



Evaluation Summary



International
Labour
Office

Evaluation
Office

Technical Assistance Component, Skills for Employment – Final evaluation

Quick Facts

Countries:	<i>Nepal</i>
Final Evaluation:	<i>August, 2020</i>
Evaluation Mode:	<i>Independent</i>
Administrative Office:	<i>ILO Kathmandu</i>
Technical Office:	<i>ILO HQ and ROAP</i>
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Project Code:	<i>NPL/17/01/GBR</i>
Donor(s) & Budget:	<i>UK, (US\$ 4million)</i>
Keywords:	<i>social policy, social security, social protection; labour and employment</i>

Background & Context

Summary of the project purpose, logic and structure

The SEP-TA project was the policy component of a broader Skills for Employment project designed to *support domestic employment creation and reduce long-term dependency on migration, whilst recognising the importance of migration as a source of work for Nepali workers.* The SEP-TA project aimed to leverage ILO's policy expertise and longstanding relationships with government and social partners to advance best practice policy,

policy norms and practices on issues central to Nepal's economy at a time of significant change. The project design and early political economic analysis offered a strategic vision for the project, but the project worked to a series of logframes and output indicators which were adjusted annually. Technical assistance and other support to tripartite entities was provided at national level and in Provinces 2 and 5 and a number of municipalities in those provinces, consistent with the focus of the broader SEP. A two person team in ILO's Kathmandu office managed the programme, which drew on ILO's regional Decent Work Team, and leveraged Nepali expert consultants and institutions.

Present Situation of the Project

The project launched in the aftermath of a major earthquake, promulgation of a new constitution, and new Labour Law and Social Security Law (2017), and in the midst of a major administrative restructuring. Political instability led to significant leadership turnover in the Ministry of Labour Employment and Social Security—the ILO's key government partner—over the life of the project. Although a third of GDP depends on remittances, government priorities began shifting away from labour migration toward domestic employment over the course of the project. These factors offered opportunities and challenges.

Purpose, scope and clients of the evaluation

The TOR for this final evaluation frames the purpose in terms of the key OECD DAC criteria, including relevance, coherence, effectiveness, efficiency, sustainability, impact. The ILO's evaluation questions focused on project-specific issues under each OECD criteria, and included the ILO's four priority cross cutting issues. The project was implemented in period August 2017-June 2021. The final evaluation was undertaken in the period May-August, 2021 during the project's close out period. Clients of the evaluation include the SEP programme and FCDO (the funder); the ILO SEP team in Nepal, DWT-New Delhi, ROAP. Key tripartite partners—MOLESS, trade unions and the Federation of Nepalese Chambers of Commerce (FNCCI) are considered secondary audiences, and are also key beneficiaries at national level and in the target Provinces and municipalities.

Methodology of evaluation

The evaluation was entirely qualitative and relied on review of 128 documents and 27 stakeholder interviews. No face to face interviews were possible because of COVID restrictions. A number of key informants from the ILO, government, and amongst local tripartite partners were not interviewed so findings are overly reliant on documents. A virtual validation meeting was held to review the main findings.

Main Findings & Conclusions

SEP-TA provided technical assistance and generated a large quantum of knowledge products that supported policy and program initiatives related to employment and labour migration at national level and in two provinces. Tripartite social dialogue and social dialogue mechanisms were advanced in SEP-focus provinces 2 and 5, and several municipalities. The project helped local governments and social partners develop employment strategies and tripartite dialogue mechanisms, compliant with new laws and Nepal's new

federalized system. The ILO adopted a responsive posture in a dynamic implementation environment, with annual adjustments in approach in response to changes in government and FCDO priorities.

Domestic Employment. A high quality political economy analysis (PEA) was carried by two senior Nepali economists in the first year of the project. The launch of two major government programs -- the Prime Ministers' Employment Program (PMEP) and the Social Security Fund (SSF)—coincided with the first two years of the project. The ILO embedded long term advisors in MOLESS, and provided short term technical assistance, overseas training for staff, knowledge products, facilitation of bipartite consultations between employer organizations and government, infrastructure and equipment. The ILO/International Training Center and Tribhuvan University signed an MOU to create a Diploma program on Social Dialogue and Industrial Relations.

Labour migration. Government of Nepal amendments to the Foreign Employment Act (2007) and Foreign Employment Regulation were under discussion at the outset of the project. However, the sensitivity of the issue, multiple actors, changes in MOLESS leadership and priorities, and COVID hampered anticipated revisions during the project cycle. The Kathmandu-based Law and Policy Forum for Social Justice (LAPSOJ) contributed to discussions on migration governance and a draft of a foreign employment policy was prepared for Province 2. The ILO took a leadership role developing the national implementation strategy for the Global Compact on Migration (GCM) through a contract with Nepali Center for the Study of Labour and Mobility (CESLAM), though the plan has not been agreed or actioned yet. ILO consultants produced analysis of a number of potential labour markets. A contract with The Asia Foundation underwrote the finalization of the *Shuvayatra* app for labour migrants.

