



**HELVETAS**

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## Nepal: Roles of the private sector and the government in labour-market oriented skills development in a context of conflict and fragility.

Experiences from SDC supported skills development projects

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**EMPLOYMENT**  
**FUND** investing in nepal's future

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**Siroco Messerli**

Team Leader Employment Fund

SDC Seminar Employment and  
Income in Fragile Contexts

Bern, May 11, 2011

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# Nepal: Conflict and fragility

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## Historical, political, social and economic dimensions of the Nepalese fragile context

- 1990: Democratic constitution & first elections
- Quick succession of failed Governments with limited legitimacy > 1996 Maoist insurgency
- 10 years of political instability & conflict: Capacity of State to control its territory & deliver services seriously hampered
- Insecurity > Internal migration (to urbanised areas) & massive increase of migration overseas
- Armed conflict ended in 2006 with a peace accord but political conflict/ power struggle continues
- State re-gained some legitimacy & provides basic public services but remains fragile (weak governance and poor capacity)
- Tensions along the lines of ethnicity, caste, ideology, centre - periphery and gender > political/ social (partially violent) struggle for inclusiveness
- Economy affected by conflict & insecurity > performance remains below potential

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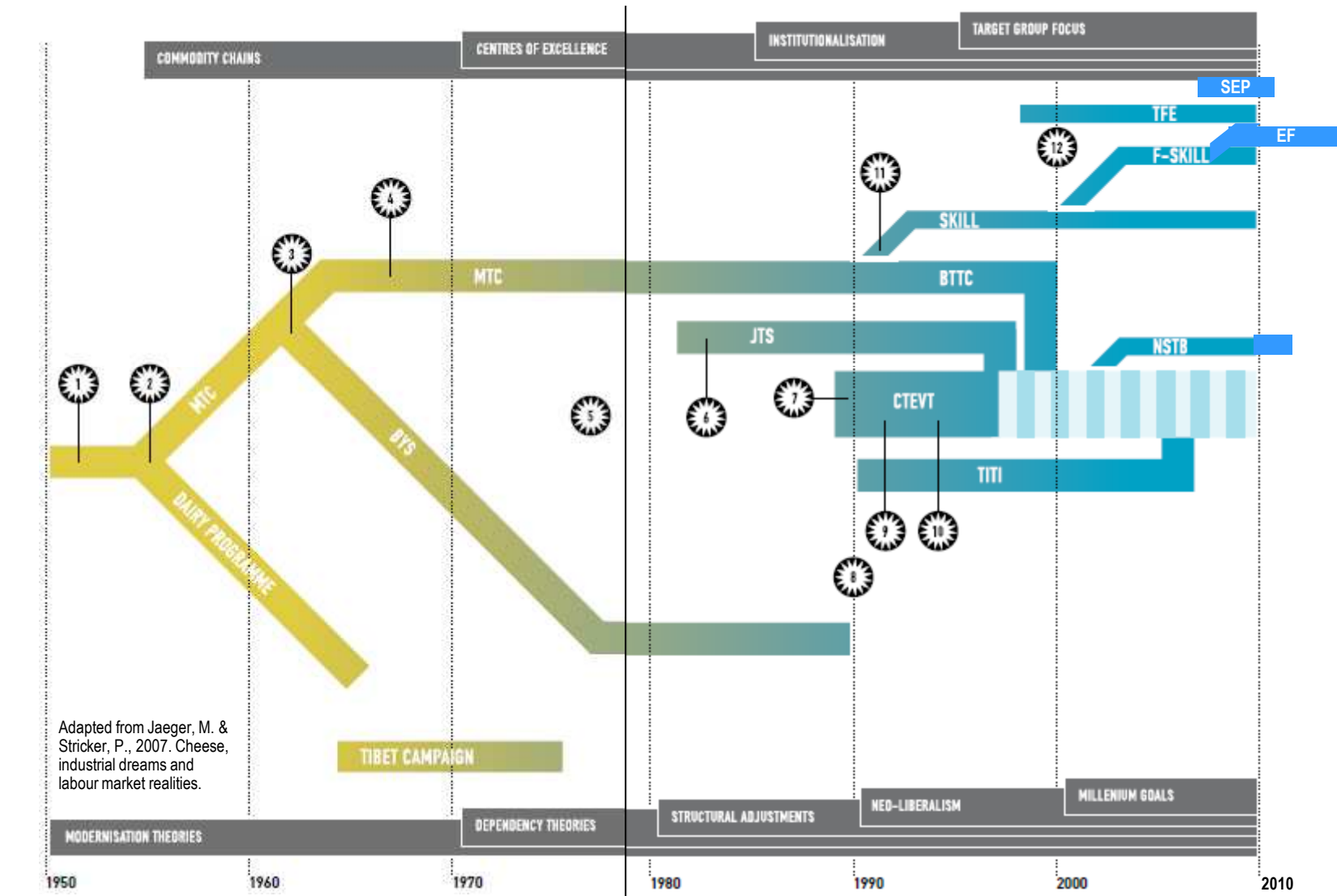
# Vocational skills training, labour markets and migration

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- Youth un- and underemployment: one of the root causes of unrest and conflict
- 25 % of population in age group 15-29, annually 450'000 labour market entrants
- High levels of school drop-outs without access to formal (vocational) education system
- Few opportunities in rural areas, internal & overseas migration
- Ex-combatants (mostly youth) in cantonments
- Mainly informal labour markets > low transparency, poor work conditions/ salaries, frequent strikes
- Various training providers involved in VSD
- Ambitious TEVT policy but limited budget and implementation capacity



# Enhancing the capacity of State TEVT institutions and providing skills training through private sector partners



Adapted from Jaeger, M. & Stricker, P., 2007. Cheese, industrial dreams and labour market realities.

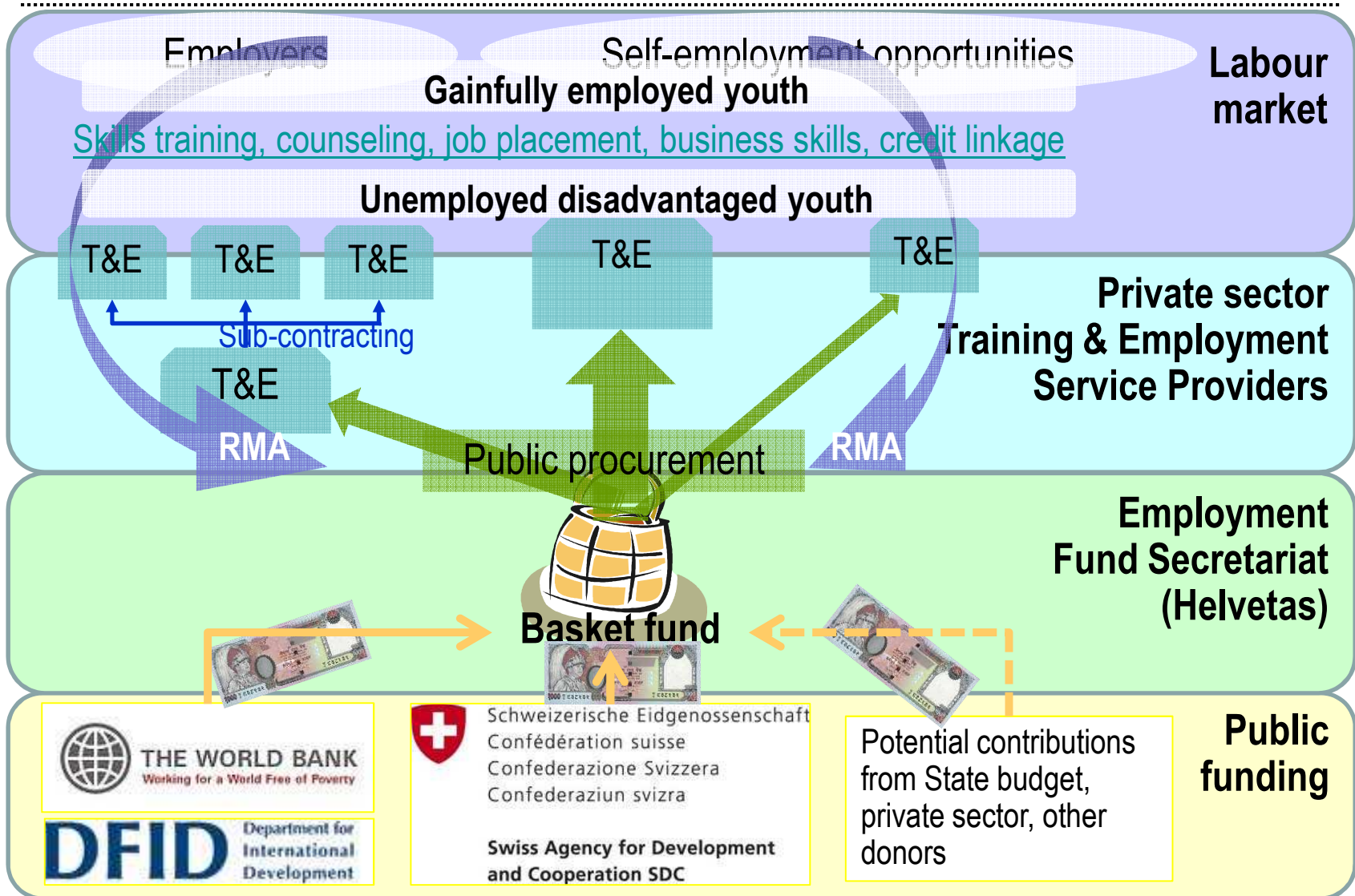
# Conflict sensitive programme management in practice

