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Mid-Term Review of the Project 'Strengthening of Employment Service Centres in Nepal (SESC)'

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office.

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List of Acronyms

ALMPs	Active Labour Market Programmes
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
ESC	Employment Service Centre
EWPN	Empowered Women, Prosperous Nepal
FCDO	The Foreign, Commonwealth & Development Office
FNCCI	Federation of Nepalese Chambers of Commerce and Industries
FPTEN	Federation of Professional Training and Employment of Nepal
GESI	Gender Equality and Social Inclusion
GDP	Gross Domestic Product
GEDI	Gender, Equality, Diversity and Inclusion Branch
GoN	Government of Nepal
ILO	International Labour Organization
ILS	International Labour Standards
JTUCC	Joint Trade Union Coordination Centre
MoFA	Ministry of Foreign Affairs
MoLESS	Ministry of Labour, Employment and Social Security
MoLT	Ministry of Labour and Transport
MoSD	Ministry of Social Development
MuAN	Municipal Association of Nepal
NBI	Nepal Business Initiatives
MEDPA	Micro-Enterprise Development for Poverty Alleviation
MRC	Migrant Resource Centre
MTR	Mid-Term Review
NEMIS	National Employment Management Information System
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PES	Public Employment Service
PMEP	Prime Minister Employment Programme
PwD	People with Disabilities
ReMi	Reintegration of Returnee Mirant Workers Project
SaMi	Safer Migration Project
SESC	Strengthening of Employment Service Centres in Nepal
SDGs	Sustainable Development Goals
SDC	Swiss Agency for Development and Cooperation
SWOT	Strengths, weaknesses, opportunities and threats

TOT	Training of Trainers
ToR	Terms of Reference
UN	United Nations
WB	The World Bank
YETI	Youth Employment Transformation Initiative

Executive Summary

Background and Context

Summary of the project purpose, logic and structure

The *"Strengthening of Employment Service Centres in Nepal (SESC)"* project is a partnership of the International Labour Organization (ILO), the Swiss Agency for Development and Cooperation (SDC) and the World Bank (WB). The total budget for this project is of US$ 1,436,038, which US$ 1,197,000 are financed by the SDC, and the remainder by ILO projects, the World Bank and the Ministry of Labour, Employment and Social Security (MoLESS) of the Government of Nepal. The project has two expected outcomes: (1) ESCs service delivery mechanism is enhanced to provide quality employment services; and (2) MoLESS and local governments have strengthened institutional and operational efficiency to deliver integrated labour and employment services to the citizens.

Purpose, scope and clients of the evaluation

The four purposes of this mid-term review (MTR) were following: (i) Project accountability; (ii) Promoting organizational learning; (iii) Planning and implementation improvement; and (iv) Building knowledge. This MTR covered project interventions between November 2022 and the time of the evaluation with a full review of the following project components: (i) Enhancing Capacity of MOLESS and ESCs to manage and deliver integrated labour and quality employment services; and (ii) ESC service delivery mechanism is enhanced to provide quality employment services. The gender and disability dimensions were considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. The primary end users of the evaluation findings are ILO Office for Nepal, the project's donors and key project national stakeholders. Secondary parties who will make use of the evaluation results include ILO's tripartite constituents, as well as national and international partners, and other key stakeholders. Furthermore, the findings of this final evaluation are destined for ILO's management, overseeing the implementation of the project.

Methodology of evaluation

Different evaluation tools were combined to ensure an evidence-based qualitative and quantitative assessment. The evaluators emphasized on cross-validation of data through triangulation and an assessment of plausibility of the results obtained. The methodological mix included a desk review, semi-structured focus groups, key informant interviews, and short questionnaires. Data was gathered from different sources, by different methods for each of the evaluation questions, and findings were triangulated to draw valid and reliable conclusions. Data was disaggregated, at a minimum, by gender and by other dimensions where available. Guided by the evaluation findings, the conclusions and recommendations reflect deductive reasoning.

Findings

The body of the evaluation report presents answers to all key evaluation questions, which represent the proper ***findings*** of this evaluation.

Relevance: The SESC project plays a critical role in advancing Nepal's federalization by supporting the decentralization and reform of Public Employment Services (PES), aligned with national priorities and ILO standards. Building on earlier efforts like YETI, it strengthens Employment Service Centres (ESCs) in all 753 municipalities, responding directly to government requests. It has promoted collaboration across federal, provincial, and local levels, engaging the private sector, trade unions, and civil society to foster inclusive, rights-based employment services. The project's phased approach reflects the need for realistic, sequenced reform - grounding interventions in policy alignment and institutionalization, while gradually building capacity, fostering local ownership, and developing integrated ESC services. In doing so, it lays the foundation for more responsive and decentralized employment systems - contributing to Nepal's broader goals of inclusive and sustainable development.

Coherence: The SESC project is well aligned with Nepal's Right to Employment Act (2018), national priorities, and the government's reform agenda for public employment services. It operates in coordination with MoLESS at the policy level to establish an enabling environment essential for strengthening ESCs and Public Employment Services (PES) as a whole system. The project also supports policy development at provincial levels, particularly in Sudurpashchim and Madhesh. While strengthening the existing coordination with related development initiatives - such as EWPN, ENSSURE, ReMi, SaMi, MRCs and MEDPA - is encouraged, many of migration-focused projects

lack the same level of sustainable institutional integration, and legal grounding. SESC stands out for its embeddedness in Nepal's institutional reform framework and its strong legal mandate.

Effectiveness: Despite external delays beyond its control, the SESC project has made commendable progress in laying the groundwork for strengthening employment services in Nepal, where Public Employment Services (PES) are still at a nascent stage. The project trained over 1,300 ESC officials across 753 municipalities and supported the operationalization of 13 model ESCs delivering employment promotion services, including job fairs, counselling, and referrals. This capacity-building initiative was unprecedented during the PMEP and YETI periods. For the first time, ESC officials received comprehensive training that not only enhanced their technical skills and knowledge but also increased their awareness of their key roles in employment promotion services beyond the traditional cash-for-work programmes. Additionally, the project introduced Labour Market Analysis (LMA), stakeholder mapping, and initial private sector engagement. For the first time, 13 model ESCs developed their own annual workplans outlining new employment promotion activities, and municipal governments allocated budgets to support ESC operations. A key milestone was the comprehensive Assessment of Public Employment Services and Labour Market Policies in Nepal, which is now shaping higher-level strategies and policy directions for the institutionalization and scale-up of public employment services nationwide. At the federal level, the project is providing technical assistance within the framework of ongoing reforms, such as the ESC Vision 2030 and the development of the National PES Strategy. Provincially, Madhesh allocated over $256,000 for employment services, including reintegration activities to support all 136 ESCs in the province, and created district labour officer roles. Sudurpashchim included employment promotion in its plan and allocated budget for capacity building of ESCs in the province. The project also enhanced private sector engagement, mapping 3,678 stakeholders and partnering with FNCCI. These efforts have laid a strong foundation; however, further reforms, clearer coordination mechanisms across all levels of government, and accelerated systemic implementation at the local level are still needed.

Efficiency: The SESC project has achieved 60–80% of its planned milestones - with Outcome 1 (ESC capacity building) fully achieved and Outcome 2 (institutional framework) partially met. However, implementation was delayed due to late government approval for project implementation, staffing gaps, and limited resources. Coordination challenges emerged mainly from logistical constraints and federalism-related role ambiguity. Despite these barriers, ILO's flexible and responsive approach at policy level facilitated good progress and engagement.

Sustainability and impact potential: The project has laid a solid foundation for institutionalizing Employment Service Centres (ESCs) in Nepal by actively contributing to aligning policies, strengthening capacities, and clarifying roles across all levels of government. While full implementation is still ahead, this groundwork is critical for long-term sustainability and systemic change. The ILO plays a pivotal role by leveraging its mandate, expertise, and tripartite approach to promote rights-based and gender-responsive employment services. Its leadership helped overcome early resistance to reform - essential in a context where decentralized and inclusive employment systems are still new.

Despite this progress, key challenges remain. Financial sustainability is not yet secured, ESC staff face competing priorities, and national funding has not fully aligned with ESC development. Continued collaboration with local governments, private sector partners (such as FNCCI, other employer federations and associations, and community actors) is essential to localize ownership and scale results. By incorporating lessons into government frameworks and enhancing data systems to support decision-making, the project is helping promote wider institutional changes. ILO's continued role as a catalyst for inclusive, demand- and supply-driven employment services will be critical to sustaining momentum and ensuring lasting impact.

Conclusions

Conclusion 1 on relevance

The SESC project plays a vital role in advancing Nepal's federalization by supporting the decentralization and reform of Public Employment Services (PES), in alignment with national priorities and ILO standards. Building on initiatives like YETI, it strengthens Employment Service Centres (ESCs) in all 753 municipalities, as requested by the Government of Nepal, fostering improved collaboration across federal, provincial, and local levels

The Mid-Term Review (MTR) found that the original Theory of Change lacked a clearly defined pathway for systemic change and did not adequately outline preconditions for success. The initial assumption that policy and operational components would evolve simultaneously became unrealistic due to staffing shortages, financial sustainability challenges, and project authorization constraints. Although the project incorporates a phased approach, with an initial focus on policy development and institutionalization, followed by strengthened capacity building, and finally implementation and scaling, it had to start with capacity building due to these constraints. The project is now shifting toward the planned phased approach, which acknowledges the need for sustained behavioural and institutional change, improved coordination, effective use of data, and the long-term integration of PES structures, including ESCs, into local governance systems.

Conclusion 2 on coherence

The project's legal foundation and alignment with national reforms make it a strategically important vehicle for institutionalizing employment services in Nepal. Strengthened coordination - guided by ILO's technical mandate - can further enhance the impact and sustainability of broader development investments. By being embedded within existing governance structures, the SESC project provides a replicable and scalable model that stands in contrast to more fragmented and stand-alone interventions.

Conclusion 3 on effectiveness

The SESC project has strongly contributed to setting the stage for strengthening institutional and operational efficiency for ESCs in Nepal - where PES are still new - and full implementation began only last year. Key achievements include a PES Assessment, training over 1,300 ESC officials, and supporting the operationalization of 13 model ESCs delivering targeted services. At the federal level, key milestones include the development of the National PES Strategy. The establishment of a Division for Internal Employment within MoLESS highlights progress at the systems level supported by guidelines and technical inputs provided by the project. Despite challenges such as staffing shortages, funding uncertainties, and delayed approvals, the project advanced institutional anchoring and growing PES ownership with MoLESS and tripartite partners. However, human resource and systemic challenges limit scalability and sustainability. Moving forward, stronger legal mandates, clearer coordination, and defined roles are needed. Accelerating local institutional and operational capacity - supported by realistic scaling, operational feasibility studies, and increased investment - is crucial, with ILO playing a key role in fostering an enabling environment for lasting and inclusive impact.

Conclusion 4 on efficiency

The SESC project has made notable progress in a short amount of time - once approval was granted to implement most activities - despite challenges like limited staffing, funding uncertainties, and administrative delays. The dialogues facilitated by the project helped the federal Ministry strengthen ownership of the ESCs, contributing to the mobilization of federal resources to support Employment Coordinators' positions and capacity-building across municipalities. However, the anticipated loss of funding for ESC support staff presents a significant risk to the long-term sustainability of these efforts. Financial execution was initially slow but is now accelerating, with plans to engage local partners. Structural and coordination challenges remain, calling notably for more senior leadership involvement. Continued technical support from ILO teams has helped navigate complexities. Project achievements are strongly supported by sustained efforts at the federal level, and across all three tiers of government - with ILO facilitating numerous bilateral discussions and consultations with MoLESS and provincial ministries responsible for labour and employment. The delays the project encountered were largely beyond ILO's control, particularly related to the approval to conduct most project activities beyond capacity building. However, once approval was granted, the project made strong progress – contributing to federalism, raising awareness around key systemic issues, and advancing toward the achievement of expected outputs. Standard feasibility assessments – covering financial, operational, and institutional aspects – are valuable tools used throughout the project cycle. These assessments support informed planning, risk mitigation, realistic resource alignment, and open dialogue with the donor. They are not intended to determine what is ultimately feasible, but rather to help ensure that strategies remain practical and responsive to a dynamic implementation context, especially given limited human and financial resources.

Conclusion 5 on sustainability and impact potential

The SESC project has laid a solid foundation for institutionalizing Public Employment Services (PES) in Nepal through coordinated policy development, capacity building, and multi-level governance.

ESCs are emerging as key actors in promoting local employment. To sustain this progress, it is essential to empower local changemakers - such as business

development service (BDS) providers, technical and vocational education and training (TVET) institutions, trade unions and the private sector - and apply innovative approaches like design thinking. Strengthening local government capacity will help ensure integrated and responsive service delivery. The project could further capacitate, advocate, and influence change processes that lead to ESCs being fully embedded in local economic strategies. This would support not only job placement, but also foster entrepreneurship, improve access to finance, and promote employer-led training initiatives. Given Nepal's large informal workforce and the persistent barriers faced by women, youth, and persons with disabilities, inclusion must remain central. Targeted outreach and partnerships with inclusive employers and community organizations are vital. Ongoing national strategies and partnerships with FNCCI and CCIs provide a strong foundation for systemic change. Long-term success will depend on both strong local ownership and alignment with related job-rich sectors, supported by an enabling environment and coordinated efforts across all levels of government. Leveraging ILO's mandate and expertise is essential for ESCs to become inclusive catalysts of employment creation and national economic development.

Cross-cutting policy drivers on ILO project evaluation

Gender issues assessment

The project integrates gender and social inclusion by training staff and developing tools to support women and people with disabilities. It pays special attention to women in areas with high female unemployment and survivors of gender-based violence. However, challenges remain, such as limited access for people with disabilities and cultural barriers. There is still room for the project to strengthen its inclusive efforts.

International Labour Standards issues assessment

The project aligns with key ILO conventions related to employment services, discrimination, and employment policy, helping to strengthen Nepal's institutional frameworks. It supports sustainable, inclusive employment strategies through tripartite collaboration. While the project does not participate directly in any ratification process, it contributes to creating conditions that open the path, among others, for Nepal's further developments, such as potential ratification of ILO Convention No. 181 on private employment agencies, ensuring ethical recruitment practices and workers' rights.

Just transition to environmental sustainability

Although focused on employment services, the project supports a just transition to environmental sustainability by promoting green jobs and climate resilience, especially in vulnerable municipalities. This aligns with the ILO's strategic plan and global agendas like the SDGs and Paris Agreement. Labour market data have informed provincial policies promoting sustainable employment growth that adapts to environmental challenges.

Lessons learned and good practice

Emerging lesson learned: The mid-term review highlighted key challenges in continuing the project after the Prime Minister Employment Programme (PMEP), particularly due to missing foundational structures and delayed policy work. While capacity-building efforts were requested early on, the necessary systems, policies, and funding were not yet in place, leading to inefficiencies. The review emphasizes the importance of clear roles, supportive policies, and adequate funding to capitalize on capacity building efforts. Feedback from ESCs indicates that training is significantly more effective when foundational conditions - such as job security and good governance - are in place. Nonetheless, the capacity building activities carried out did enable ESCs to begin delivering core employment promotion services and responding to citizen needs.

Emerging good practice: The project adopted a systemic approach, and established a strong framework for cooperation across federal, provincial, and local governments, enhancing the capacity of ESCs and improving policy coordination - an approach that can be replicated in other decentralized systems. It conducted a comprehensive review of Public Employment Services (PES) and labour market policies - identifying gaps and clarifying roles to create a coherent framework essential for effective governance and service delivery. Additionally, the soon-to-be-established partnership with the Municipal Association of Nepal (MuAN), will increase local government involvement, while also setting the stage for future engagement with the private sector.

Recommendations

Recommendation A

- Stakeholders: ILO and implementing partners

Advance project implementation and scaling through capacity building, coordination, and pilot initiatives; accelerate local government engagement and sustainability, while strengthening federal and provincial support.

Priority: High | Importance: High | Resource Implication: Medium

- **R1 –** Finalize and institutionalize ESC training manuals with stakeholder validation and establish a Master Trainer network.
- **R2 –** Provide further targeted technical assistance to define ESC categories and foster ownership at federal, provincial, and local government tiers.
- **R3** – Launch coordinated training and/or e-learning, mentoring, and knowledge-sharing platforms**.**
- **R4 –** Prioritize and support pilot ESCs with appropriate structures, budgets, and GESI integration.
- **R5 –** Conduct feasibility studies to guide realistic planning and investment; reduce ESC numbers if needed based on feasibility and sustainability.
- **R6** – Finalize and roll out a decentralized communication strategy and explore digital tools.
- **R7** – Identify and empower local champions, and secure sustained financial and political support.
- **R8** – Accelerate practical pilot initiatives and apply early lessons to future scale-up.
- **R9** – Continue advancing legal and policy frameworks to ensure clearer mandates and coordination with ILO support.

Recommendation B

- Stakeholders: ILO, donors, and implementing partners

Endorse the development of an impact-oriented framework, intervention strategy, and M&E system for Phase II.

Priority: Medium | Importance: High | Resource Implication: Medium to High

- **R10** – Design a national roadmap for systemic change across phases, supported by strategic change management expertise, inclusive stakeholder engagement, and potentially a multi-donor, and a multi-phase approach.

Recommendation C

- Stakeholders: ILO and donors

Action: Promote transparent and open high-level dialogue to align expectations, constraints, and feasibility.

Priority: High | Importance: High | Resource Implication: Low

- **R11** – Establish a bilateral communication mechanism to ensure regular, senior-level alignment and coordinated planning taking existing constraints into consideration.