Assistance to municipalities. The ILO used the opportunity of working in the industrial centers of Butwal and Birgunj to trial and adapt a number of

tools and strategies to boost job creation, helping municipalities comply with the Rights to Employment Act of 2018 within the newly federalized structure. LAPSOJ led a consultative process in Province 2 that resulted in a draft of a Provincial Foreign Employment Policy.

Social partners. ILO supported employer and trade union efforts to help their members understand and comply with the new laws, and adjust their structures in the new federalized system. Model bylaws for industry, and an employers' handbook covering the labour law, social security law and effective employer communications were produced.

Social dialogue. A major achievement of the project was progress on formalizing social dialogue mechanisms at provincial and municipality levels, resulting in legal frameworks for the first (mandated) Provincial Level Advisory Council (PLAC)'s in the country in Provinces 5 and 2, and ratification in Province 5. At municipality level, the project supported guidelines for a labour desk. At national level, bipartite negotiations on a minimum wage benefited from ILO DWT Regional and local expert technical assistance.

Youth engagement. Daayitwa, a civil society organization devoted to youth, supported 15 local youth research fellows (53% women) who developed papers on locality-specific issues related to employment and labour migration (including four in response to COVID 19). Two national Youth Employment Summits offered platforms to Daayitwa (2019) and the National Youth Entrepreneur Forum (NYEF), an arm of the FNCCI (2020).

Gender. Overall, the project fell short in terms of mainstreaming gender considerations in its policy and capacity building work. Investments in the Federation of Women's Entrepreneurs Association of Nepal (FWEAN)—an affiliate of FNCCI-- represented some progress on the employer and MSME side, but there is no evidence that the

project invested in addressing gender issues on the employee side.

COVID. Project implementation slowed in the early months of the pandemic. Attention pivoted to addressing immediate issues facing the tripartite partners, with a number of studies on the impacts of COVID on MSME's and migrants. A groundbreaking agreement on wages for workers affected by COVID closures was facilitated by the ILO through a series of on-line negotiations.

Management and coordination. The Nepali profile of expertise across the project contributed to the credibility and confidence the ILO maintained with tripartite partners. The annual renewal of the contracting arrangement with the FCDO challenged consistency and contributed to missed implementation opportunities for the ILO and implementing partners.

Strategy and learning. The SEP-TA did not have an explicit Theory of Change or learning framework, and reference to Outcomes does not appear in reporting documents after the first year. The project worked to a series of Outputs, an indication of the largely reactive nature of the program. The project missed an opportunity to consider the downstream need for replication in the other 5 Provinces and 751 municipalities untouched by the project, by gathering evidence about what worked and why.

Value for Money. Interface with a number of relevant ILO projects, and collaboration with other donors (GiZ and the World Bank), as well as sourcing of Nepali consultants and firms and regional ILO experts represent good Value for Money.

Recommendations

Main recommendations and follow-up

Recommendation 1: Project management. In a future project, the management team should be large enough to be able to manage the proportional number of contracts, partners and deliverables. In a future policy project, a senior ILO expert should be a part of the team. For: ILO Country Office, FCDO

Recommendation 2: M&E Expertise. In a future project supporting policy and coordination innovations M&E expertise would contribute to more rigorous evidence and learning, advancing efficiencies for replication and future design. For: ILO Country Office

Recommendation 3: Theoretical framework. Any future project requires a Theory of Change. The ToC should summarize key assumptions underlying the choice of project strategies. It should link planned activities with anticipated outputs and outcomes, and include assumptions about key contextual factors and articulate risks. For: ILO Country Office.

Recommendation 4: Gender mainstreaming. Future programming related to employment and labour migration should include explicit, evidence based strategies, measurable gender sensitive indicators and targets, and associated expertise. For: ILO Country Office; all stakeholder agencies.

Recommendation 5: Inclusion of marginalized groups. Future programming needs to address how people facing exclusion because of caste, age, economic status, disability, geography will benefit from project initiatives. For: ILO Country Office.

Recommendation 6: Labour migration policy framework. The ILO should leverage its trusted relationship with MOLESS to continue to play a technical, enabling role in promoting safe migration and migrant rights through the MIRIDEW project, implementation of the GMC in Nepal, finalizing amendments to the Foreign Employment Act, and

capacity support at provincial and municipality levels. For: ILO Country Office.

Recommendation 7: Labour migration and trade unions. The ILO support to trade unions should bolster inclusion and representation of returned labour migrants, with more visibility for migrants returning from India. For: ILO Country Office

Recommendation 8: Knowledge products. In order to support replication of achievements from project sites in other parts of Nepal, the ILO should continue to support social partners to publish and disseminate bylaws, toolkits, guidelines and other documents developed under the SEP-TA through tripartite partners. Gender inputs and feedback gathered from tripartite users should be integrated first.

Recommendation 9: Local government capacity building. The ILO should continue to support provincial and municipality governments to take forward their responsibilities under the Labour and Contribution- Based Social Security Laws, including establishment of effective social dialogue mechanisms and employment policies at each level of government. This process should include learning loops. For: ILO Country Office