Practice	How does it work?	Example E&I projects	Outcomes/ challenges
Basic Operating Guidelines: Ensuring staff safety & communicating impartiality of development aid	<ul style="list-style-type: none"> <li>• 14 basic principles of development assistance delivery in a conflict context</li> </ul>	<ul style="list-style-type: none"> <li>• Non-acceptance of contributions to political or other groups</li> </ul>	<ul style="list-style-type: none"> <li>✓ Swiss projects active throughout the conflict</li> <li>! Continuous communication</li> </ul>
Continuous risk assessment: Ensuring staff safety throughout the country	<ul style="list-style-type: none"> <li>• Daily analysis &amp; communication of security situation</li> </ul>	<ul style="list-style-type: none"> <li>• Information on upcoming strikes/ protests</li> <li>• Psycho-social counselling</li> </ul>	<ul style="list-style-type: none"> <li>✓ Very few cases of injured/ fatalities</li> <li>! Additional costs/ repercussions to project implementation</li> </ul>
Cluster approach: From 'Safe spaces for intervention' to 'Connected development'	<ul style="list-style-type: none"> <li>• Selected focal districts</li> <li>• Coordination meetings</li> <li>• Public hearings/audits</li> </ul>	<ul style="list-style-type: none"> <li>• Actor mapping</li> </ul>	<ul style="list-style-type: none"> <li>✓ Access to remote rural poor</li> <li>✓ Enhanced outcomes</li> <li>! Outreach limited</li> </ul>
Workforce diversity: challenge discriminatory practices within the projects & partner organisations	<ul style="list-style-type: none"> <li>• Affirmative action and regular staff composition analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Caste &amp; gender as criteria during staff selection</li> </ul>	<ul style="list-style-type: none"> <li>✓ SDC and its projects act as role model</li> <li>! Affirmative action creates new exclusion</li> </ul>

## Conflict sensitive programme management in practice ctd.

Practice	How does it work?	Ex. E&I projects	Outcomes/ challenges
Disadvantaged groups: Focus of aid on discriminated & poor	<ul style="list-style-type: none"> <li>• Challenge discrimination (caste /ethnicity/women)</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives system</li> </ul>	<ul style="list-style-type: none"> <li>✓ Empowerment</li> <li>! Do no harm: Avoid exclusion of poor non-discriminated groups</li> </ul>
Quick impact: Achieve & show immediate, tangible results	<ul style="list-style-type: none"> <li>• Ensures stakeholders appreciation &amp; ownership of projects</li> </ul>	<ul style="list-style-type: none"> <li>• Short skills training &amp; immediate job placement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Outcomes within 6 months</li> <li>! Stay engaged for systems' development</li> </ul>
State building: Working through the system	<ul style="list-style-type: none"> <li>• State development priorities</li> <li>• Enhance system capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Standardisation, certification &amp; quality insurance of curricula</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ensure quality of private sector delivery</li> <li>✓ Enhance public service delivery</li> <li>! Fiduciary risks</li> </ul>
Whole of Government approach: link political processes, security issues & development objectives	<ul style="list-style-type: none"> <li>• Support consolidation of peace process</li> <li>• Inclusive, connected local development</li> </ul>	<ul style="list-style-type: none"> <li>• EF as model to train youth for productive labour market insertion</li> </ul>	<ul style="list-style-type: none"> <li>✓ Link issues of youth un- &amp; underemployment with support to peace process</li> </ul>
Donor harmonisation	<ul style="list-style-type: none"> <li>• Aligning sector support</li> </ul>	<ul style="list-style-type: none"> <li>• EF as basket fund (SDC, DFID, WB)</li> </ul>	<ul style="list-style-type: none"> <li>✓ EF is model for new national TEVT fund</li> <li>! Added value of Swiss support?</li> </ul>

# Providing skills training through private sector in a fragile context



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# Strategies for VSD projects in fragile contexts

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1. Private sector training delivery: RMA, labour-market orientation, employer platform  
Work with locally recognised T&Es
2. Limited State capacity: Private sector delivery with outcome-based payments
3. Mushrooming of private sector training providers during & after conflict  
Combine private sector training delivery with support for enhancing the State's role  
Competitive procurement of services & outcome-based payments  
Stimulate fee-based training courses  
Avoid distorting the training market  
> SDC  
Apply in flexible manner in line with do-no-harm principles.
4. Transparency & accountability: Develop and apply "Code of Conduct"
5. Inclusiveness: Role of private sector in an inclusive & peaceful society  
SDC role model of workforce diversity > stimulate employers/ partners
6. Conflict and poverty: What about the urban poor and those migrating?  
WHAT ARE YOUR ANSWERS?.



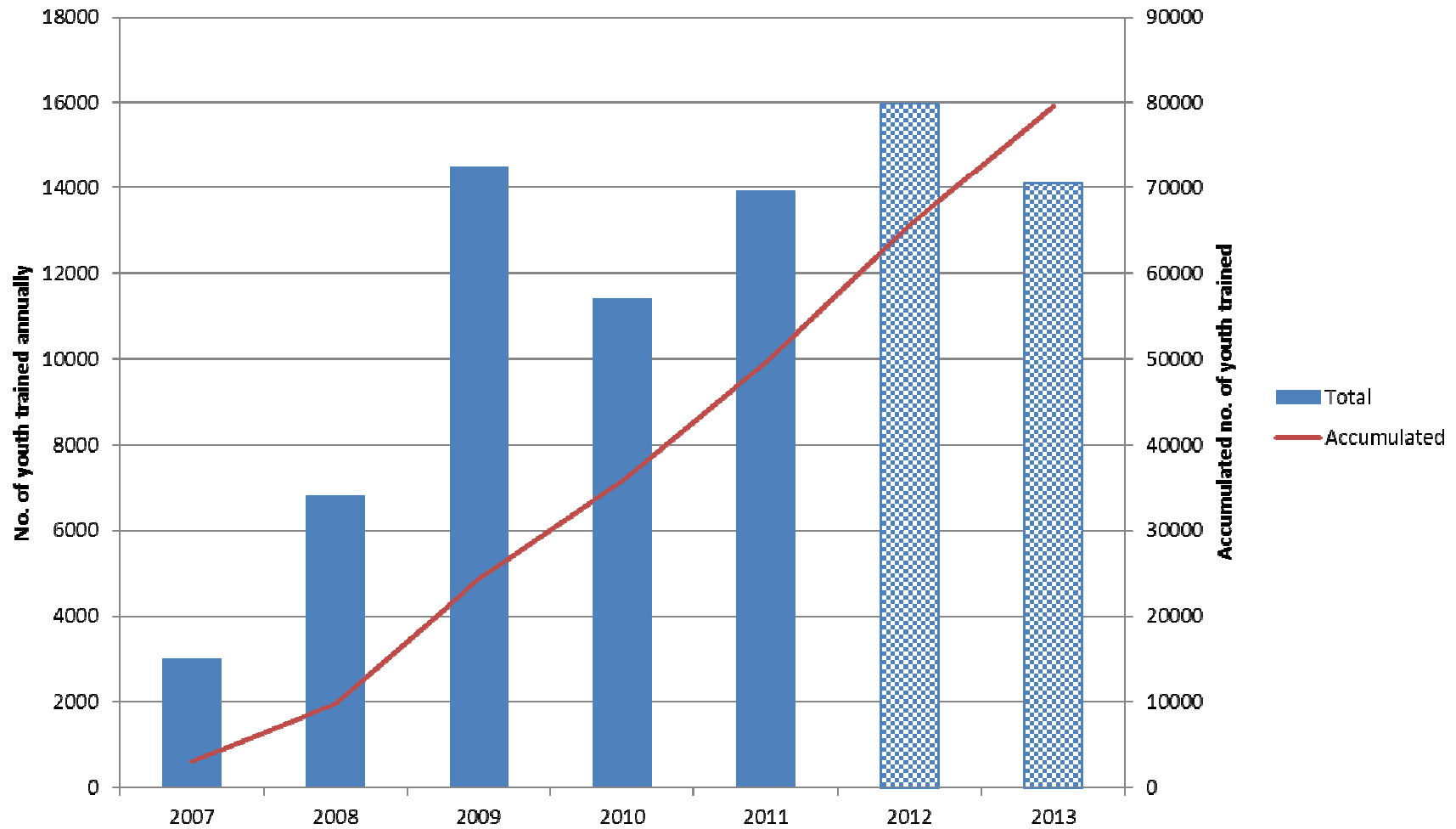
# Thank you for your attention!



**“There can be no successful business in an unsuccessful society and there cannot be a successful society without successful business”**

Resolution of National Conference on 'The Role of Private Sector in Peace-building, Reconciliation and Development', June 2003, Kathmandu

# Training 80'000 youth in 7 years



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