1. Introduction

1. ILO Country Office for Nepal commissioned a mid-term review (MTR) of the project *"Strengthening of Employment Service Centres in Nepal (SESC)"*. This mid-term review was carried out by Ms. Maria Zarraga, lead international evaluator, Mr. Edward Jackson, international consultant commissioned by SDC and Mr. Mahesh Hada, national consultant. Guided by the Terms of Reference (ToR), the mid-term review was undertaken between April until May 2025, in close coordination with ILO Country Office for Nepal, Mr. Tara Prasad Bakhariya, National Project Coordinator, Strengthening of Employment Service Centres in Nepal (SESC), and the Evaluation Manager, Mr. Basanta Kumar Karki, Senior Programme Officer.
2. The evaluators would like to thank all those who contributed to this evaluation. Special thanks go to the project team and to the Evaluation Manager for the much-appreciated support in the preparation and conduct of this evaluation. The evaluators hope that the findings, conclusions, and recommendations will contribute to the ongoing efforts of ILO Country Office for Nepal and similar projects.

Description

3. The project falls under ILO's global programme and budget (P&B)-2024-2025 Output 3.1. *"Increased capacity of Member States to develop and implement comprehensive employment policy frameworks"*; Output 3.4. *"Increased capacity of Member States to develop effective and efficient labour market programmes and services to support transitions"*; and Output 3.5. *"Increased capacity of Member States to promote decent employment for youth"*. The project has linkages to SDG 8 (Primary-Decent work and economic growth), as well as SDG 5 (Gender Equality), and SDG 17 (Partnerships for the goals).
4. The project aimed to strengthen Employment Service Centres (ESCs) to deliver the full mandate of the centres, while supporting the government at the federal, provincial and local levels to further develop the policy and institutional framework of the public employment service (PES), improve the engagement of ESCs with key stakeholders, including the private sector, and support the capacity building for fully functioning and sustainable PES, delivered mainly through ESCs at the local level.

Conceptual Framework of the Project

5. The Right to Employment Act (2018) implements the Nepal Constitution right to employment provision through the establishment of Employment Service Centres (ESCs) to ensure the right to minimum employment, provide support to the unemployed, collect and maintain information on workers and employers, and provide employment promotion and matching services.
6. The functions of the ESCs as provided for in the Right to Employment Act and in the published Integrated (Labour and Employment Operational and Management) Procedure, 2023 by the Ministry of Labour, Employment and Social Security (MoLESS) broadly match with ILO Employment Service Convention, 1948 (No. 88), which established the duty of employment services as *"best possible organisation of the employment market as an integral part of the national programme for the achievement and maintenance of full employment and the development and use of productive resources"*.
7. The ESCs were established aiming to provide employment promotion services, such as job matching and counselling, provide referral services, and coordinate the provision of temporary employment programmes. However, their structure and service portfolio do not yet account for the local labour market characteristics, skills, and service needs, nor the demand from employers. Their mandate is also to provide services addressing the special needs of (returnee) migrant workers. However, in practice, the functions of the ESCs are restricted to implementing

community-based public works programme to create temporary employment opportunities to the registered unemployed.

8. The engagement of municipal and provincial level governments with the ESCs is still partial, with limited integration of the mandated functions of the Centres with the local planning or budget processes. Ownership by local authorities is seldom observed and a clear vision and plan for the medium to long-term institutional and financing set up of the ESCs within local governments seems to be missing. For the long-term sustainability of the ESCs, municipalities and provinces will need to also contribute to the funding (fully or partially) of the centres with local budget and grants from the Federal Government and play a larger role in their operations.

9. MoLESS, the ILO, the World Bank, the Foreign Commonwealth and Development Office (FCDO) and the Swiss Agency for Development and Cooperation (SDC) agreed to collaborate and integrate the support to the ESCs and expedite the implementation of the employment promotion services by the ESCs, ensure consistent capacity building for all staff of the Centres, and support the creation of conditions for the long-term institutional development and strategic placement of ESCs within Provincial and Local Governments. Following this, the ILO, World Bank, FCDO and the SDC have identified a set of technical assistance activities that respond to the key challenges ESCs and support the effective functioning of the institutions and public employment services throughout Nepal in the short and long terms.

10. As described in the Terms of Reference, the project has two outcomes with specific outputs:

Component I: Enhancing Capacity of MOLESS and ESCs to manage and deliver integrated labour and quality employment services.

- Outcome I: ESCs service delivery mechanism is enhanced to provide quality employment services.

Component II: Improving inter-institutional measures and collaboration of MOLESS with provincial and local governments to improve public employment services.

- Outcome II: MOLESS and local governments have strengthened institutional and operational efficiency to deliver integrated labour and employment services to the citizens

11. Therefore, **these two interrelated project components** contribute to: (i) enhance capacity in the implementation of employment promotion services by the ESC staff at the local level that also includes improved private sector engagement, job matching services and extended services on the socio-economic reintegration; (ii) strengthening policy and institutional framework of Public Employment Services (PES) within which ESCs operate, working with government institutions and social partners at all levels, including the review of funding arrangements and flows; (iii) functional review of the ESCs and labour market assessments for the refining of the service portfolio of the ESCs; and (v) implementation of the reformed institutional framework and service portfolio of PES and ESCs.

Institutional and Management Structure

12. The project *"Strengthening of Employment Service Centres in Nepal (SESC)"* began operations on 30 November 2022 and is scheduled to conclude on 30 November 2026. The total budget for this project is of US$ 1,436,038, which US$ 1,197,000 are financed by the Swiss Agency for Development and Cooperation (SDC), and the remainder by ILO projects, the World Bank and MoLESS, for a period of 48 months, that started on 30 November 2022.

13. The project is implemented in Nepal and administered by the ILO Country Office for Nepal, with primary technical backstopping provided by the Labour Market Services for Transitions Team within the Employment, Labour Markets and Youth Branch (EMPLAB) of the ILO Employment Policy Department, which specializes in labour market services and employment transitions. The

project works with the appropriate stakeholders at federal, provincial and municipal levels, constituents, project partners, and beneficiaries. Overall oversight and guidance of the project is provided by a seven-member Project Steering Committee constituted in January 2024, chaired by the Joint Secretary of MoLESS and including senior-representation of the development partners. ILO Country Office for Nepal established a project management team composed of two staff members who have been working under the supervision of the Director of the ILO Office for Nepal. The team comprises a National Project Coordinator and Project Assistant, who are working full-time on the Project. Additionally, a National Technical Officer has been assigned for twelve months in the year 2024.

Project Strategies

14. The project has been implemented by the ILO in close collaboration with MoLESS, SDC and the World Bank. Representatives of the four institutions have constituted the project's Coordination Committee, with annual meetings between senior management of the institutions, and at least quarterly meetings at the technical level.

15. The project envisioned that the result will be achieved through the robust engagement and capacity building of ESCs and its stakeholders at all levels, effective social dialogue, attention to the needs and specificities of groups of workers that are more vulnerable (such as women, youth, migrants, persons with disabilities, and others), and the project implementation has been oriented to extend needs-based support to achieve sustainable results.

16. Therefore, the project has been working with federal, provincial and local governments with the aim to improve policies and regulatory framework on Public Employment Services (PES) to strengthen ESCs and its effective services to service seekers; and identify ways for the long-term institutional development and sustainability including strategic placement of ESCs within provincial and local governments.

General and Project Context

17. Nepal's shift to federalism in 2015 brought about major structural and institutional reforms, which have complicated the delivery of decentralized services like Public Employment Services (PES). Early implementation of the project faced delays, partly due to the transition of activities from the World Bank's YETI project, and was initially limited to basic capacity-building. Unlike previous initiatives such as PMEP and YETI, this project provided ESCs with initial capacity-building training, which not only enhanced their technical skills and knowledge but also raised awareness of their critical roles in employment promotion services beyond cash-for-work programmes. With coordination across government levels still underdeveloped and job security for ESC staff uncertain, long-term sustainability remains at risk.

18. At the same time, Nepal faces growing external and internal pressures. Donor funding, especially from the US, Europe, and Switzerland, is declining, and domestic public spending is constrained by rising debt. On a broader scale, Nepal's economic dependence on labour migration, equivalent of about 26% of GDP, is unsustainable, and the limited collaboration between government and businesses restricts local job creation. Yet, there are clear opportunities: the private sector is open to investing in skills and training, and local economies have untapped potential for generating decent jobs. Annex 10 on Global Trends in Remittances provides additional insights regarding the general context.

19. Progress has also been held back by limited funding, weak institutional capacity, the absence of an institutional framework for ESCs, and insufficient investment in digital tools - factors that reflect a long-standing lack of attention to PES development. Social and cultural factors, particularly entrenched gender norms in rural areas and workplaces, continue to hinder efforts to promote gender equality.

20. Gender bias continues to be a major challenge in Nepal, particularly in rural communities and traditional work environments, where women often face limitations in accessing formal employment. Cultural norms frequently push women into informal, low-paying, and insecure jobs, leaving them without benefits such as social protection or career advancement opportunities. This issue is closely tied to the broader informality of Nepal's labour market, where a significant portion of the workforce operates outside formal structures.

21. The ILO's SESC project seeks to address these challenges by strengthening Employment Service Centres (ESCs) and fostering an enabling environment to provide more inclusive, gender-sensitive services. Employment Service Centres (ESCs) play a pivotal role within Nepal's Public Employment Service (PES) system. As decentralized units, ESCs are responsible for offering vital services, including job placement, skills development, labour market data collection, and employment counselling. However, to fully realize the potential of a PES system, it is crucial that these centres are part of a more comprehensive institutional framework that goes beyond just service delivery. An effective PES needs to be a coordinated, responsive, and inclusive system that aligns national employment policies with provincial and local labour market contexts and conditions, while addressing gaps in skill development, job matching, and labour mobility.

22. For a truly systemic impact, the PES framework must ensure that ESCs are integrated into a national employment strategy that promotes long-term employment generation, reduces labour market informality, and offers opportunities for social protection. This goes beyond simply providing job placement services. A robust PES system would offer systematic approaches to training, apprenticeships, labour market intelligence, and foreign employment facilitation, thus addressing the wider economic and structural issues that prevent meaningful and sustainable employment for all segments of society. The work of ESCs, such as offering labour market intelligence or skill training, must be complemented by broader national and regional policies that consider economic trends, migration, and industry needs.

23. The strength of a fully developed PES system lies in its capacity to create structural reforms in the labour market that are sustainable and responsive to both local and national needs. By strengthening ESCs as well as the institutional structures that support them at all tiers of government, Nepal can create a system where employment strategies are grounded in real-time labour data and market trends. There is an opportunity for collaboration between ESCs, the Ministry of Labour, Employment and Social Security at the federal level, provincial ministries responsible for labour and employment, the private sector, as well as local and development partners. This is essential to enable more coordinated action that can result in higher levels of employment, better skill alignment, and reduced migration pressures. ESCs are also involved in interventions like SaMi (Safer Migration Project), ReMi (Reintegration of Returnee Migrants), MiRiDeW (Migrant Rights and Decent Work Project), ENSSURE (Enhanced Skills for Sustainable and Rewarding Employment), and implement activities later outlined in the *National Labour and Employment Conference 2081 (held on 28 February and 1 March 2025) declaration*. These efforts align with the objectives of the Right to Employment Act 2075 (2018), which mandates the establishment of Employment Service Centres (ESCs) at local levels to facilitate employment services. ESCs play a critical role in integrated labour and employment service delivery, further reinforcing their position as central to achieving national employment goals.

24. At the policy level, further work is needed, and ILO's mandate is crucial in terms of aligning national strategies with international conventions. This alignment is essential to ensure that policies, such as the Right to Employment Act, fully address the challenges of decent work and are in line with International Labour Standards, particularly in relation to rights and protections for workers. Through its technical assistance, the ILO contributed to the development of strategies aimed at promoting decent work, enhancing labour market governance, and aligning national policies with international labour standards. The ILO's involvement underscores its commitment to advancing social justice and promoting decent work in Nepal.

2. Evaluation background

Scope

25. According to the ILO Policy Guidelines for results-based evaluation[1], all projects with a budget of USD 1-5 million and over 30 months must undergo a mid-term (self or internal) evaluation.

26. The evaluation covered the period from 30 November 2022, from the design stage to the time of the mid-term review, which took place between April and May 2025. A single Terms of Reference was developed for the Mid-Term Review of *Strengthening of Employment Service in Nepal (SESC) Project* and *Migrant Rights and Decent Work (MiRiDeW) Project, Phase II.* Both projects share the same development partner and had overlapping timelines. This joint review enabled cross-learning and comparison of complementarities. Though internal in nature, the review was conducted by external evaluators to ensure objectivity.

27. An international consultant, Dr. Edward Jackson, financed separately by SDC, was engaged throughout the MTR process. He supported cross-project learning and reflection, with a focus on: (1) how the SESC and MiRiDeW projects support government efforts at all levels to strengthen policy and institutional frameworks, and (2) how effective the engagement with the private sector with the SESC is managed. He contributed to both evaluation reports.

28. The evaluation encompassed the project office in Kathmandu and seven provinces (i.e. Province Koshi, Province Madhesh, Bagmati Province, Gandaki Province, Lumbini Province, Karnali Province, and Sudurpaschim Province). The evaluation includes 7 model ESCs supported by the project and 7 non-model ESCs balancing all aforementioned provinces. During the field mission, the MTR team interviewed the representatives of 5 Model ESCs and of 4 Non-model ESCs – covering 4 Provinces (Sudurpaschim, Lumbini, Madhesh, and Bagmati) and 9 Municipalities/Sub-municipalities (Dhangadi, Mahendranagar, Krishnapur, Nepalgunj, Kohalpur, Janakpur, Bardibas, Hetauda, and Jeetpur-Simara). In addition, the MTR team held discussions with the Joint Secretary of PMEP/MoLESS, where SESC is providing technical assistance to strengthen ESCs, as well as with representatives from employers' and workers' organizations, such as the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Joint Trade Union Coordination Centre (JTUCC), and other stakeholders, to gather diverse stakeholder perspectives. After the field mission, remaining face-to-face interviews in Nepal were conducted by the national consultant.

29. The evaluation process examined how ILO's cross-cutting issues (i.e., Gender equality; Inclusion of people with disabilities; Environmental sustainability; International Labour Standards (ILS) ; and social dialogue) were taken into account (where applicable) and closely followed EVAL guidelines on these topics. Gender equality is a key focus of the project. The evaluation examined how activities and budgets contributed to gender outcomes. The GESI Assessment Report and Action Plan informed this analysis.

30. In response to ILO's Evaluation policy and Strategy, gender concerns were addressed in accordance with the ILO's Evaluation Guidance Note 4 and specific policy requirements. The evaluators ensured that data was sex-disaggregated and that women's views and perceptions were reflected in the evaluation.

31. The evaluation also gave specific attention to how the project intervention is relevant to ILO's programme framework, UNSDCF and national development frameworks. Specific questions

[1] https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_mas/@eval/documents/publication/wcms_571339.pdf

addressing these aspects across the evaluation criteria are included in the evaluation questions below.

32. The evaluation focused on activities implemented during the first half of the project and identified areas where adjustments may be needed to better align with emerging needs and priorities. Based on this, the mid-term review suggests adaptations for the remainder of the project, guided by evidence and plans already in place. It assessed strengths and weaknesses in the project design, strategy, and implementation across output, outcome, and impact levels, as well as the project's sustainability and impact potential. The preliminary findings and recommendations were shared with stakeholders during a workshop held in Kathmandu on April 28, 2025.

Key purpose

33. The independent evaluation served four main purposes:

- Project accountability;
- Promoting organizational learning;
- Planning and implementation improvement; and
- Building knowledge.

34. The primary end users of the evaluation findings are ILO Office for Nepal, the donors and national stakeholders. Secondary parties who will make use of the evaluation results include ILO's tripartite constituents, as well as national and international partners, and other key stakeholders. Furthermore, the findings of this final evaluation are destined for ILO's management, overseeing the implementation of the project.

35. The knowledge generated by this evaluation will also benefit other stakeholders that may not be directly targeted by the project's intervention such as: key government institutions at national, provincial and municipality levels, civil society organizations, development partners, UN agencies, international organizations that work in relevant fields, and other units within the ILO.

Main limitations to this evaluation

36. **(1)** Even where impact was quantifiable, the evaluation was not able to measure the net impacts of project participation. Although the evaluation included both Model and Non-Model ESCs, doing so would have required a clearer understanding of the counterfactual - that is, the outcomes that would have occurred in the absence of the programme - which could have only been assessed through the use of control groups in a more robust methodological approach, which was not expected within the scope of this mid-term review.

37. **(2)** Given the tight deadlines and the involvement of multiple stakeholders in Kathmandu and various municipalities, as well as the distance to travel in a short span of time, priority was given to the contact points identified by the project lead as most actively engaged in the project. Project stakeholders, whom the MTR team was unable to interview in Nepal during the field mission, were interviewed if possible, in person by the national consultant - after the departure of the lead international evaluator and international consultant.

38. **(3)** During the evaluation process, differing interpretations and priorities among stakeholders highlighted early conclusions being drawn before the full body of evidence was available. To uphold evaluation ethics and standards of impartiality, additional data were gathered, and issues clarified. This report hence reflects a synthesis of multiple stakeholder perspectives, incorporating additional data gathered throughout the evaluation process. The MTR is intended to inform decision-making based on the full scope of available evidence, and draws balanced conclusions and actionable recommendations.

39. **(4)** To maximize stakeholder input within limited time, focus group interviews were conducted in addition to key informant interviews, with the caveat that some views may not have been expressed as freely as they would have in individual interviews.

40. The above-mentioned limitations do not affect the validity of the evaluation.

3. Criteria and questions

41. The ILO adheres to the UN system of evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards. Accordingly, project quality was assessed against the following main evaluation criteria:

- **Relevance:** The extent to which project objectives were consistent with beneficiaries' needs.
- **Coherence:** The extent to which the intervention is compatible with other interventions in a country, sector or institution.
- **Effectiveness:** The extent to which objectives were achieved.
- **Efficiency:** How efficiently resources/inputs (e.g. funds, expertise, time) were converted into results.
- **Impact:** The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
- **Sustainability:** The likelihood of continuation of project benefits (outputs, outcomes) after the end of the project.

42. *The evaluation addressed the following ILO evaluation criteria (based on the OECD-DAC evaluation criteria) as defined in the ILO Policy Guidelines for results-based evaluation, 2020. A complete set of questions by each criterion is outlined below, as per ToR:*

Relevance

Project's fit with the context:

1. To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services?
2. To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks, ensuring decentralized quality service delivery while maintaining national standards?
3. To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development documents, and Sustainable Development Goals?
4. Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?
5. Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?
6. In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non-discrimination? How the project addressed the recommendation of GESI Qualitative Assessment?
7. To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?

Appropriateness of the project design:

8. Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?
9. Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?
10. To what extent is the project designed based on ILO constituents' needs at the global and national levels and grounded on consultation with target beneficiaries? To what extent have government partners been involved in the implementation or influencing the implementation of the project?
11. Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?

Coherence

1. How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?
2. How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?
3. What is the added value of the ILO work in terms of comparative advantage?

Effectiveness

1. What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?
2. Do the relevant government institutions fully support the initiatives taken by the project?
3. Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?
4. Have unintended results (positive or negative) of the project been identified?
5. How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?
6. How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at the outset of the project and updated regularly?

Efficiency

1. How efficiently have been the resources of the project (time, expertise, funds, knowledge and know-how) used to produce outputs and results? Are resources (funds, human resources, time, expertise etc.) allocated strategically to achieve the project objectives? Do the project benefit from complementary resources at the global and country levels that supported the achievement of its intended objectives?

2. Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate?
3. Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?
4. To what extent does the project leverage resources (financial, partnerships, expertise) to promote Gender equality and non-discrimination?
5. How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?
6. Does the project receive adequate technical and administrative support/response from the ILO backstopping units?

Sustainability and impact potential

1. How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?
2. To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?
3. How the members of the Project Team envisage the achievement of solutions for sustainable results?
4. To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?
5. To what extent and to which knowledge developed throughout the project (research papers, progress reports, manuals, and other tools) can still be utilized during and after the end of the project to inform policies and practitioners?

SDC Consultant focus

1. How do the two projects fulfil their purposes on supporting the government at the federal, provincial and local levels to further develop the policy and institutional framework for effective service delivery and sustained impact beyond project duration, building and strengthening on existing horizontal and vertical coordination mechanisms.
2. How effective was the SESC project in bringing relevant development partners together to develop a joint vision with the government counterpart?
3. How was the engagement with the private sector under SESC managed by ILO?
4. How much was project management opportunity-driven and responding to suggestions from SDC and WB?

43. The evaluation also looked into following cross-cutting themes:

- Gender equality and non-discrimination;
- International labour standards and social dialogue; and
- Just transition to environmental sustainability.

4. Methodology

44. This evaluation was elaborated in full compliance with relevant evaluation norms and standards, and followed ethical safeguards, as specified in the ILO's evaluation procedures.

45. The evaluation balanced the need for organizational learning with the purpose of ensuring accountability to the donor. While maintaining independence, the evaluators applied a participatory approach seeking the views of all groups of project stakeholders. Enrolling key stakeholders in the evaluation process and in the discussions on key findings, conclusions and recommendations, facilitated organizational learning.

46. Different evaluation tools were combined to ensure an evidence-based qualitative and quantitative assessment. The evaluators emphasized on cross-validation of data through triangulation and an assessment of plausibility of the results obtained. The methodological mix included a desk review, semi-structured focus groups or key informant interviews, and short questionnaires were sent to interviewees by the project team. (See Annex 4) Different questionnaires were prepared for different groups of stakeholders.

47. Data was gathered from different sources, by different methods for each of the evaluation questions, and findings were triangulated to draw valid and reliable conclusions. Data was disaggregated, at a minimum, by gender and by other dimensions where available. Conclusions and recommendations were based on evaluation findings (deductive reasoning).

48. As for the gender aspects, they were notably considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation.

49. Qualitative data was collected through face-to-face interview with 92 key stakeholders (among which 31.5% were women), and during the Stakeholders' Workshop that took place in Kathmandu on April 28, 2025.

50. Consultations were scheduled between 15 April and 12 May 2025. Interviewees, questionnaire respondents and workshop participants represented a range of stakeholder groups, with the following gender breakdowns: 7 ILO staff (6 men, 1 woman); 28 Employment Service Centre (ESC) staff (19 men, 9 women); 6 women job seekers/service recipient ; 10 local government representatives (7 men, 3 women); 7 provincial government representatives (6 men, 1 woman); 5 federal government representatives (4 men, 1 women); 4 TVET professionals (men); 10 other project personnel (7 men, 3 women); 2 trade union representatives (men); 6 representatives from employers' organizations (5 men, 1 women); and 4 civil society representatives (2 men, 2 women).

51. More detailed information on the evaluation questions, schedule and interviews undertaken to conduct this mid-term review is described in Annexes 4 and 5.

52. The desk study included the analysis of existing project documents, progress reports, and publications.

53. As the evaluators worked openly, stakeholders interviewed were ready to share their views in a collaborative spirit. Information obtained during data collection was comprehensive, consistent and clear.

54. When data collection began, evaluators were informed about contradictory intentions or longer-term vision among key stakeholders. They were therefore encouraged to clarify their vision for the project, in alignment with actual Evaluation norms, standards and ethical guidelines.

55. Information on stakeholders' views obtained through interviews are presented in this report in a way that it cannot be traced back to the specific source.

56. The full list of persons interviewed and invited to answer questionnaires, and documents consulted, are presented in Annexes 2 and 3 to this report.

57. The list of stakeholders interviewed includes representatives of:

- Swiss Agency for Development and Cooperation (SDC)
- The World Bank
- Prime Minister Employment Programme (PMEP)/Ministry of Labour, Employment and Social Security (MoLESS)
- Employment Management Division/MoLESS
- Provincial level labour and employment-related ministries
- Local Level: (i) Mayor, Deputy Mayor and Chief Administrative Officer (CAO) as well as the unit head responsible to oversee labour and employment; and (ii) Employment Service Centre (ESC) (staff and beneficiaries)
- Employers Organizations
- Trade Unions
- Other stakeholders. (Other stakeholders include but are not limited to other development partners working in the sector of Migration, Reintegration, Employment, TVET and Private Sector Development.)

5. Findings and assessment

58. *This section presents the findings of the evaluation and provides an assessment of project quality against the evaluation criteria. The assessments below are formulated based on a cross-section of opinions expressed by stakeholders and double-checked with the project frameworks and available data.*

Relevance

Federalization and Systemic Reform of Public Employment Services

59. The project is highly relevant in the current context of Nepal's federalization, playing a pivotal role in shaping and decentralizing Public Employment Services (PES) to fit within the federal structure. Based on a cross-section of opinions, the project has contributed significantly to the initial stages of the PES federalization process through a collaborative approach across all three levels of government (i.e., federal, provincial, and local). Through multiple policy dialogues, consultations and meetings, the project ensured that its interventions are not only aligned with government priorities, but also actively secure the government's support and engagement throughout the process, while overcoming notable barriers at the policy level.

60. By involving key stakeholders, including the private sector, employers, training providers, trade unions, and civil society, the project fosters ownership and cooperation across all levels of governance, contributing to a smooth and gradual PES reform process. The SESC project notably builds upon the foundation laid by YETI, continuing and expanding its activities, strengthening the capacity of ESCs across all 753 local governments at the request of the Government of Nepal (GoN). This transition aligns with the government's broader priorities and commitment to reforming Public Employment Services (PES).

61. In line with this, the ongoing development of Nepal's Public Employment Services (PES) strategy is a crucial part of the project's efforts, aimed at decentralizing employment services and enhancing their effectiveness. This multi-tiered revision process involved extensive consultations and evidence-based analysis, including the PES Assessment commissioned by the ILO, and Labour Market Assessments (LMAs) conducted across all provinces and municipalities. These interventions generated critical data to inform localized employment strategies. With ILO's involvement and a focus on inclusivity and gender equality, this revision aims to build a sustainable, decentralized PES system that effectively meets the diverse needs of both jobseekers and employers across Nepal.

2. Navigating Institutional Complexity and Driving Change

62. The project contributes to gradual change in a complex environment, helping to ensure that the PES reform process continues despite staff turnover, systemic challenges, and the ongoing risk of misinterpreting the direction of reforms. Shifting operational responsibilities to local governments involves overcoming institutional inertia, adapting to new structures, persistent communication and building capacity at all levels. Change in such a deeply embedded system takes time, and the project is committed to navigating these challenges through continued engagement, policy dialogues, and consultations with a broad range of stakeholders as reflected in actual achievements. (See Section on Effectiveness, page 27)

Local Ownership and Strategic Partnerships

63. As the project progresses, the necessary groundwork has been laid to accelerate implementation at the local level based on existing and further developed strategies. The project's PES Assessment directly informed the development of Nepal's ESC Vision 2030, ensuring strong alignment with national employment policy priorities.

64. While local-level interventions were initially planned earlier, they are now expected in the second half of the project due to delays in the government's approval of Component II activity

implementation. Despite this, the project has remained highly relevant by supporting evidence-based policymaking, capacity building and fostering strategic collaboration with MoLESS.

- *Building Local Ownership*

65. As the project enters the second part of its implementation phase, it will need to ensure that strategies evolve in response to emerging needs, feasibility studies, and local realities, making the PES system more responsive and inclusive at the local level - notably through close collaboration with the private sector at the local level. The collaboration with the Municipal Association of Nepal (MuAN) will also be instrumental in strengthening the capacity of local political leaders to effectively manage and operate ESCs. Through policy dialogues facilitated by this partnership, the project will not only build leaders' awareness and understanding of their roles but also foster their commitment to the success of ESCs. This will support the integration of ESCs into the permanent structures of municipal governments, ensuring their sustainability and long-term impact.

66. The project contributes to Priority Area 1 of the UNSDCF, focusing on *"Sustainable, resilient, and inclusive economic transformation",* particularly through strengthening policies under Output 1.1.1: *"The Government and private sector have strengthened capacity to foster sustainable, inclusive, green, and climate-resilient economic growth"*, and building capacity under Output 1.2.2: *"More people have skills, assets, and access to services for better employment and sustainable livelihoods."* The project's objectives align with DWCP (2023-2027) Outcome 1, which aims for *"Inclusive Employment, Sustainable Enterprises, and Social Security"* – specifically Output 1.3, which seeks to create a *"Skilled, adaptable, and productive labour force through increased access to quality employment services, active labour market programmes, and skills development with a lifelong learning approach supporting transitions in the labour market."*

67. For example, Labour Market Assessments in Madhesh and Sudurpashchim provinces have provided critical data for the revision of provincial employment policies, laying the groundwork for green job promotion and decentralized local strategies. These assessments have also helped identify sectors with potential employment opportunities and informed the development of local employment strategies, ensuring alignment with national priorities for decent work.

68. The MTR found that the project contributed to capacity building and the establishment of institutional frameworks, forging a path in a short timeframe and complex environment for systematic institutionalization of processes, particularly at the local level - after authorization to implement all activities was granted. However, sustainability remains at risk without stronger involvement from local governments, enhanced private sector engagement, active participation of all tripartite constituents, sustainable funding, and improved staff retention.

- *Project Design & Theory of Change*

69. The project was designed through consultations with ILO constituents and based on the Right to Employment Act of Nepal and ILO Employment Service Convention C88. The project's intervention logic is coherent with clear objectives, well-defined outputs, and activities that are aligned with the project's overall goal. Gender considerations have been incorporated into the intervention, including the monitoring and reporting of disaggregated data. Based on a majority of opinions, a phased approach to implementation is essential, grounding the intervention as much as possible in policy development and strengthening, closely supporting capacity building, and ultimately progressing to full-scale implementation. Given the project's limited staffing, evidence suggests that the current human resources and complex environment hinder the smooth execution of all planned activities. It may be beneficial to either secure additional financial resources or optimize (and/or limit) interventions in selected geographical areas, fostering a systemic and feasible pilot approach.

70. The MTR analysis found that the **interrelation of Components I and II**, as initially designed in the Project Document, would have worked better as expected in absence of significant

government approval delay for the project to conduct all activities except capacity building training for ESCs in a timely manner. By the time of the MTR, funding had become insufficient to sustain two-thirds of ESC staff, leading to job insecurity and loss following the cessation of support for Technical Assistants and Employment Assistants. This occurred despite ILO's efforts to prompt timely action from key stakeholders. The institutionalization of ESCs had not yet been achieved, further limiting the project's intended effectiveness. A section on Project Design Implications aligning project activities with on-the-ground realities, in alignment with the PES Assessment recommendations, can be found in this report (page 40).

71. Stakeholder feedback acknowledged **that training would be more impactful under the right conditions.** While awaiting government approval to implement most project activities, the project team responded to a government request by delivering capacity-building to existing ESC staff - building on the Prime Minister Employment Program (PMEP). However, the ESC structure - where one staff member reports to the federal government and others to local governments - posed coordination challenges and contributed to resistance to change. Full authorization to conduct all project activities was granted only in November 2023. Based on available data and multiple converging statements, the project has made good progress toward its expected results in these conditions, despite the constraints.

72. While the project linked its outputs to the intended outcomes, the theory of change would benefit from clearly defining stages of progress and the key preconditions for transitioning between them. The project planning however adopted this approach. Additionally, given ILO's mandate, expertise and direct activities primarily at the federal and provincial levels, Output 2.2*: "ESC's institutional and operational efficiency, and services are enhanced and operationalized"* could be revised to: *"ESCs are **effectively equipped** to demonstrate institutional and operational efficiency that fosters labour and employment services at the local level".*

73. While a majority of stakeholders agreed that advancing policy and institutional frameworks is essential for sustaining capacity building efforts, the complexity of the evolving context justified the project's initial pragmatic focus on capacity building training. The sequenced approach adopted by the project team in project planning could be more clearly reflected in the Theory of Change to clarify strategic intent and highlight the importance of institutional backing to maximize the impact and sustainability of capacity building efforts. Ultimately, successful outcomes should not rest solely on ILO project team; they require shared responsibility, timely approvals at higher levels, and active implementation by all key constituents, with strong commitment from government actors across all three tiers. ILO has actively contributed to fostering such an enabling environment through continuous engagement, advocacy, and support to stakeholders.

74. Incorporating key performance indicators to **track mindset shifts** would be instrumental, enabling structured monitoring of progress as outlined below. Both quantitative and qualitative data monitoring are essential to capture such progress. Shift in attitudes may also be measured by local partners. Therefore, it is essential to discuss clear roles and responsibilities at an early stage, identifying additional partners if needed, and specifying how convergent activities will be coordinated outside the sole responsibility of ILO.

- **Initial shift in perspectives**: Through the ILO SESC project, key stakeholders - including national and local policymakers, social partners, and community leaders - begin to recognize the value of relevant, rights-based, gender-responsive employment frameworks. This marks a critical early step toward normative change, with growing interest in aligning local practices with international labour standards.
- **Growing ownership and alignment**: National and sub-national actors - such as provincial and local governments - show stronger commitment. They start integrating SESC principles like decent work, gender equality, and social inclusion into their policies, plans, and data systems.

- **Active participation and application**: Decision-makers and partners at the local level not only support the process but actively engage in co-developing and applying tools. They begin using project-generated evidence to shape employment policies and improve local services.
- **Institutionalization and demand for evidence**: Local governments and social partners increasingly ask for regular, disaggregated data to guide decision-making. National stakeholders begin committing domestic resources, showing deeper institutional ownership and a move toward sustainability.
- **Sustained normative and behavioural change**: The core principles of the SESC project - including rights-based, inclusive labour governance - are now embedded in both national and local planning and budgeting processes, aligned with broader national economic development strategies that encompass both foreign and domestic employment. Domestic funding is being mobilized, and local actors are taking the lead in implementing and scaling the approach.

75. Furthermore, it is important to recognize that - as illustrated by **Lewin's Change Model** (Figure 2) - change processes, though simple in design, already highlight the fundamental need for gradual and sustained transformation. The model underscores that the shifts targeted by the ILO SESC project take time and must be reinforced to become sustainable. A multiphase approach is essential, according to convergent statements from various stakeholders, as shifting mindsets and institutional practices around rights-based, inclusive employment systems requires careful planning, strategic implementation, and continuous monitoring and feedback loops.

76. While these efforts may take time to fully materialize, they offer significant long-term value for all partners, including MoLESS, donors, the ILO, and tripartite constituents. Employment Service Centres (ESCs) are integral to the future of employment services, making this intervention a **valuable investment** for the continued success of employment initiatives.

77. To ensure sustainability, expert guidance in systemic and behavioural change management is crucial for developing more comprehensive modelling, based on cutting-edge expertise and extensive experience with ILO's normative mandate and technical assistance. Additionally, it is essential to consider that, based on Lewin's Change Model, change takes time and must be 'solidified' - ensuring financial sustainability, safe jobs for ESC staff, and a gradual uptake of all costs at the local government level based on existing needs.

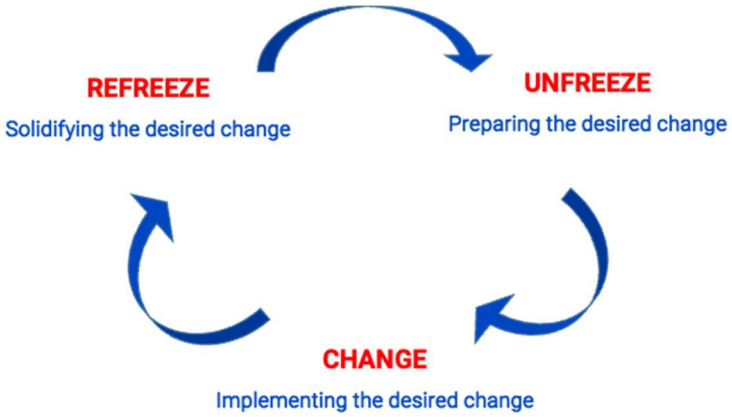


Figure 1 – Lewin's Change Model

Coherence

Coherence with Government Priorities and Development Actor Interventions

78. The SESC project demonstrates a strong degree of coherence with Nepal's national development strategies, ILO's programmatic priorities, and the initiatives of other development partners. The project is closely aligned with the Government of Nepal's reform agenda for Public Employment Services (PES), as outlined in the Social Security Act (2017) and the ongoing federalization process that mandates decentralized service delivery. In particular, the project contributes directly to Outcome 1 of Nepal's Decent Work Country Programme (DWCP) 2023–2027, and more specifically to Output 1.3, which focuses on building a skilled, adaptable, and productive workforce through expanded access to employment services and lifelong learning.

79. At the national level, the project works in tandem with the Ministry of Labour, Employment and Social Security (MoLESS), and provided targeted support for drafting and updating labour and employment policies in key provinces such as Sudurpaschim and Madhesh. In Madhesh, the ministry is planning a revision of the existing "Labour & Employment Policy" informed by the Labour Market Assessment (LMA) conducted by SESC, while Sudurpaschim has already completed its development. These contributions complement the federal government's objectives of increasing employment formality, expanding Social Security Fund (SSF) coverage, and addressing regional labour market disparities - including in high-unemployment areas such as Madhesh Province, where unemployment stands at 20.2%.

Synergies with ILO and SDC-Supported Projects

80. The project cultivated important synergies with other ILO interventions in Nepal, particularly the Empowered Women, Prosperous Nepal (EWPN) programme. This collaboration has enhanced policy support across all three tiers of government and enabled referral pathways from EWPN beneficiaries to ESCs, thereby linking gender-focused programming with mainstream employment services.

81. Additionally, the SESC project coordinates with SDC-supported projects - notably SaMi, ReMi, and ENSSURE - which engage ESCs from different entry points such as vocational training, safer migration, and migrant reintegration. For example:

- ENSSURE's apprenticeship training and career counselling services have been integrated into the ESC service portfolio;
- In partnership with ReMi, ESCs are expanding their roles to include reintegration support for returnee migrant workers;
- Joint planning with SaMi and ReMi in Madhesh Province has led to more coherent and responsive provincial-level interventions.
- These synergies are reinforced by regular coordination mechanisms, including policy workshops and technical consultations that ensure mutual alignment and the integration of complementary project activities into national PES-related policy documents.

Coordination with Other UN Agencies and Development Partners

82. The SESC project collaborates with other UN agencies and bilateral donors to foster harmonized approaches to employment and social protection. For example, under the Empowered Women, Prosperous Nepal (EWPN) initiative, the project works alongside UNICEF, UN Women, and UNDP, with coordination led by the UN Resident Coordinator's Office. This inter-agency collaboration strengthens convergence in key areas such as gender equality, youth employment, and access to decent work.

83. The ILO helped establish a donor coordination platform that includes SDC, the World Bank, and FCDO, underlined by systematic involvement of key stakeholders. However, the MTR noted some challenges in coordination and policy dialogue, including logistical constraints.

84. Overall, the coherence of the SESC project is reflected in its embeddedness within Nepal's institutional reform landscape, strategic alignment with national and international frameworks, and its proactive, gradual engagement with complementary actors.

85. This integrated approach enhances the likelihood of sustainable, system-level impact in employment service delivery across Nepal. Based on consultations, there are opportunities to further develop collaboration to maximize impact, sustainability, ensuring duplication is avoided.

Effectiveness

86. The SESC project has made significant progress, achieving approximately 60–80% of its planned milestones across the two primary outcomes mentioned below:

- *Outcome 1: Enhanced ESC Capacity (Fully achieved)*

87. **The project trained 1,372 ESC officials (1,076 men, 296 women) across seven provinces, including 30 employment coordinators from 30 model ESCs. Among these, 13 model ESCs were selected in the first round by MoLESS. Additionally, 6 employment coordinators, 20 government officials and 5 professionals completed a 5-day master trainer (ToT) course. Furthermore, 30 ESC staff from 13 model ESCs were oriented on integrated labour and employment services, local employment strategies, and advanced PES management.** On-the-job training supported staff in delivering job referral, matching, employer engagement, and job fairs. From Feb–June 2024, 4,166 jobseekers (2,834 men, 1,332 women) were registered; 651 counselled; 566 referred for training; and 184 for employment. Key activities included 27 private sector meetings, 9 job fairs (including 2 independently organized by municipalities), and 17 community outreach campaigns. All 13 model ESCs secured municipal budgets for FY 2081/82 B.S. (2024–2025), with clearly defined annual work plans that include allocated budgets for ESC activities. With the project's support, 8 ESCs have developed local employment strategies, while another 8 are currently in the process of developing theirs.

88. **Labour Market Needs Assessments** (13 local) identified 16 high-demand sectors, helping tailor job placements. Satisfaction was high: 85% of surveyed ESC staff expressed satisfaction, with 15% strongly satisfied. Job fairs like Dhangadhi trained 1,000+ individuals (52% women).

89. **Alignment with national policies** improved despite limited staff, funding, and digital resources.

- *Outcome 2: Strengthened Institutional Framework (Partially achieved)*

90. **Progress includes drafting a Labour and Employment Policy in Sudurpashchim and policy revision plans in Madhesh. A key achievement is the commissioning of a PES Assessment** which recommendations informed other endeavours. The project is supporting federal-level reforms, including drafting the ESC Vision 2030 based on recommendations from the PES Assessment – leading to the development of the National PES Strategy. Madhesh allocated US $256,092.18 for employment services and created 8 district labour officer roles; Sudurpashchim integrated employment promotion into its fiscal plan. Private sector engagement mapped 3,678 stakeholders and held 27 meetings. A strategic partnership with the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is underway, aiming to develop a Private Sector Engagement Strategy. The strategy will establish mechanisms for employment dialogues, data exchange, and piloting initiatives, and will be used by both ESCs and employers to strengthen collaboration and service delivery.

91. **A finalized M&E system is expected by June 2025**, and includes senior leadership and joint monitoring with Development Partners. The M&E framework is designed to create a systematic, evidence-based approach to improving the delivery of integrated employment services. It will enable thorough monitoring of ESC performance in key areas such as job placement, skills development, and other relevant indicators. The project is leveraging digitalization to institutionalize knowledge and enhance sustainability. Digital tools, such as the M&E system, improve effectiveness through real-time data, boost efficiency by streamlining processes, and support long-term sustainability via better accountability and continuous service improvement. It is essential for the M&E system's capacity to capture and report disaggregated data - by gender, disability, and other factors - to ensure inclusive, evidence-based decision-making that enhances effectiveness, efficiency, and sustainability. Regular monitoring will help identify both areas of success and those requiring improvement or additional support - ultimately contributing to more effective and accountable service delivery. Continued consultations with government officials, private sector, and trade unions will ensure inclusive feedback. In terms of M&E, for implementation and reporting purposes, the project has already developed an interactive database to monitor and track disaggregated data. Monitoring data will therefore in general continue to guide adjustments, support transparency, and foster learning.

92. **Challenges until now included delays in institutional reforms and the approval of all project activities, except capacity building training for ESCs, which slowed policy finalization and coordination.** Unclear role definitions across government levels and coordination gaps due to federalism impeded effective implementation. Scaling beyond the 13 Model ESCs is limited without formal institutionalization and stronger legal frameworks. Incomplete M&E and private sector engagement, low municipal awareness outside model ESCs, and limited staff time (only 40% dedicated to employment services) further constrained progress. Gender disparities persist, with only 21.5% of trained officials being women. Staffing shortages, funding uncertainties, political instability, and lack of a legal mandate threaten sustainability. Additionally, inadequate infrastructure and low digital platform uptake continued to hinder service delivery.

93. **Despite these challenges, policy dialogues and provincial planning workshops fostered greater local ownership, stakeholder collaboration, and momentum for reform** – paving the way for systemic and accelerated change, provided sufficient funding is secured for this critical intervention in Nepal. Stakeholder feedback shows that - while the majority of respondents are satisfied with the ESC project, significant challenges remain, particularly in resource constraints, capacity-building, and inclusivity. Capacity-building trainings have been well received and deemed highly relevant, though refresher trainings remain lacking. The project has made groundwork progress in building private sector partnerships and promoting gender and social inclusion through initiatives such as specialized GESI training modules. However, barriers like limited accessibility of ESC offices for people with disabilities, incomplete employment policy development, and perceptions of ESCs as extensions of the PMEP rather than municipal entities persist.

94. Ongoing collaboration across government levels and development partners, along with a strong monitoring framework and emerging strategic partnerships (e.g., with FNCCI), reflect **promising advances toward sustainability and enhanced service delivery**. Addressing these challenges through continuous capacity building, robust strategy development, and improved data-driven tools will be key to realizing the project's longer-term objectives – while partnering with local implementing partners, as planned.

95. **Key Numbers & Results**. (See Annexes x and x for more information on project performance)

- 4,166 jobseekers registered (1,332 women)
- 651 counselled; 750 referred (566 training, 184 employment)
- 1,372 ESC officials trained (21.5% women)

- 15 Labour Market Assessments conducted
- 3,678 private sector stakeholders mapped
- 27 private sector meetings and 9 job fairs held
- Significant budget allocations secured (US $256,092.18 in Madhesh and local funds in 13 model ESCs)
- 85% of ESC staff reported satisfaction, with 15% indicating strong satisfaction.

96. *Outcome 1 has been fully achieved, while Outcome 2 is partially met. The project demonstrates strong progress in capacity development, stakeholder engagement, and policy advancement. However, there are remaining needs in terms of enhancing inclusivity, strengthening institutional coordination, and finalizing the M&E framework. Continued government support and strategic partnerships are essential to ensure sustainability and enable effective scaling.*

Stakeholder Engagement and Project Assessment

97. Several concerns raised during the stakeholder workshop required clarification to ensure a balanced and evidence-based assessment. Initial concerns - such as perceived delays in implementation - highlighted the need for more complete information to fully understand the project's operational context and challenges. As more data became available through the MTR process, the analysis provided a clearer, more nuanced picture of both progress and obstacles. This report reflects that complexity, recognizing divergent views, evolving understanding, and differing expectations.

98. Furthermore, key stakeholders were invited to engage in open dialogue to clarify ILO's mandate, added value, and coordination with development partners. In doing so, the evaluation upholds ethical obligations to fairness, accuracy, and transparency.

Implementation Challenges and Adaptive Responses

99. The evaluation gathered divergent views regarding coordination challenges, which were largely influenced by logistical constraints in convening high-level meetings at short notice, despite appropriate communication processes being in place. Furthermore, there is evidence that ILO senior management were open to discuss any pending issue. As mentioned earlier, the government delayed approval to conduct project activities (except for capacity building activities under Component 1). Further project expansion was also delayed by the absence of a legal and policy framework at the time. **Despite this challenge and perceptions of a slow implementation pace, key systemic and behavioural changes have been successfully achieved by the project in a short span of time.** This was made possible thanks to ILO's flexible approach at the federal level, responsiveness to requests, and continued support - even with limited resources and significant travel demands across Nepal.

100. **ILO's engagement at the policy level - both within the SESC project and more broadly - are contributing to lasting institutional improvements.** ESCs continue to face structural vulnerabilities due to inconsistent funding. The project is supported MoLESS in gradually institutionalizing ESCs by developing frameworks and guidelines at provincial and local levels. Though this process naturally takes time, it reflects steady progress toward systemic change under Nepal's federal structure.

Project Performance and Strategic Progress

101. The MTR confirmed no evidence of project mismanagement. Delays were primarily due to structural factors - such as late government approvals and unclear institutional mandates - rather than implementation failures. Once approvals were granted, the project team mobilized swiftly, achieving results despite resource constraints. The Ministry's plans for developing the National PES Strategy, backed by the recent PES assessment and an institutional roadmap, marks a pivotal step toward decentralized employment services. With ILO's technical support, MoLESS is facilitating bilateral consultations to clarify roles across government tiers. A concept note and accompanying action plan, drafted by the government with SESC support between February and May 2025, demonstrates rapid progress enabled by sustained ILO support. This

includes the establishment of a Division for Internal Employment within MoLESS, addressing the structural imbalance between domestic and foreign employment. The development of related strategies and guidelines has been informed by inputs and technical support from the project. The table below presents project management insights and challenges.

Project's weaknesses	MTR Findings
1. Institutional Anchoring ▸ ESCs are not embedded within larger municipal systems or development plans.	Based on available data, policy and institutional reforms are gradually leading to an institutional anchoring as advocated by ILO.
2. Job Security & Structure ▸ Staff salaries are precarious and dependent on mayoral discretion. Some staff report at the national level and some at the municipal level.	The ground has been prepared by the project for accelerated operationalization of ESCs with planned support of well-suited local organizations. This has been possible after receiving government approval to conduct activities under Component II in November 2023. Based on the data collected and as planned by the project, the partnership with MuAN will be instrumental in fostering more systematic commitment from local governments, supporting ESCs and municipal economic development, and facilitating collaboration with training providers and partners such as the Federation of Professional Training and Employment Nepal (FPTEN). This non-governmental umbrella organization established in 2015 brings together over 850 private training institutes and 12 associations across Nepal.
3. Limited Visibility & Reach ▸ Poor ESCS office locations and public visibility.	Based on stakeholder consultations, the project will continue advocating for realistic budget allocations to enhance ESC visibility and outreach. Future operational feasibility studies should explicitly consider the needs of people with disabilities and ensure their access to ESC services. ESC staff noted that the project provided effective support for communication and outreach. However, local government budget constraints continue to limit dissemination efforts. In addition, weak communication and procedural gaps across the three tiers of government - federal, provincial, and local - need to be addressed at both the policy and operational levels. Strengthening intergovernmental coordination and allocating adequate resources will be essential to improve information flow (e.g., most respondents were unaware of the provincial labour and employment policy) and raise public awareness of available services.
4. Low Budgets ▸ ESCS s receive no direct funds to run their activities; training budgets are episodic and require more a tailored and in-depth approach.	According to available information - and supported by continued collaboration, advocacy, and recommendations from ILO - the government plans to address local budgetary needs based on an initial lump sum allocation, with a focus on identifying funding gaps. MTR data confirms that current budgets remain insufficient to adequately support employment promotion activities.
5. Training Gaps / Expertise ▸ Capacity building materials are limited to PowerPoint presentations. ▸ The level of expertise of consultants providing on-the-job support has been perceived at times as lower than expected. ▸ Adapting training (specific context and needs); Adult training and instructional design.	The project successfully trained existing ESC staff. While some capacity was lost due to the discontinuation of certain ESC staff contracts, the project is not responsible for job financing or staff turnover. The SESC project plans to share a revised training manual that is nearing finalization, which will help mitigate this loss of capacity. Initially, the manual was intended to cover only technical sessions. However, at the government's request to include generic sessions, the timeline for finalizing the already revised manual was extended. The finalized training manual, alongside the forthcoming ESC management manual, will significantly contribute to long-term capacity transfer and retention within the public system - a key determinant of sustainability. In addition, the project is actively exploring digitalization opportunities to further institutionalize knowledge and foster sustainable practices. This could strengthen capacity building by improving

	effectiveness through accessible, high-quality materials, enhancing efficiency via easier dissemination, and supporting sustainability by embedding good practices into institutional frameworks. ESCs are actively registering job seekers and providing counselling services. It will be important to involve ESC staff and local experts in further customizing the training materials to meet local needs, while maintaining quality instructional design. The project encountered divergent views on the quality of on-the-job support. It was also shared that this may be considered cautiously, as federal government support is not always fully welcomed at the local level. To monitor capacity-building quality, the project team has prepared a questionnaire that will soon be disseminated. Overall, ESC staff, Mayors, Deputy Mayors, and Chief Administrative Officers (CAOs) recognized the significant contribution of the SESC project in strengthening ESC teams' capacity to fulfil new mandates for employment promotion. With the project's technical assistance, ESCs developed employment promotion work plans, with some local governments allocating budgets for implementation.
6. Inter-Governmental Coordination ▸ Collaboration between federal, provincial, and local governments requires clarification in terms of roles and responsibilities at an early stage.	Elected representatives and Chief Administrative Officers (CAOs) are increasingly recognizing the importance of ESCs. The project has facilitated substantial progress in fostering collaboration across the three tiers of government, securing strong federal commitment to strengthen the operationalization of ESCs at the local level. This progress is reflected in concrete outputs such as the drafting of the ESC Vision 2030, based on recommendations from the PES Assessment, as well as ongoing policy dialogues and engagement of three tiers of government.
7. Scaling Limitations ▸ No classification or prioritization plan for expanding ESCs across all municipalities.	The existing draft ESC Vision clearly outlines ESC categorization based on the following criteria: local population size, the range of employment services provided, and the extent of coordination with the private sector. These groupings are indicative and may be adjusted according to local needs, available resources, and findings from future organizational assessments. Additionally, based on feedback, it would be important to address underlying factors - such as the level of economic development, the nature of local industries, employment availability, and expected footfall - either as part of the current draft or through further refinement.
8. Management Delays ▸ Delays in formal approvals as well as lengthy procurement processes (out of the control of the project team) hinder project implementation. ▸ Procedural delays hinder planning.	Despite delays and challenges faced by the project, model ESCs are actively registering job seekers and providing counselling services, demonstrating value for money even with some staff turnover. The organization of job fairs by municipalities reflects their role in promoting employment services.

▶ Table 1 –Summary of Project Management Insights and Challenges

102. Efforts such as policy dialogues, provincial planning, initial private sector engagement and community outreach have laid a strong foundation for structural transformation within Nepal's evolving federal governance system. These successes were achieved despite frequent leadership turnover and limited budgets, largely thanks to the team's agility and the National Project Coordinator's recognized capacity for cross-level coordination, as reflected in available data and consultations. However, lengthy organizational processes beyond the project team's control, such as procurement delays, may need to be addressed at higher management levels to maintain competitiveness in a complex environment marked by reduced funding both globally and locally.

103. Moving forward, it is well recognized - and has been reiterated across various consultations - that ILO's added value lies primarily at the federal and provincial levels, where its mandate, technical comparative advantage, and procedural frameworks are best aligned. The implementation of activities at the municipal level, as outlined in the logframe (e.g., activities 1.2.2, 2.2.1, and 2.2.2), is expected to be carried out more effectively by local actors, with ILO continuing to provide upstream policy and systems support. A balanced division of labour, where ILO focuses on federal and provincial engagement, and implementation is increasingly led by local actors, is essential for delivering sustainable and transformative results at all levels.

Efficiency

Project Management, Resource Use, and Implementation Challenges

104. The SESC project has taken on an ambitious, multi-level mandate to strengthen Employment Service Centres (ESCs) and Public Employment Services (PES) across federal, provincial, and local levels, recognizing that building a functional system will require gradual, realistic progress over time. Despite operating with a modest two-person team and facing frequent political and administrative turnover, the project has achieved notable progress. Several dialogues facilitated by the project have enabled the Ministry, particularly PMEP, to take ownership and ensure the continuation of Employment Service Centres (ESCs). As a result, federal-level resources have been secured to cover ESC Employment Coordinators' salaries for the upcoming fiscal year. This is an important step toward institutional sustainability. However, with the closure of the World Bank's YETI project, funding for two assistant positions will end in June 2025 unless alternatives are identified. This gap risks undermining the effectiveness of the project's capacity-building efforts across all 753 municipalities.

105. Late approval to proceed with activities under Component II significantly affected the timely delivery of key outputs such as the Public Employment Service (PES) review and the FNCCI Memorandum of Understanding (MOU). This is to be followed by the Implementation Agreement with FNCCI, with Terms of Reference (ToR) based on the recommendations of the PES Assessment. All ESCs benefited from a 4-day training, and 30 model ESCs received an additional 2-day training with minimal follow-up. While capacity-building activities are now completed, securing additional funding for refresher and advanced training would be instrumental to reinforce operational improvements.

Financial Execution and Resource Allocation

106. As of the latest available data, the project has utilized 38% of its total budget, which includes contributions from ILO, World Bank, and SDC. Of the total expenditures, 46% were allocated to Management and Operations costs, while 54% were directed toward project activities - 88% of which supported Component I and 12% Component II. Focusing on SDC specifically, USD 279,000 of the USD 851,000 received had been spent by mid-July 2024, reflecting a 33% burn rate. Notably, 62% of these expenditures were allocated to project management and oversight. Capacity-building investments were jointly funded by donors ILO, World Bank and SDC. ILO also financed USD 22,500 for the review and update of ESC operational manuals, and covered travel costs under its Management and Operations costs.

107. While spending has progressed more slowly than anticipated - primarily due to approval delays and procedural bottlenecks - evaluation data indicates that the project is now well-positioned to accelerate activity and optimize spending. The project plans to contract local organizations to support implementation at the ESC level, and is also exploring e-learning solutions to expand the reach and sustainability of capacity-building efforts. Nevertheless, procurement and administrative procedures remain a key challenge to timely delivery.

Structural Limitations

108. The current management structure is not fully equipped to manage the scope and complexity of the project. Sustained and effective coordination across federal, provincial,

and local governments requires reinforced mechanisms, comprehensive monitoring, and additional human resources. Based on consultations, given the scale and demands of implementation, it would be advisable to explore the potential benefits of involving more senior-level management in selected areas. Conducting feasibility assessments could help identify practical solutions to strengthen delivery and ensure smoother implementation. Despite these limitations, national partners have remained supportive, and the sustained commitment from ILO and the project team has been central to maintaining momentum.

- *Stakeholder Engagement and Communications*

109. The project has actively engaged a broad range of stakeholders - government officials, employers, trade unions, training providers, TVET experts, migration, reintegration and employment projects, and community members - throughout its implementation. This inclusive approach has been essential to progress in training, labour market assessments, private sector engagement, and policy dialogue.

110. The project team also collaborates closely with the ILO Country Office Communications Officer to share updates and successes via social media. A dedicated communications strategy, currently under development, will further support ESCs in promoting their services and sustaining outreach and advocacy efforts.

- *Technical Backstopping and Support*

111. The project benefits from strong technical and administrative backstopping from the ILO Decent Work Team in New Delhi and Labour Market Services for Transition Unit, ILO Headquarters. This support has been vital in navigating technical complexities and advancing core project components.

Sustainability and Impact

- *Institutionalization and Policy Alignment for Sustainable Employment Services*

112. The implemented project holds significant potential for institutionalizing its results within government structures, ensuring long-term sustainability and impact on the country's employment services.

Through a series of coordinated efforts at the federal, provincial, and local levels, the project has addressed the gaps in policy and institutional frameworks that hinder effective service delivery in employment services and assessment systems. The project made a substantial contribution to the development of an institutional framework that can guide the sustainability of ESCs. By collaborating with all three government levels, the project has enhanced the institutional capacity to manage and oversee employment services effectively. Notably, the government has committed to developing the ESC Vision Document and the National PES Strategy, which will form the basis of future national-level actions and policy frameworks. Furthermore, the involvement of the Municipal Association of Nepal (MuAN) in the project's efforts to build the capacity of municipal leaders and officials highlights the emphasis on ensuring local ownership and long-term institutionalization. Expanding partnerships with organizations like FNCCI and CCIs will foster a demand-driven approach to employment services. This initiative will allow ESCs to be integrated within the permanent structures of local government administrations, ensuring that employment services are sustained at the municipal level, where they are most needed. The development of monitoring and evaluation frameworks, along with the systematic collection of data on job placement and skills development to be merged with an upcoming centralized database, will further contribute to the continuous improvement of employment services in the country. (See Annex 12)

113. As mentioned earlier, a key achievement has been the commissioning of the **"Assessment of PES and Labour Market Policies". This laid the groundwork for understanding the roles and responsibilities across the three government tiers.** The findings of this assessment will help inform future policy decisions, resource allocations, and governance structures necessary

for the effective and sustainable operation of ESCs across the country. These findings are not viewed as mere project outputs but are treated as government assets, ensuring that they are used for future development initiatives, thereby enhancing the government's ability to fulfil its legal mandates under the Right to Employment Act 2018 and the Integrated Labour and Employment Service Procedure–2023.

114. **A major component of the sustainability strategy is the development of a National Private Engagement Strategy in partnership with the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).** This strategy is crucial for enhancing private sector involvement in employment services, aligning them with industry needs, and promoting a sustainable model of job creation and skills development.

- *Capacity, Financing, and Local Economic Integration*

115. **In a global context where Nepal cannot rely heavily on migration remittances and international aid on the longer-term, integrating PES with local economic development strategies, enhancing staff skills, strengthening private sector partnerships, and advancing policy work are essential for the impact and sustainability of the project.** Based on a cross-section of views, elected representatives and CAOs at the local level are gradually recognizing the importance of ESCs.

116. While further tailored capacity building involving local actors and the private sector, along with strengthening institutional memory across all government levels, is needed, **ESCs are now better equipped to match job seekers with opportunities, offer targeted training, and foster entrepreneurship and job creation in key sectors.** The training manual that is currently being finalized will help institutionalize these practices, complementing the existing training materials (currently in PowerPoint format) and ensuring ESCs and training providers retain the capacity to deliver quality services over time. Additionally, the project's exploration of digital solutions offers an additional pathway to strengthen institutional memory, broaden access to training, and further enhance long-term sustainability. The project's work on strengthening data collection and analysis has also empowered local and provincial governments to make more informed decisions about employment policies and programmes, enhancing the sustainability of the services provided. Supporting priority sectors through tools like Business Development Services (BDS), Technical and Vocational Education and Training (TVET), marketing and digital tools will further drive local economic growth and job creation.

117. Additionally, by **embedding the lessons learned and strategies developed throughout the project into government policies and frameworks**, the knowledge gained can be utilized for future policymaking and capacity building. Ultimately, the government's commitment to maintaining salaries of Employment Coordinators, and reinforcing the institutional capacity for sustainable employment services are encouraging signs. At this early stage, the assessment of potential impacts is done exclusively on the basis of opinions expressed by stakeholders. The MTR found evidence of solid strategies in place to accelerate project implementation during the second part of the implementation phase. The section on project redesign alternatives provides more details on possible future orientations.

- *Advancing Institutional Sustainability and Local Ownership of Employment Services*

118. The project plans to **shift from primarily policy-level work to a stronger local implementation** focus, while continuing to strengthen the overall enabling environment for inclusive and effective Public Employment Services (PES). This transition builds on a growing recognition - among national and local policymakers, social partners, and community actors - of the value of rights-based, gender-responsive employment systems. This is an important early step toward normative change, with increasing interest in aligning local practices with international labour standards and ensuring full participation of all tripartite constituents.

119. The ILO SESC project operates without direct financial contributions to Employment Service Centres (ESCs). It was initially designed under the assumption that the federal government would fund service delivery, while SESC would provide technical assistance. However,

government prioritization of the 100-day Cash for Work programme over ESC-led employment promotion has created funding gaps. **For ESCs to function sustainably, financial support and capacity-building must be integrated.**

▶ *Strategic Partnerships and the Role of ILO in Systemic Change*

120. ILO's role is crucial in this transformation. As the only UN agency mandated to promote decent work and strengthen PES, the ILO provides the legitimacy, expertise, and tripartite approach essential for ensuring government ownership and policy coherence. Its expertise in fostering rights-based, gender-responsive employment systems for marginalized groups, including persons with disabilities and informal workers, is vital in Nepal, where over 80% of the workforce is informal. It will be crucial that ILO collaborates with local implementing partners who can drive the engagement of local changemakers, training providers and the private sector.

Gender and disability issues assessment

▶ *Advancing Gender Equality and Social Inclusion in Public Employment Services*

121. Gender equality has long been a central priority for the ILO, as reflected in the Director-General's Circular No. 564 (1999), which calls for the integration of gender equality across all aspects of the ILO's work.

122. Evidence shows that the project made efforts to integrate Gender Equality and Social Inclusion (GESI) considerations into its activities. The project design includes gender considerations, such as the monitoring and reporting of disaggregated data. While no separate budget has been allocated for gender-specific activities, the project has incorporated GESI modules into training programmes for all 753 Employment Service Centres (ESCs) to ensure inclusivity. In collaboration with the EU-supported ILO project, Empowering Women for a Prosperous Nepal (EWPN), the SESC project developed Gender Equality, Disability, and Social Inclusion (GEDSI) tools, now endorsed by the GEDSI Committee at the Ministry. These tools guide the integration of GESI across Public Employment Services (PES), covering policy, human resources, and service delivery. Additionally, the project has supported provincial workshops and is collaborating with other initiatives to enhance ESC services for survivors of gender-based violence (GBV), as well as to provide specialized training for ESC staff. The SESC and EWPN projects are also working to address regional disparities, such as the higher female unemployment rate in Madhesh (28.6% vs. 15.3% for men), by focusing on targeted support for women and GBV survivors. Moving forward, both projects plan to strengthen ESCs further by developing GESI-aligned Standard Operating Procedures (SOPs) and enhancing staff capacity to deliver inclusive services.

▶ *Challenges and Opportunities for Inclusive Service Delivery in ESCs*

123. In continuation of achievements such as the establishment of "women's clubs" at ESCs under the YETI project, the project supported the drafting of guidelines that further advance gender equality. Despite these efforts, ESCs continue to face challenges, such as a lack of demand-side data, budget constraints, and cultural barriers, particularly in rural areas.

124. Disadvantaged groups are harder to reach due to their focus on immediate survival needs. Accessibility issues for people with disabilities (PwD) have also been noted, as many ESC offices are not disability-friendly and lack specific guidelines. Additionally, ESCs' low visibility within municipalities limits their reach, particularly for vulnerable groups. While the project is underway, there is a significant opportunity to deepen its impact by strengthening strategy implementation and innovative approaches that address the systemic challenges women face, notably reaching out to women in the informal economy.

- *Strengthening Disability Inclusion and Gender Mainstreaming for Sustainable Impact*

125. The evaluation highlighted that the project has not yet sufficiently addressed disability issues, which are essential for inclusive development. Incorporating both gender and disability considerations is crucial for promoting decent work and economic empowerment for all. Strengthening these aspects will improve the project's effectiveness and align it with the ILO's strategic objectives, particularly in supporting the 2030 Agenda for Sustainable Development and inclusive growth. These efforts are vital for advancing social justice and equity for all workers.

International Labour Standards issues assessment

126. The project aligns with key International Labour Standards (ILS), including C88 (Employment Services), C111 (Discrimination), and C122 (Employment Policy), contributing to the alignment of Employment Service Centres (ESCs) with international norms. As part of this effort, the project helps identify policy gaps and supports improvements in institutional frameworks, enhancing the quality and compliance of employment services by integrating ILS into ESCs' operations. While NGOs play a vital role in facilitating local-level interventions, ILO's role in aligning national policies and frameworks with International Labour Standards (ILS) remains indispensable. A strong policy framework, underpinned by ILS alignment, ensures that local-level implementation of employment services is effective, sustainable, and compliant with global labour standards. This alignment provides the necessary structure for scalable and inclusive employment strategies, while fostering an environment that can adapt to local needs. The project aligns with the objectives of ILO Convention No. 181 on Private Employment Agencies, which focuses on regulating private sector recruitment agencies to promote ethical recruitment practices and safeguard workers' rights. By addressing systemic challenges and advancing relevant policy recommendations, the project helps create favourable conditions that support the country's potential ratification of this convention.

127. The ILO plays a crucial role in providing technical guidance, facilitating social dialogue, and ensuring that national policies and practices remain aligned with evolving ILO standards. Through its unique tripartite mandate, the ILO fosters collaboration between governments, employers, and trade unions, ensuring that the voices of all stakeholders are heard. According to the MTR findings, enhanced collaboration with the private sector and trade unions will be crucial for ensuring the development of sustainable employment strategies and fostering an inclusive labour market. Ongoing dialogue with international bodies ensures that ESCs stay up to date with best practices and global labour rights frameworks, benefiting from ILO expertise in shaping policies that promote decent work, equitable economic growth, and social inclusion for all workers.

Just transition to environmental sustainability

128. The latest Program and Budget (P&B) for 2022-23 (covering the ILO's biennium), in line with the ILO's Strategic Plan, continues to emphasize the importance of a just transition to environmental sustainability, although with a more pronounced focus on inclusive and equitable transitions. The 2022-23 P&B outlines the promotion of a just transition as a central element in ILO's approach to sustainable economic growth and decent work, linking it directly to the achievement of the 2030 Agenda for Sustainable Development, the Paris Agreement, and the ILO's core labour standards. The ILO's Strategic Plan for 2018–21 incorporated a just transition to environmental sustainability as a fourth cross-cutting policy driver, in addition to gender equality and non-discrimination, international labour standards, and tripartism.

129. The project, while primarily focused on employment services, has made progress in supporting a just transition to environmental sustainability. Efforts are underway to incorporate green job

creation and climate resilience into local employment strategies, particularly in municipalities highly vulnerable to climate change. These initiatives are aligned with broader discussions on how employment services can contribute to achieving the Sustainable Development Goals (SDGs). By integrating environmental sustainability into local employment strategies, the project is not only addressing immediate labour market needs but also enhancing the long-term resilience of the workforce, ensuring that employment growth is both sustainable and adaptable to future environmental challenges. As mentioned above, Labour Market Assessments in Madhesh and Sudurpashchim provinces have provided key data for revising provincial employment policies, supporting green job promotion and decentralized strategies.

Lessons learned

- *1. The importance of foundational structures*

130. To ensure the long-term success of initiatives, continuous support – both human and financial – is essential beyond the pilot phases. This requires strategic, structured approaches to sustain momentum through outreach, change management, and resource mobilization. Limited support can undermine significant investments and hinder the achievement of long-term outcomes. The mid-term review revealed that, despite early requests for capacity building, key systems and structures were still under development. This emphasized the importance of foundational work – such as policy development, role clarity, and funding arrangements – to better position projects for sustainable capacity-building interventions. Nevertheless, it was essential for the project to proceed with capacity-building efforts under existing circumstances. This allowed ESCs to begin operations with new services and demonstrate early results – which, under the circumstances, were the only feasible activities the project could undertake.

- *2. Shared responsibility among stakeholders*

131. The review emphasizes the need for shared responsibility among all key stakeholders (tripartite constituents, donors, and the implementing agency) to ensure that foundational elements are prioritized and addressed before initiating capacity-building activities. This means moving beyond short-term or localised interventions to support a nationally coherent system - ensuring that ESCs are embedded as a permanent part of the country's employment infrastructure, capable of delivering inclusive and sustainable labour market outcomes – taking into consideration that systemic change happens gradually if leading to stabilization of the labour market and the reduction of unemployment rates.

- *3. Sequenced capacity building:*

132. The review stresses that capacity-building efforts are most impactful when supported by an enabling environment, as reflected in multiple consultations. By establishing the necessary foundations (i.e., policies, governance structures, and general and local-level funding) reinforced by an enabling environment, and not hindering project implementation related to policy dialogue, training and capacity-building initiatives will have a more lasting and impactful effect.

Emerging good practice

- *1. Multi-Tier Government Collaboration*

133. The project established a collaborative framework across federal, provincial, and local levels of government, while providing foundational training to enhance the institutional capacity of Employment Service Centres (ESCs). This multi-tier approach laid the groundwork for improved policy coordination and service delivery. It holds strong potential for replication in other federal or decentralized systems, especially those facing regional disparities or governance challenges.

2. Comprehensive Policy Assessment

134. The project carried out an in-depth assessment of Public Employment Services (PES) and labour market policies, clarifying roles and identifying critical system gaps. The results have been instrumental in shaping a coherent policy framework essential for effective governance and service delivery. This approach provides valuable insights that can guide similar policy reforms in other countries with comparable challenges.

3. Strengthening Local Government through Initial Municipal Engagement

135. A key practice was the engagement of the Municipal Association of Nepal (MUAN), which will help increase local government involvement in employment services. This collaboration empowers local governments to play an essential role in delivering and sustaining employment services. While the partnership is still in its early stages, the planned engagement of the private sector, alongside MuAN, will further enhance local capacity and promote employment-focused economic development.

Project Design implications

Way Forward Aligned with PES Assessment Recommendations

136. To develop a more inclusive, efficient, and responsive Public Employment Service (PES), a set of interconnected strategic objectives must guide its transformation. It should be noted that this represents a major PES reform that requires a realistic approach and a clear roadmap. In the absence of adequate funding and capacity at MoLESS, provincial, and local government levels, actualizing these reforms remains uncertain. It will be important to explore how additional funding and complementary projects, in collaboration with ILO SESC project, could support successful implementation.

- **Policy and institutional reforms** are essential to clarify roles and responsibilities across all levels of government, ensuring that the PES functions effectively and remains aligned with national and subnational priorities.
- **An integrated labour market information system** enables data-driven decisions, helping stakeholders respond to trends such as skills shortages, emerging sectors, and regional disparities.
- **Decentralized and localized employment services** ensure that interventions are tailored to specific community needs, increasing their relevance and impact.
- **Digitalization improves both accessibility and efficiency,** provided that digital inclusion measures are in place to avoid leaving behind those with limited access or digital literacy.
- **Closer collaboration between employment services and employers** helps align training and support with actual market demand, easing job transitions for seekers.[2]
- **Comprehensive career guidance and employment readiness programmes** equip individuals with the tools to make informed choices and compete effectively in the labour market.
- **Effective management of labour migration and reintegration** ensures that returning workers receive the support needed to re-enter the domestic workforce.
- Finally, strong public–private partnerships enhance the responsiveness, reach, and sustainability of services. Together, these objectives lay the foundation for a dynamic and adaptable PES that delivers better employment outcomes and strengthens the labour market overall.

[2] Employment services and local benefit from further developing and expanding on-the-job training schemes, where employers benefit from student placements and trainees gain immediate employment upon graduation.



▶ **Figure 2 – PES Strategic objectives**

Design Implications and Way Forward

Given the evolving implementation context and emerging lessons on project design, an additional section on Design Implications and Way Forward has been included to support adaptive management.

137. **The design and scaling of Employment Service Centres (ESCs) must strategically embed integrated ESC services within the broader framework of local economic development.** At the local level, ESCs should be anchored within the Economic Development Division, working closely alongside the Social Development Division to ensure inclusive, comprehensive employment support. The **Division for Internal Employment** within MoLESS plays a crucial leadership role, while provincial labour officials must take on more active responsibilities to support ESC implementation. This multi-tiered approach allows for a gradual, realistic uptake of ESC services by local governments, avoiding a one-size-fits-all approach. Implementation guidelines should be flexible and tailored to local contexts and capacities, ensuring integrated and sustainable ESC operations in the context within the framework of, as stated above, a gradual and realistic change. Annex 11 presents the current and proposed alternative ESC structure, as well ESC staff's allocation of workload.

138. To ensure **operational effectiveness**, ESCs at the local level should have dedicated staff comprising at least one Employment Coordinator (EC). Resource allocation should reflect local needs and workload distribution - approximately 30% for PMEP/Cash-for-Work activities, 30% for migration-related services (including welfare and labour permits), and 40% for Employment Promotion Services - based on the time of one Employment Coordinator (EC), one Employment Assistant, and one Technical Assistant. However, with the two assistant roles not yet secured, Employment Promotion Services are delivered by only one-third of the original team, underscoring the urgent need for financial sustainability and stronger commitment from local governments.

139. Effective implementation requires clear roles and responsibilities at all government levels. While local governments manage day-to-day ESC operations and service delivery, federal and provincial authorities must be accountable for policy outcomes, strategic oversight, and resource management. **Embedding ESCs firmly within government structures and local economic development plans** will transform them from isolated service points into dynamic hubs for employment, inclusive growth, and systemic change across Nepal's evolving federal system.

140. The way forward includes:

🛡️ Ensure viable legal frameworks (long-term process) supported by technical assistance
📜 Preparing guidelines at federal, provincial, and local levels
🏢 Clarifying roles and categories of ESCs and ownership
🔎 Conducting needs, situational, and operational feasibility studies
🏛️ Empowering local governments and ensure financial sustainability
🚀 Piloting ESCs inclusively with adequate budgets and scaling strategies
👥 Developing clear terms of reference and staff recruitment plans
🌍 Providing complete employment service training packages, continuous capacity building, and knowledge sharing
🎓 Strengthening capacity building with e-learning, manuals, and refresher courses while avoiding duplication
🛠️ Delivering a full package of inclusive services supported by effective digital tools
🧠 Feeding lessons learned into policy revisions
🛤️ Establishing and monitoring clear action plans, roadmaps, and systemic change frameworks with expert support.

A clear employment service system requires strong policies, but many factors lie beyond the control of the project and the MoLESS, particularly at the provincial and local levels. Given limited capacity and federalism-related political challenges, an incremental, step-by-step reform within existing structures is most realistic. Donor support could be tied to government commitment at all three tiers to mainstream employment services and ensure adequate staffing.

141. The aforementioned activities should be supported by relevant working groups, networks, and advisory committees that capitalize on collective intelligence. As implementation progresses, it is essential to foster the development of local networks and promote convergence among key stakeholders - such as employment service providers, training institutions, certification bodies, career counselling services, and law enforcement agencies. Ensuring the continuity and institutionalization of these collaborative mechanisms will require additional resources and support, aligned with the ILO's core mandate.

▶ *The Economic Development Mandate of Municipalities*

142. To strengthen the financing of employment services and local economic development, municipalities in Nepal can enhance, with the support of ILO expertise, the use of their **constitutional taxation powers** - such as business taxes, service charges, and land registration fees - to sustainably finance Employment Service Centres (ESCs) and related economic initiatives. Placing ESCs under municipal Economic Development Divisions, especially in urban areas, would allow for closer alignment with growing local industries. By mobilizing local revenue, municipalities can reduce reliance on central government funding, ensure continuity of services, and actively collaborate with the private sector to offer targeted job matching, on-the-job training, and support for business growth in key sectors. All municipalities in Nepal have a mandate to prepare development plans and promote economic development.

143. Currently, most local economies are generating jobs and business growth through lead sectors, notably manufacturing, construction, transport, hospitality, agriculture, and services. However, much more could be done to **accelerate business growth, formalize micro and small enterprises, and improve the quality of jobs**. As mentioned earlier, relying heavily on remittances from migrant labour to boost household incomes is an insufficient long-term economic strategy for cities and towns across the country. Annex 10 presents a more comprehensive analysis of The Economic Development Mandate of Municipalities.

In alignment with the recommendations of the PES Assessment - which are directed to the Government - the following outlines a multi-phase approach, requiring more substantive resources - to strengthen institutionalization and coordination mechanisms across the three

tiers of government. This approach assumes government ownership, with development partner support aligned accordingly.

Multi-Phase Long-Term Approach

Strengthening Nepal's Public Employment Services (PES)

Phase	Focus	Key Actions
Phase 1 (Years 1–2)	Policy Alignment + Capacity	Finalize manuals, build trainers, pilot Model ESCs (structure, budget, HR), communication
Phase 2 (Years 3–4)	Scaling Up + Local Integration	Expand Model ESCs, deepen capacity, ensure budgets
Phase 3 (Year 5+)	Full Nationalization	Deepened local government ownership, embed in PES system

▶ **Figure 2 – PES Strategic objectives**



▶ **Figure 3 – ESC illustration**

6. Conclusions

The findings and assessment above lead to the following conclusions:

144. *Overall, the project has successfully laid the groundwork for institutionalizing employment services in Nepal by engaging all three tiers of government, conducting a comprehensive assessment of policies, and initiating collaboration with key stakeholders such as FNCCI and MuAN. These efforts have helped clarify roles and responsibilities, overcome initial resistance, and set the stage for stronger local ownership, creating the foundation for a more coherent and sustainable employment service delivery system. Building on these successes, ongoing efforts must focus on deepening institutional commitment, especially at the local level. Before considering scaling up interventions, the immediate priority is to ensure the capacity for minimum service delivery, as the very existence of the ESCs is at risk if local governments do not take responsibility for assigning staff. Strengthening the policy, governance and institutional frameworks remains essential, but must proceed incrementally, with changes realistically reflected in the 2026-2027 budget. Given that such reforms have historically required significant time to materialize, a multi-pronged strategy is critical - supporting the maintenance of service delivery at the ESCs - while simultaneously working with government at all levels to advance policy, financing, and institutional reforms. Once these conditions are met and relevant pilot interventions are implemented in line with available budgets and resources, scaling efforts can proceed more effectively - supporting the project's long-term institutionalization and impact.*

C1 - Relevance

145. **The SESC project plays a critical role in advancing Nepal's federalization by supporting the decentralization and reform of Public Employment Services (PES) in alignment with national priorities and ILO standards.** Building on the foundations of previous initiatives, particularly YETI, it strengthens Employment Service Centres (ESCs) in all 753 municipalities, following direct requests from the Government of Nepal. Facilitated by ILO's mandate, the project laid the ground for further strengthened collaboration across federal, provincial, and local levels.

146. The Mid-Term Review (MTR) found that the original Theory of Change (ToC) could be further developed by integrating three waves of change within a multi-phase approach, including mindset shifts and the sequenced pathway adopted by the project after a slow start that required immediate capacity-building action - despite preconditions for systemic change not yet being in place. The initial assumption that policy and operational components would evolve in tandem did not materialize due to delayed approval of project activities constraints. Following the initial capacity-building activities, that were required to be able to move forward within the existing framework, the project can now progress with its phased approach - grounding the intervention in policy development, progressing towards implementation as much as possible with adequate financial support to sustain ESCs at the local level, and subsequently moving to scaling up. This logic, embedded in the project's next steps, acknowledges the need for sustained behavioural and institutional shifts, improved coordination, effective data use, and the long-term integration of PES structures, including ESCs, into local governance systems.

C2 - Coherence

147. The SESC project is strongly aligned with Nepal's national development priorities and the Right to Employment Act (2018), which provides the legal foundation for Employment Service Centres (ESCs). It supports the government's PES reform agenda and federalization process by working closely with the Ministry of Labour, Employment and Social Security (MoLESS) and

contributing to labour and employment policy development in provinces like Madhesh and Sudurpaschim.

148. Coordination with other development initiatives particularly those led by ILO and SDC, such as EWPN, ENSSURE, ReMi, SaMi, MRCs, MEDPA, and development partners, is encouraged to **foster complementarities and expand the reach of employment services.** However, migration-related projects often lack the **institutional anchoring and legal integration** that characterize the SESC project. While these initiatives frequently operate through temporary or parallel structures, SESC is firmly embedded in Nepal's institutional reform framework and supported by a strong legal mandate. Findings highlight that effective coordination among all projects to jointly strengthen ESCs is relevant and valuable. However, leveraging ILO's unique mandate and technical expertise remains essential to maximize the impact, sustainability, and value for money of investments aimed at advancing integrated ESC services. ILO's leadership is key to driving the systemic change, required to achieve lasting reform across all three tiers of government, and without which such structural transformation cannot occur.

C3 - Effectiveness

149. **The SESC project has made notable progress to enable strengthened institutional and operational efficiency for ESCs in Nepal, where PES are still nascent and full implementation only began last year.** Key achievements include the training of over 1,300 ESC officials, operationalization of 13 model ESCs with municipal budget commitments, and the delivery of targeted services such as job fairs, counselling, and referrals.

150. At the federal level, key milestones include the development of the National PES Strategy. The establishment of a Division for Internal Employment within MoLESS highlights progress at the systems level supported by guidelines by guidelines and technical inputs provided by the project. The project contributed to enhancing federalism and raising awareness about the importance of making it work - though significant political and administrative challenges remain, many of which lie beyond the control of the MoLESS. Despite persistent challenges - including staffing shortages, funding uncertainties, and delayed government approvals - the project has advanced institutional anchoring and fostered growing ownership across all three tiers of government, in close coordination with MoLESS and tripartite constituents.

151. **As Nepal's PES system is still evolving, the project's initial contribution lies in building foundational systems - without which local-level implementation or isolated capacity-building efforts would lack relevance and durability.** Human resource, procedural, and systemic challenges continue to limit scalability and long-term sustainability. Progress on institutional reform highlights the need for stronger legal mandates, clearer inter-governmental coordination, and well-defined roles across government levels.

152. The project experienced considerable delays, many of which were beyond ILO's control, including the time required to obtain approvals for implementing most activities beyond capacity building. Once these approvals were granted, the project team made significant progress in a short period - advancing dialogue, raising awareness around key systemic issues, and working toward the achievement of expected outputs. **Standard feasibility assessments** - typically covering financial, operational, and institutional aspects - are valuable tools as part of project design, risk management, and adaptation. These assessments help gauge the practicality of implementing proposed strategies within a dynamic context and support open dialogue with the donor. Their purpose is not to declare what is ultimately feasible, but to enable informed planning, resource alignment, risk mitigation, and expectation management - particularly in light of limited human and financial resources. It is also important to recognize that some areas of influence lie outside the project's direct control. In such cases, the project's role is best understood as supporting strategic engagement and advocacy with relevant stakeholders, including MoLESS, and focusing on what can realistically be achieved within the remaining timeframe - rather than bearing direct responsibility for institutional or policy-level outcomes.

153. *Going forward, it is essential to accelerate institutional and operational capacity at the local level, equipping ESCs to deliver integrated employment services effectively. This will require realistic scaling strategies, operational feasibility assessments, and increased investment - leveraging ILO's central role in fostering an enabling environment and institutional framework for sustainable, inclusive impact.*

C4 - Efficiency

154. **The SESC project has made notable progress in a short amount of time once approval was granted to implement most project activities**, despite challenges like limited staffing, funding uncertainties, and administrative delays – notably in procuring consultancy services. Under Component I, the project advanced capacity-building across municipalities, though the upcoming loss of funding for ESC support staff poses a risk to sustainability.

155. **Financial execution was initially slow but is now accelerating**, with plans to engage local partners. Structural and coordination challenges remain, calling notably for more senior leadership involvement. Continued technical support from ILO teams has helped navigate complexities. Operational feasibility assessments at key stages (e.g., design and mid-term) could help ensure that strategy implementation delivery remains practical and achievable, taking into account the project's limited human and financial resources, thereby supporting long-term success. Moreover, sustained stakeholder engagement and effective communication have been vital in maintaining momentum and broad-based support.

C5 - Sustainability and Impact Potential

Building Foundations and Empowering Local Innovation

156. **The SESC project paved the way for institutionalizing Public Employment Services (PES) in Nepal, through policy development, capacity building, and multi-tiered coordination.** These efforts created a pathway that fosters long-term sustainability and impact, positioning Employment Service Centres (ESCs) as key enablers of employment at the local level.

157. **To build on this progress, it is now essential to identify and empower local changemakers -** including actors from Business Development Services (BDS), Technical and Vocational Education and Training (TVET) institutions, and the private sector. These stakeholders are vital for driving innovation, building trust, and ensuring that ESCs respond to real local economic needs. Without their active involvement, service delivery will remain fragmented and insufficient.

158. *The intervention should leverage collective intelligence, applying innovative approaches such as design thinking, and strengthening the capacity of local governments to initiate and monitor multiplier effects.*

2. Integrating ESCs into Inclusive Local Economic Development

159. **ESCs must also be firmly embedded within broader local economic development plans.** This includes enhancing their role in business support, access to finance, innovation promotion, and employer-led training initiatives. Doing so will help ESCs move beyond job placement and become hubs of entrepreneurship, skills development, and local growth.

160. **This approach must also be inclusive by design.** With over 80% of Nepal's workforce in the informal sector, and significant barriers still faced by women, youth, and persons with disabilities (PwD), **targeted outreach and inclusive service models are essential.** ESCs should actively partner with community organizations, inclusive employers, and training providers to ensure these groups are not left behind. Reaching and serving the informal sector isn't optional – it is central to making employment services relevant and effective.

3. Advancing Partnerships, Systemic Change, and Sustainability

161. **The continued development of the National PES Strategy, the Private Sector Engagement Strategy, and structured partnerships** with FNCCI and CCIs provide promising platforms for advancing these goals. Inclusion, local ownership, and convergence with other development sectors - like TVET, enterprise development, and social protection - must remain at the heart of implementation.

162. **In conclusion, the sustainability and impact of the SESC project will depend on anchoring ESCs within not only dynamic, inclusive, and locally driven development ecosystems**, **but also within a comprehensive, systemic approach involving all three tiers of government**, **with the ILO playing a key role at the federal and provincial levels – based on its unique mandate.** By doing so, ESCs can evolve from mere service providers to true catalysts of change. While ILO has enabled agile and systemic action at the federal level, notably responding to short timeframes requiring quick responses, local organizations are better suited to act in an agile and systemic way at the local level.

163. *The complementary roles of both types of organizations and their distinct mandates ensure a well-rounded and successful endeavour in the mid- and longer.*

7. Recommendations

Recommendation A

(From conclusions 2, 3, 4 and 5)

164. Advance project implementation and scaling through comprehensive capacity building, coordination, and pilot initiatives; accelerate local government engagement and sustainability while maintaining strong support and guidance from federal and provincial levels, emphasizing shared goals and successes.

Addressed to	Priority	Importance	Resource implication
ILO, tripartite constituents and implementing partners	High	High	Medium

R1 (Short-Term): Finalize and institutionalize training manuals

Update, validate, and roll out the ESC training manual with local stakeholder involvement. *(Planned by the project)*

Establish a network of Master Trainers, including private training providers, as part of developing a sustainable training mechanism. *(This advances the project's goal of establishing a functional training mechanism by developing master trainers.)*

R2 (Short-Term): Categorize ESCs and clarify roles (This will be done as highlighted in the Draft ESC Vision 2030)

Provide technical assistance to advance ESC categorization and ownership roles across federal, provincial, and local governments, and contribute to setting up working groups for specific categories. ESC categorization should primarily focus on criteria that will result in the range of employment services, such as the level of economic development the nature of industry, employment availability and hence the expected footfall (the number of people expected to be using the ESC services per given time measure).

R3 (Short- to Mid-Term): Launch targeted capacity building and learning platforms

Deliver coordinated training packages, e-learning *(option the project is currently exploring)*, mentoring, and knowledge-sharing platforms, avoiding duplication. Assess further capacity building needs at MoLESS, provincial and local government levels to achieve the proposed *Way Forward Aligned with PES Assessment Recommendations* (See p.40, para.136)

R4 (Short- to Mid-Term): Pilot and support model ESCs

Prioritize pilot ESCs by supporting the development of adapted structures and advocating for the allocation of sufficient budgets - including for outreach, communication activities, and services targeting vulnerable groups - so they can serve as catalysts for scaling up.

Based on operational feasibility studies and available project resources, adopt a realistic approach by reducing the total number of ESCs if needed, in order to prioritize the comprehensive and systemic operationalization of pilot centres - also taking into account travel distances for accessibility.

Ensure integration of Gender Equality and Social Inclusion (GESI) principles in service delivery and outreach, particularly addressing the needs of vulnerable groups, including persons with disabilities (PwD).

Regarding the proposed *Way Forward Aligned with PES Assessment Recommendations* (See p.40, para.136), explore with the donor to what extent the second phase of the ReMi project and the envisaged $500 million World Bank funding may consider supporting

these measures in cooperation with the ILO SESC project. Donor support could be tied to government commitment at all three tiers to mainstream employment services and ensure adequate staffing.

R5 (Short- to Mid-Term): Conduct operational feasibility assessments

Carry out operational feasibility studies[3] to guide realistic planning and resource allocation in close collaboration with the donor(s) and senior management (including time allocated by them).

R6 (Short-Term): Develop communication strategy and digital tools

Create a simple, decentralized communication plan to promote ESC services and explore mobile app development. *(The Communication Strategy has been drafted by the project.)*

R7 (Short- to Mid-Term): Strengthen financial and operational sustainability

Identify and empower local champions (e.g., mayors, municipality/ESC staff, private sector and TVET allies) and secure sustained funding and commitment.[4]

R8 (Short- to Mid-Term): Accelerate pilot actions at local level

Quickly roll out practical pilots offering visible services and decent job placements, selecting model ESCs purposefully - prioritizing those with existing job opportunities, supportive municipal governments, and a clear vision for employment creation.[5]

R9 (Mid- to Long-Term): Pursue strategic policy engagement and legal frameworks

Engage in legal and policy work to establish stronger mandates and coordination.

Recommendation B

(From conclusions 2, 3, 4 and 5)

165. Endorse the design and development of an "impact-oriented" framework, intervention strategy, and M&E system, with the support of systemic change expertise.

Addressed to	Priority	Importance	Resource implication
ILO, donors and implementing partners	Medium	High	Medium to High

R10 (Mid- to *long-term* - with key mid-term milestones): Establish a phased, monitored scale-up roadmap

Revise the Theory of Change with expert support, and finalize the M&E framework as planned – ensuring regular updates or reviews to support its adaptability to changing project dynamics.

Develop and monitor a clear national roadmap tied to systemic and behavioural change, feeding learnings into policy revisions and national PES strategy over Phases 1–3.

[3] Operational feasibility studies assess the practicality of implementing activities given organizational, financial, and human resource capacities, helping identify risks and enabling realistic planning.

[4] Recognizing the complex dynamics between federal oversight and local government concerns, the engagement of local champions through small-scale initiatives and peer exchanges provides a practical and incremental way to build trust. This approach leverages actors already willing to share good practices, enabling gradual, locally driven change. By fostering visible leadership at the local level and supporting pilot solutions, it encourages ownership and confidence, which can ease concerns about undue interference and promote integration within the broader, gradually built three-tier governance system.

[5] This approach can create a strong demonstration effect to inspire wider adoption by other municipalities.

Create change management strategies (integrating communication initiatives) involving all relevant stakeholders and change agents (based on an extended mapping of stakeholders conducted by local experts and actors) - aligned with the overall project change management framework, and supported by proven cutting-edge systemic change expertise.

Consider a multiple donor and multi-phase approach.

Recommendation C

(From conclusions 2, 3 and 4)

166. Promote transparent and open dialogue between donors and the ILO to clarify mutual expectations, existing constraints, and the overall operational feasibility of implementation.

Addressed to	Priority	Importance	Resource implication
ILO and donors	High	High	Low

R11. Establish and clarify a bilateral high-level communication mechanism to address formally any key issues such as expectations, constraints, operational feasibility considering available resources and constraints, and ensure senior-level alignment.

Ensure that key communications - such as operational and diplomatic requests, suggestions, and any important points are shared at senior management levels on both sides to foster alignment on needs, planning, and realistic timeframes, while acknowledging operational flexibility.

ANNEXES

ANNEX 1 – TERMS OF REFERENCE

Call for Expression of Interest

Mid-Term Review of the projects: "Strengthening of Employment Service Centres in Nepal (SESC)" and "Migrant Rights and Decent Work (MiRiDeW) Phase II"

The ILO Country Office for Nepal is seeking expressions of interest (EOI) from individual consultants or as a team comprising (1) an international evaluator/team Leader, and (2) a team member consultant based in Kathmandu, to conduct a Mid-Term Evaluation of the "Strengthening of Employment Service Centres in Nepal" and Migrant Rights and Decent Work (MiRiDeW) Phase II.

Candidates/teams intending to submit an expression of interest must submit the following information/documents:

1. A description of how the candidate's skills, qualifications and experience are relevant to the required qualifications of this assignment.
2. A list of previous evaluations/work that are relevant concerning the context and subject matter of this assignment.
3. A statement confirming the availability of the candidates to conduct this assignment and the daily professional fees. (The cost of travel and DSA for field works within the scope of this assignment as deemed necessary will be provided by the ILO as per its rules and regulations).
4. A copy of the candidates' CVs
5. Two recent evaluation reports authored as team leader or team member as per the application.
6. A statement confirming that the candidates had no previous involvement in the delivery of the project to be evaluated or have a personal relationship with any of the ILO Officials who are engaged in the project.
7. The names of two referees (email address) who managed the evaluations mentioned in # 2 above.

The deadline to for the submission of an EOI is by COB (i.e. 17:30 Nepal time) **25 February 2025**. Please send an e-mail with the subject line "**Application: Consultant for the Mid-Term Review of SESC and MIRIDEW"** to **ktm_procurement@ilo.org**.

For further details see the **Terms of Reference** below and ensure meeting the conditions as indicated in **S. No. 10 & 11** of the TOR while submitting the EOI.

TERMS OF REFERENCE

Mid-Term Review of the projects:

Strengthening of Employment Service Centres in Nepal (SESC) and

Migrant Rights and Decent Work (MiRiDeW) Phase II

1. Key facts

Title of projects being evaluated	1. Strengthening of Employment Service Centres in Nepal (SESC) 2. Migrant Rights and Decent Work (MiRiDeW) Project, Phase II
Project DC Code	SESC : NPL/22/03/CHE (108874) and MiRiDeW : NPL/23/02/CHE (109277)
Project start and end date	SESC: 30 November 2022 – 30 November 2026 MiRiDeW: 1 July 2023 - 30 June 2026
Type of evaluation	Internal
Timing of evaluation	Mid-Term
Donor	Swiss Agency for Development and Cooperation (SDC)
Administrative Unit in the ILO responsible for administrating the project	International Labour Organization (ILO) Country Office for Nepal
Technical Unit(s) in the ILO responsible for backstopping the project	SESC: Labour Market Services for Transitions MiRiDeW: Decent Work Team, New Delhi
Programme &Budget outcome (s) under evaluation	**SESC:** Outcome 3: Economic, social and environmental transitions for full, productive and freely chosen employment and decent work for all (2022–23) Outcome 3: Full and productive employment for just transitions (2024-2025) **MiRiDeW:** **Outcome 6 :** Protection at work for all and **Output 6.4** : Increased capacity of Member States to develop fair and effective labour migration frameworks

Sustainable Development Goals (SDG) under evaluation	SDG 08: Decent work and economic growth
Project Budget	SESC: USD 1,197,000.00 MiRiDeW: USD 1,148,515.00

This Terms of Reference is for the Mid-Term Review (MTR) of Strengthening of Employment Service in Nepal (SESC) Project and Migrant Rights and Decent Work (MiRiDeW) Project, Phase II. The intention of developing a single TOR for the MTR of two different projects is in the context that both the projects are funded by the same development partner, planned MTR of the projects are close to each other and also to facilitate cross-learning and comparing complementarity. This review will be an internal midterm review where the evaluation is conducted by an external evaluator/s. Key stakeholder, ILO constituents, partners and the donor will be consulted throughout the evaluation process.

This mid-term review of the SESC Project is planned for March 2025, with the final report expected to be completed by May2025. In addition, MTR for MiRiDeW Project is planned for **April 2025**, with the final report expected to be completed by **end of June 2025**. This evaluation is being conducted to review the programme performance and enhance learning within the ILO and among key stakeholders. The review findings and recommendations will help guide ILO projects' team in effectively planning and implementation of the remaining period of the project. It is also important for ILO to look into how effective the relevant components of the projects are in achieving expected outcomes for broader results in terms of institutionalization, federalization, good governance and accountability, enhanced policies and Digital Transformation and Innovation. This will also help ILO and SDC to take necessary decision for the future possible interventions in the areas as stated above, and, if needed, take corrective measures to ensure the achievement of the projects' objectives within the project's period of implementation.

2. Background information

2.1 SESC project:

The Right to Employment Act (2018)[6] implements the Nepal Constitution right to employment provision through the establishment of Employment Service Centres (ESCs) to ensure the right to minimum employment, provide support to the unemployed, collect and maintain information on workers and employers, and provide employment promotion and matching services.

The functions of the ESCs as provided for in the Right to Employment Act and in the recently published Integrated (Labour and Employment Operational and Management) Procedure, 2023[7] by the Ministry of Labour, Employment and Social Security (MoLESS) broadly match with ILO Employment Service Convention, 1948 (No. 88), which established the duty of employment services as "best possible organisation of the employment market as an integral part of the national programme for the achievement and maintenance of full employment and the development and use of productive resources".

[6] https://nepalindata.com/media/resources/items/16/bThe-Right-to-Employment-Act-2075-2018.pdf

[7] https://shorturl.at/jTcqT

The ESCs were established aiming to provide employment promotion services, such as job matching and counselling, provide referral services, and coordinate the provision of temporary employment programmes. However, their structure and service portfolio do not yet account for the local labour market characteristics, skills, and service needs, nor the demand from employers. Further, their mandate is also to provide services addressing the special needs of (returnee) migrant workers. However, in practice, the functions of the ESCs are restricted to implementing community based public works programme to create temporary employment opportunities to the registered unemployed.

In addition, the engagement of municipal and provincial level governments with the ESCs is still partial, with limited integration of the mandated functions of the Centres with the local planning or budget processes. Ownership by local authorities is seldom observed and a clear vision and plan for the medium to long-term institutional and financing set up of the ESCs within local governments seems to be missing. For the long-term sustainability of the ESCs, municipalities and provinces will need to also contribute to the funding (fully or partially) of the centres with local budget and grants from the Federal Government and play a larger role in their operations.

MoLESS, the ILO, the World Bank, the Foreign Commonwealth and Development Office (FCDO) and the Swiss Agency for Development and Cooperation (SDC) agreed to collaborate and integrate the support to the ESCs and expedite the implementation of the employment promotion services by the ESCs, ensure consistent capacity building for all staff of the Centres, and support the creation of conditions for the long-term institutional development and strategic placement of ESCs within Provincial and Local Governments. Following this, the ILO, World Bank, FCDO and the SDC have identified a set of technical assistance activities that respond to the key challenges ESCs and support the effective functioning of the institutions and public employment services throughout Nepal in the short and long terms.

Thus, this project aims to strengthen ESCs to deliver the full mandate of the centres, while supporting the government at the federal, provincial and local levels to further develop the policy and institutional framework of the public employment service (PES), improve the engagement of ESCs with key stakeholders, including the private sector, and support the capacity building for fully functioning and sustainable PES, delivered mainly through ESCs at the local level.

The project has two outcomes with specific outputs:

Component I: Enhancing Capacity of MOLESS and ESCs to manage and deliver integrated labour and quality employment services.

- Outcome I: ESCs service delivery mechanism is enhanced to provide quality employment services.

Component II: Improving inter-institutional measures and collaboration of MOLESS with provincial and local governments to improve public employment services.

- Outcome II: MOLESS and local governments have strengthened institutional and operational efficiency to deliver integrated labour and employment services to the citizens

Therefore, these two interrelated project components contribute to: (i) enhance capacity in the implementation of employment promotion services by the ESC staff at the local level that also includes improved private sector engagement, job matching services and extended services on the socio-economic reintegration; ii) strengthening policy and institutional framework of Public Employment Services (PES) within which ESCs operate, working with government institutions and social partners at all levels, including the review of funding arrangements and flows; (iii) functional review of the ESCs and labour market assessments for the refining of the service portfolio of the

ESCs; and v) implementation of the reformed institutional framework and service portfolio of PES and ESCs.

Project Strategies

The project has been implemented by the ILO in close collaboration with MoLESS, SDC and the World Bank. Representatives of the four institutions have constituted the project's Coordination Committee, with annual meetings between senior management of the institutions, and at least quarterly meetings at the technical level.

The project envisioned that the result will be achieved through the robust engagement and capacity building of ESCs and its stakeholders at all levels, effective social dialogue, attention to the needs and specificities of groups of workers that are more vulnerable (such as women, youth, migrants, persons with disabilities, and others), and the project implementation has been oriented to extend needs-based support to achieve sustainable results.

Therefore, the project has been working with federal, provincial and local governments with the aim to improve policies and regulatory framework on Public Employment Services to strengthen PES and it effective services to service seekers; and identify ways for the long-term institutional development and sustainability including strategic placement of ESCs within provincial and local governments.

Project alignment with the Decent Work Country Program (DWCP), Programme and Budget (P&B), Country Programme Outcomes (CPO) & Sustainable Development Goals (SDG)

The Project is anchored in the 2030 Agenda for Sustainable Development and its SDG 08: Decent work and economic growth. The project is aligned with ILO Convention C088 - Employment Service Convention, 1948.

The project is contributing to the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023 – 2027 for Nepal, in Priority Area 1 on "Sustainable, resilient, and inclusive economic transformation" and will advance the delivery of the ILO mandate to Nepal constituents within the Decent Work Country Programme (2023-2027), particularly Output 1.1 "Strengthened policies and programmes to promote decent employment opportunities and green jobs." and Output 1.3 "Skilled, adaptable, and productive labour force through increased access to quality employment services, active labour market programmes and skills development with a lifelong learning approach supporting transitions in the labour market" under the DWCP Priority 1: Improving the creation and access to inclusive employment, sustainable enterprises and livelihoods, and social security.

The project contributes to ILO's global programme and budget (P&B)-2024-2025 Output 3.1. "Increased capacity of Member States to develop and implement comprehensive employment policy frameworks"; Output 3.4. "Increased capacity of Member States to develop effective and efficient labour market programmes and services to support transitions; and Output 3.5. "Increased capacity of Member States to promote decent employment for youth.", and more directly to CPO NPL126 on "Policies, strategies and regulatory frameworks are strengthened for the promotion of employment-centric and inclusive growth", as the work with the ESCs aims to improve their outreach and services, especially to job seekers, through counselling, job-matching and referral services.

The Project also aligns with the National Frameworks such as (i) MoLESS' 5-Year Strategic Plan (079/80 – 083/84), and contributes to strategies: 1.1 - Guarantee of minimum employment" and "1.2 - Promotion and expansion of productive employment; (ii) Nepal's 15th Development Plan and is particularly aligned to the national objective to "the basis of prosperity by constructing universally accessible, quality, and modern infrastructure, increasing productive and decent employment, achieving high, sustainable, and inclusive economic growth and poverty alleviation"; (iii) 16th Plan specially "Decent Job and Productive Employment." Moreover, the project has been supporting to further advance the Federalization process in the field of labour and employment, by not only enhancing the role of ESCs at local level, but also by improving the

engagement and participation of Provincial and Municipal Governments in the governance and operation of the Centres.

Implementation Arrangement

ILO Office for Nepal establishes a project management team composed of 2 staff members who has been working under the supervision of the Director of ILO Office for Nepal. The team is comprised of a National Project Coordinator and Project Assistant, who are working full-time on the Project. Additionally, a National Technical Officer has been assigned for twelve months in the year 2024.

2.2 MiRiDeW Project :

According to the preliminary findings of the 2021 Census, there are more than 2.1 million Nepali citizens living outside the country (CBS 2022). Labour Migration has been an integral aspect of the socio-economic status of Nepal. In the fiscal year 2023/24, total 741,297 (11% women) labour permits including re-entry permits, were issued from Department of Foreign Employment.[8] These figures do not include those who are traveling via irregular channels and those going to India. The recent Nepal Living Standard Survey IV 2022-2023 shows that remittance receiving households have increased from 55.8 percent to 76.8 percent.[9]

While migration has the potential to contribute to the socio-economic development both of countries of origin and destination, as well as migrant workers and their families in terms of remittances and skills transfer, concerns remain about the associated social and economic costs borne by the migrant workers. Migrant workers often suffer from human rights abuses, labour exploitation, and financial distress due to debt incurred during their migration and employment, which in turn, impacts well-being of migrant workers and their families. Several studies have shown that migrant workers are at risk of forced labour and human trafficking. Some of these cases include unpaid wages, confiscation of identity documents, excessively long work hours without rest days, restrictions on freedom of movement, deception, and intimidation as well as violence and harassment in the workplace. Women migrant workers are at a disproportionate risk of facing abuses in recruitment and employment, whether it be in the country of origin, transit, or destination. Increasing prospects of safe migration and contributing to reduce vulnerabilities and risks of trafficking and forced labour in the migration process requires concerted efforts on the part of both by sending and receiving countries.

Labour migration governance is often complex and multidimensional. The Government of Nepal, through national and sub-national policy and programmes, bilateral agreements/discussions and participation in regional and global policy dialogues has strived to work towards ensuring safe labour migration for Nepali migrant workers. However, gaps have remained in terms of revision and implementation of policies including federalization (decentralization) of services migration related such as access to justice, information, recruitment at provincial and local level, horizontal and vertical coordination amongst stakeholders, gender-responsive policies and programmes, data on migration, ensuring fair recruitment and access to decent employment of migrant workers both in countries of origin and destination, access to justice, skills development and recognition, ensuring social protection for migrant workers to name a few.

The Migrant Rights and Decent Work (MiRiDEW) project Phase I, implemented by the ILO Nepal with support from the Swiss Agency for Development and Cooperation (SDC) and in collaboration with the Ministry of Labour, Employment and Social Security (MoLESS), the Ministry of Foreign Affairs (MoFA), employers' and workers' organizations, and civil society organizations, concluded successfully in June 2023.

8 https://dofe.gov.np/yearly.aspx

9 https://ekantipur.com/en/news/2024/06/18/768-percent-of-households-receiving-remittances-lumbini-is-the-first-37-22.html

Drawing upon the lessons learned from Phase I, the MiRiDEW Project Phase II is under implementation. The project's overarching goal is to enhance the economic and social well-being of migrant workers and their families, through improved access to decent employment opportunities and protection of their human and labour rights.

Project outcomes and outputs

Outcome 1: The Government of Nepal strengthens its policy framework and institutional mechanisms to ensure protection of the rights of migrant workers, in particular women migrant workers.

Output 1.1: The Government of Nepal and concerned stakeholders have institutional and human capacity to strengthen the national policy and legislative framework on labour migration.

Output 1.2: The Government of Nepal reviews, designs and implements bilateral labour migration agreements and engages in regional and global policy dialogues.

Outcome 2: Nepali migrant workers in countries of destinations have increased access to information and quality migration services.

Output 2.1: Nepali diplomatic missions and consulates in countries of destination have the capacity to provide quality services to migrant workers.

Output 2.2: Migrants workers have information about the diversity of migration services in countries of destination.

Project alignment with the national developments plans, United Nations Sustainable Development Cooperation Framework (UNSDCF), ILO Programme and Budget, Decent Work Country Programme for Nepal and CPO

While the government continues to prioritize the creation of employment opportunities within the country, it also recognizes the need to protect the rights of migrant workers by ensuring safe, dignified, and regular migration. The project is aligned with the government's recent annual programmes and periodic plans, such as the 16th National Plan, and the inclusion of labour migration as a key pillar in the five-year strategy of the Ministry of Labour, Employment, and Social Protection. The government is demonstrating its commitment to engage in various regional and global processes targeted at promoting safe and regular migration through active participation in platforms, most notably the Global Compact on Safe, Orderly and Regular Migration (GCM).

The project is aligned with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027, contributing particularly to priority area one "Sustainable, Resilient, And Inclusive Economic Transformation" and its outcome". The project also is aligned with ILO's Programme and Budget (P&B) 2024-2025, on **Outcome 6** "Protection at work for all" and **Output 6.4** Increased capacity of Member States to develop fair and effective labour migration frameworks. This will be operationalized within ILO's Decent Work Country Programme (DWCP) 2023-2027, particularly under priority two "Promotion and application of International Labour Standards focusing on fundamental principles and rights at work" and contribute to **Outcome 2.4** "More effective labour migration governance frameworks, institutions, and services to protect Nepali migrant workers' rights", through Country Programme Outcome (CPO) NPL105.

Implementation arrangements

The ILO is the executing agency responsible for overseeing the technical and administrative aspects of project implementation, in close collaboration with project partners. A National Project Coordinator is responsible for the overall project management, which will include relationship building with the various stakeholders and facilitating their effective collaboration and buy-in. The project's implementation is further supported by a Project Assistant, who provides administration support to the project's activities.

3. Purpose, objectives, and scope of the evaluation

ILO considers evaluation as an integral part of the implementation of development cooperation projects. Therefore, the evaluation will be planned and implemented in accordance with the ILO Evaluation Policy[10] and the ILO Results Based Evaluation Strategy[11], using the ILO policy guidelines for evaluation[12]: Principles, rationale, planning and managing for evaluations. The evaluation will also comply with the evaluation criteria established by the OECD / DAC Quality Standards for Development Evaluation and the UNEG Code of Conduct for Evaluation in the UN System.

The Purpose and Objectives of the Evaluation

The evaluation in the ILO is for accountability, learning, planning, implementation improvement, and building knowledge. Therefore, the mid-term evaluation will focus on understanding the progress made towards achieving the project's planned objectives, continued relevance of the interventions and any required adjustments on the project's objectives, targets and/or activities for the remainder of its implementation.

The evaluation will consider the project's relevance, efficiency, effectiveness, coherence, and sustainability of outcomes, and test underlying assumptions about contributions to broader developmental impacts. The objectives of this mid-term evaluation are therefore to:

(i) Assess the relevance and coherence of the project's design regarding country needs and how the project is perceived and valued by project beneficiaries and partners;
(ii) Identify the contributions of the project to the SDGs, the country´s UNSDCF and DWCP, the ILO objectives and CPOs and its synergy with other projects and programmes in the country;
(iii) Assess whether the two projects are making progress as per the workplans and whether any adjustment are needed for the remaining period. Assess the extent to which gender equality, non-discrimination, and disability inclusion have been considered and/or mainstreamed into the design and implementation of the projects, taking into account the detailed gender action plan for SESC;
(iv) Analyse the implementation strategies of the project with regard to their potential effectiveness in achieving the project outcomes and impacts; including unexpected results and factors affecting project implementation (positively and negatively);
(v) Review the institutional set-up, capacity for project implementation and coordination mechanisms;
(vi) Review the strategies for outcomes' sustainability and orientation to impact;
(vii) Identify lessons and potential good practices for the tripartite constituents, stakeholders and partners; and

[10] https://www.ilo.org/evaluation-office/evaluation-policy

[11] https://www.ilo.org/resource/conference-paper/gb/332/ilo-results-based-evaluation-strategy-2018-21

[12] https://www.ilo.org/publications/ilo-policy-guidelines-results-based-evaluation-principles-rationale

(viii) Provide strategic recommendations for the different tripartite constituents, stakeholders and partners to improve implementation of the project activities and attainment of project objectives.

Scope of Evaluation

The scope of the evaluation will encompass all activities and components of the project for the period of December 2022 to December 2024 (for SESC) and July 2023-December 2024 (For MiRiDeW) and up to the actual time of the mission.

It will consider all the documents linked to the project. This includes the project document, periodic reports as well as documents produced as outputs of the project (e.g. knowledge products, briefs, guidelines/manuals, IEC materials, etc). It will give specific attention to how the project is relevant to the ILO's programme framework, UNSDCF and national development frameworks. The evaluation will consider the activities implemented during the first half of the project's duration and with the learning from it the activities planned under this output may require adjustments to better suit the needs and priorities identified. Therefore, the mid-term evaluation of the project will suggest possible changes/adaptations aimed at reviewing the remainder of the project's implementation following the evidence and plans produced by the project.

For SESC, the evaluation will cover the project office in Kathmandu and at least two provinces and include7 model ESCs supported by the project and 7 non-model ESCs balancing all 7 provinces and between supported and non-supported ESCs. Whereas for MiRiDeW, the evaluation will cover the project office in Kathmandu and related stakeholders in Kathmandu.

The evaluation will integrate gender equality, inclusion of people with disabilities, environmental sustainability, ILS, and social dialogue, as crosscutting concerns throughout its methodology and deliverables, including the final report. This is based on EVAL's protocols on cross-cutting issues to ensure stakeholder participation in the evaluation process.

4. Evaluation criteria and questions (including Cross-cutting issues/ issues of special interest to the ILO and SDC)

The evaluation will apply the key criteria of relevance, coherence, effectiveness, efficiency, sustainability, and impact potential and apply international approaches for international development assistance established by OECD/DAC Evaluation Quality Standard and in line with the United Nations Evaluation Group (UNEG). In particular,

- The evaluation should address the evaluation criteria related to relevance, coherence, project progress/ achievements and effectiveness, efficiency in the use of resources, impact, and sustainability of the project interventions as defined in the 4th edition of the ILO Policy Guidelines for results-based evaluation (2020).
- The evaluation adheres to confidentiality and other ethical considerations throughout, following the United Nations Evaluation Group (UNEG) Ethical Guidelines and Norms and Standards in the UN System. The evaluation process will observe confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure maximum freedom of expression of the implementing partners, beneficiaries and other stakeholders, project staff will not be present during interviews.
- The focus of the Mid-Term Review would be how projects are contributing to (i) the Federalization in Nepal, particularly for the SESC project, and to (ii) establishing a strong framework to coordinate between federal, provincial, and local levels for policy alignment in employment services, respective service delivery at local level and required capacity

strengthening. The evaluation will also address how the project is contributing to promote intergovernmental collaboration, particularly for MiRiDeW.

- The core ILO cross-cutting priorities, such as gender equality and non-discrimination, promotion of international labour standards, tripartism, and constituent capacity development and just transition on environment should be considered in this evaluation, throughout the methodology, deliverables, and final report of the evaluation. It should be noted that gender is the core dimension of the project. Therefore, the evaluation should also include how the activities and budget were executed and contributed to promoting gender equality whether they were "Specific" or "Supportive" or "Neutral" or "Transformative". In relation to SESC, the Qualitative Gender Equality and Social Inclusion (GESI) Assessment Report and related Action Plan would be taken as the reference in the process.
- It is expected that the evaluation will address all of the questions detailed below. The evaluator may adapt the suggested evaluation criteria and questions, but any fundamental changes should be agreed upon between the Evaluation Manager and the evaluator. The evaluation instrument (as part of inception report) to be prepared by the evaluators will indicate and/or modify (in consultation with the project team), upon completion of the desk review, the selected specific aspects to be addressed in this evaluation.

The suggested evaluation criteria and indicative questions are given below:

Relevance

- Project's fit with the context:
  - To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services (SESC)? To what extent is the project contributing to promoting intergovernmental collaboration (MiRiDeW)?
  - To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks , ensuring decentralized quality service delivery while maintaining national standards.
  - To what extent the project is relevant to strengthen federal policies, acts and plans related to foreign employment as well as international commitments i.e. Global Compact for Migration? (MiRiDew)
  - To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development documents, and Sustainable Development Goals?
  - Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?
  - Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?
  - In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non-discrimination? How the project addressed the recommendation of GESI Qualitative Assessment (SESC)?

- To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?

- Appropriateness of the project design:
  - Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?
  - Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?
  - To what extent is the project designed based on ILO constituents' needs at the global and national levels and grounded on consultation with target beneficiaries? To what extent have government partners been involved in the implementation or influencing the implementation of the project?
  - Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?

Coherence

- How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?
- How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?
- What is the added value of the ILO work in terms of comparative advantage?

Effectiveness

- What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?
- Do the relevant government institutions fully support the initiatives taken by the project?
- Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?
- Have unintended results (positive or negative) of the project been identified?
- How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?
- How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at the outset of the project and updated regularly?

Efficiency

- How efficiently have been the resources of the project (time, expertise, funds, knowledge and know-how) used to produce outputs and results? Are resources (funds, human resources, time, expertise etc.) allocated strategically to achieve the project objectives? Do the project benefit from complementary resources at the global and country levels that supported the achievement of its intended objectives?
- Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate?
- Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?
- To what extent does the project leverage resources (financial, partnerships, expertise) to promote Gender equality and non-discrimination?
- How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?
- Does the project receive adequate technical and administrative support/response from the ILO backstopping units?

Sustainability and impact potential

- How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?
- To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?
- How the members of the Project Team envisage the achievement of solutions for sustainable results?
- To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?
- To what extent and to which knowledge developed throughout the project (research papers, progress reports, manuals, and other tools) can still be utilized during and after the end of the project to inform policies and practitioners?

The list of questions can be adjusted by the evaluator in coordination with the ILO Evaluation Manager. Based on the analysis of the findings the evaluation will provide practical recommendations that could be incorporated into the design of remaining activities of the project.

5. Methodology

The evaluation will comply with UNEG evaluation norms, and standards and follow ethical safeguards, as specified in the ILO's evaluation guidelines and procedures. The evaluation will be conducted in a participatory manner by engaging the stakeholders at different levels and ensuring that they have a say about the implementation of the project, can share their views and contribute to the evaluation, and participate in dissemination processes.

The methodology will include examining the project's **Theory of Change** in the light of logical connect between the levels of results, their alignment with the ILO's strategic objectives and external factors/assumptions. Particular attention will be given to the logical connection between levels of results and their alignment with ILO's strategic objectives and outcomes at the global and national levels, as well as national strategic frameworks with the relevant SDGs and related targets, and other relevant external factors.

The evaluation process should be implemented in three phases (1) *an inception phase* based on a review of existing documents to produce inception report; (2) *a fieldwork phase* to collect and analyse primary data; and (3) *a data analysis and reporting phase* to produce the final evaluation report.

The evaluation would apply a mixed-method approach. Both qualitative and quantitative evaluation approaches should be considered for this evaluation. First of all, the evaluator(s) will make a **desk review** of appropriate materials, including the project document, Logical Framework, progress reports, mission reports, project briefs, news/articles and other outputs of the project and relevant materials from secondary sources (e.g., national research and publications). Secondly, the Evaluator(s) will collect relevant data for the evaluation. **Individual or group interviews will be conducted with the main stakeholders defined in the TOR.**

Evaluator(s) would be given a list of recommended/potential persons/institutions to interview that will be prepared by the Project Team in consultation with the Evaluation Manager. Thirdly, the Evaluator may use **surveys and/or focus group discussions** to collect data for the evaluation from the target groups, if applicable.

Opinions revealed by the stakeholders will improve and clarify the quantitative data obtained from project documents. The participatory nature of the evaluation will contribute to the sense of ownership among stakeholders. Quantitative data will be drawn from project documents including the Progress Reports.

Sound and appropriate data analysis methods should be developed. Different evaluation questions may be combined in one tool/method for specific targeted groups as appropriate. Attempts should be made to collect data from different sources by different methods for each evaluation question and findings be triangulated to draw valid and reliable conclusions. Data shall be disaggregated by gender and other relevant categories, during the collection, presentation and analysis of data.

The evaluator will be expected to follow EVAL's Guidance material on appropriate methodologies to measure key cross-cutting issues, namely the ILO EVAL Guidance Note 3.1 on integrating gender equality and non-discrimination; and the ILO EVAL Guidance Note 3.2 on Integrating social dialogue and ILS in monitoring and evaluation of projects.

More specifically, in accordance with ILO Guidance note 3.1: "**Considering gender in the monitoring and evaluation of projects", the gender dimension should be considered throughout the methodology, deliverables and final report of the evaluation**. The evaluator(s) should assess the relevance and effectiveness of gender-related strategies and outcomes to improve the lives of women and men. Data shall be disaggregated by sex where possible and appropriate during the collection, presentation and analysis of data. To the extent possible, data should be responsive to and include issues relating to diversity and non-discrimination.

All this information should be accurately reflected in the inception report and evaluation report.

The methodology and techniques to be used in the evaluation should be described in detail in the **inception report** and the evaluation report, and should contain, at minimum, information on the instruments used for data collection and analysis, whether these be documents, interviews, surveys, etc. The limitations of the chosen evaluation methods and the mitigation strategies followed should be also clearly stated.

Planning Consultations: The evaluator(s) will have a consultation meeting (online) with the Evaluation Manager and Project Team. The objective of the meeting is to reach a common

understanding regarding the status of the project, the priority assessment questions, the available data sources and data collection instruments, and an outline of the final assessment report. The following topics will be covered: project background and materials, key evaluation questions and priorities, data sources and data collection methods, roles and responsibilities of the assessment team, outline of the final report.

Field Visits: The evaluator(s) is proposed to visit Kathmandu (SESC and MiRiDeW) and two provinces out of seven provinces in Nepal (SESC). Meetings will be scheduled in advance of the field visits by the ILO project staff, in accordance with the evaluator's requests and consistent with these terms of reference.

Post-Data Collection and Stakeholders' Workshop: Upon completion of the data collection and analysis, the evaluator(s) will conduct a stakeholders' workshop with the stakeholders including ILO to share the preliminary findings, conclusions, and recommendations. After incorporating inputs from the stakeholders' workshop, the evaluator(s) with share the draft report with the Evaluation Manager who, after a methodological review, will circulate it to the stakeholders for their comments and inputs and the evaluator(s) will be responsible for considering the feedback provided and reflecting relevant inputs to the final report and he comments log.

Debriefing/Presentation: Upon completing the report, the evaluator will provide a debriefing to the ILO Team on the evaluation findings, conclusions and recommendations. The final draft of the report will be shared by the evaluator with the Evaluation Manager, who will approve the report and then will share it with the focal point at the Evaluation Office of ILO Regional Office for Asia and the Pacific. Upon approval from the responsible officer in the evaluation office of the region, the office will share the report with EVAL for their comments, inputs and final approval. The evaluator will be responsible for considering the feedback provided and reflecting relevant inputs to the final report.

Key stakeholder to be interviewed, but not limited to:

SESC

- Swiss Agency for Development and Cooperation (SDC)
- The World Bank
- Prime Minister Employment Programme (PMEP)/Ministry of Labour, Employment and Social Security (MoLESS)
- Employment Management Division/MoLESS
- Provincial level labour and employment-related ministries
- Local Level: (i) Mayor, Deputy Mayor and Chief Administrative Officer as well as the unit head responsible to oversee labour and employment; and (ii) