali start-ups. The Confederation of Nepalese Industries Young Entrepreneurs Forum (CNIYEF) hosted the much-awaited CNIYEF Nepal Start Up Fest 2022 and creating an incredible platform to promote and support start-ups in Nepal and highlighting their ability to contribute to the nation's economic and social wellness. To support the growing community of young business leaders, CNIYEF pledged a NPR 500 million (USD 3.9 million) investment pool for the start-ups, among which NPR 250 million (USD 2 million) were pledged to 7 finalists during the event. Many

Upaya CEO Suman Rayamajhi felicitated with the "Entrepreneur of the Year Award"

congratulations, to our partner DV Excellus Kheti as well on being one of the top seven finalists. Big congratulations, to Suman Rayamajhi on being awarded as **Entrepreneur of the Year** by CNINIEF. We are proud to work alongside Suman, the CEO of our partner Upaya: CityCargo and help his team build digitally literate and connected Nepalis to reap benefits of Nepal's transition to a digital economy in the logistic sector.

## Co-investment support from UKaid सीप

Building on this momentum, UKaid सीप has announced that any successful enterprise from CNIYEF startup event with a committed investor that can help create employment/self-employment for over 1,000 Nepalis (including at least 30% women) in the next one year, will stand to receive an added amount of Co-investment from UKaid सीप directly or through its ongoing partnership with CNI. Co-investment can be used for onboarding; skilling and creating employment/self-employment. Based on this announcement, we have already started receiving Eols through CNI and independently.

Learn more about our Challenge Fund application process: [seepnepal.com/challenge-fund/challenge-fund-process-and-criteria/](http://seepnepal.com/challenge-fund/challenge-fund-process-and-criteria/)

For queries on the Challenge Fund and to submit the Eol, contact: [fundmanager@seepnepal.com](mailto:fundmanager@seepnepal.com)

## Highlights from Madhesh—British Ambassador and Deputy get up-close with yarn industry

We closed the month of August on an inspired note bringing gleeful smiles to British Ambassador Nicola Pollitt, Deputy Ambassador Dr. Luke Beaumont, and the team from British Embassy in Kathmandu by showcasing ground impact in Madhesh Province through skilling and inclusive job creation in partnership with Nepal Yarn Manufacturers' Association (NYMA). Tricot Cashmere's Managing Director Shakti Golyan, walked the delegates through compelling nitty-gritties about the cashmere industry and transformative changes institutionalizing skilling has brought about—leading up to increased productivity and growth of the industry.



*British Ambassador Nicola Pollitt, Deputy Ambassador Dr. Luke Beaumont and team, as they enjoy their experiential trip to yarn and cashmere textile production, and interactions with the workforce and industry leaders in Madhesh Province*

Followed by Tricot, the delegates were hosted by Reliance Spinning Mills Ltd.—the star spinning mill—one of the top employment providers of Nepal—that was recently awarded as Province 1's "BEST INDUSTRY" for Occupational Health and Safety. Nothing like showcasing the change led by Reliance's people first approach; extensive mobilization strategies to employ women and the most marginalized groups; effectively creating enabling environments especially for women through free accommodation and other gender friendly services, and more.

## Building on Pilot Learning to Scale Partnership with Hand-knotted Rug Industry

Label STEP's partnership with UKaid सीप is working to revitalize Nepal's high-value carpet industry by decentralizing the carpet manufacturing hub from Kathmandu to Sarlahi in Madhesh Province that has traditionally served as the origin of Nepal's weaving community. To a large extent, decentralization work done during the pilot phase has been able to provide the way ahead in tackling the chronic problem of skilled artisan shortage in the industry. With investments and interventions since the pilot phase in 2019—from leading national and international carpet manufacturers and designers, this partnership has helped establish fair-trade weaving workshops in Sarlahi where local women, primarily from migrant households and disadvantaged groups, are skilled and placed—using competency standard and industry-led skills training and certification to ensure availability of qualified and committed artisans. During the scale-up phase that kicked off this quarter, this partnership continues to improve the livelihoods of the marginalized communities further cementing skills development as well as by promoting artisanal rug industry of Nepal.

However, during the pilot implementation, we learnt that to sustain the decentralization as well as to lower the cost of production, entire range of value chain activities such as carding, dyeing, and washing needs to be decentralized as well. This makes carpet production cost effective and, bring in more exporters to manufacture their carpets in Sarlahi which in turn can provide regular work opportunities for the trained artisans and workers. Not to mention, some of the expanded and newer job roles opens avenues for the people with disabilities as well. Decentralizing the entire carpet industry requires substantial capital including technical investments as well as capacity development of the partners in addition to the skilling needs of the weavers and workers for which the UKaid सीप's challenge fund support is proving critical.



## TOP LEARNING CAPTURED DURING THE PILOT

- Inclusion of people living with disability:** Inclusion of PWDs has been one of the biggest learnings during the pilot phase. We have realized that without a strong resourcing and dedicated technical support, inclusion of people with disability cannot be achieved. And therefore, during the scale-up phase, STEP has collaborated with local pro-PWD organization Prerana Association to set-up a PWD friendly unit in Malangwa, Sarlahi. The infrastructure of this unit is built in a way to enable PWDs to participate in the carpet weaving training and employment then after. Total of 50 PWD trainees will be enrolled in weaving and up to 25 PWDs will be trained and hired in home-based job roles such as carding. The factory in Sarlahi offers a socioeconomic pathway for the PWDs and social value this brings to rug industry is immense.

- **Co-location of value chain activities pertaining to hand knotted carpet production in Madhesh Pradesh to improve product competitiveness:** This has further enhanced the gender and social inclusion aspect given how this expands the pathway for the most marginalized and disadvantaged communities of Madhesh Pradesh through this partnership. Women from minority communities including from *Dalit* and *Madheshi* communities are **for the first time** receiving weaving and other related skill set that have well- established international markets. Understanding the multiple benefits of co-location, including availability of skilled artisans trained in line with international quality requirements using the comprehensive manual co-developed with the industry association and quality controller—during the scale-up phase STEP will continue to skill and expand the production processes by enhancing the artisan’s skills on rest of the value chain activities such as hand carding, spinning, dyeing, washing, finishing besides weaving. This would ultimately bring all the production processes at the local level and improve product competitiveness. Focusing on weaving activities and undertaking rest of the value chain production process in Kathmandu add to the overall costs of carpet production.
- **Enhancement of digital application/ infrastructure to promote skilling and remote production:** During the pilot, we developed technology-backed performance monitoring and quality control system developed for the first time which led to systematic skilling and remote-based monitoring of the weavers. All weavers are registered in the app, from the time of enrolment in trainings to deployment at work, and their performance tracked and linked to certification. Based on the impact of this technology, STEP is importing it to its work in Afghanistan. The weaver management app developed by सीप and STEP under artisan villages project will be adapted to Afgani context—in a home-based setting—and implemented for better quality control and efficient production.
- **Improve organizational and production management capacities of firm within Artisan Villages:** This is one of key areas of capacity building for the scale-up phase based on the learnings of the pilot, where local producers were found resourceful on aspects of quality monitoring however, lacked the required managerial skill set and know-how to fulfill the production needs of the international markets. Concerted efforts including significant resources would be put into production management trainings for more holistic production management and closer Kathmandu exporter integration which was a key gap during piloting phase.

More on our partnership with STEP: [seepnepal.com/media/1958/label-step-partnership-snapshot-scale-up.pdf](https://seepnepal.com/media/1958/label-step-partnership-snapshot-scale-up.pdf)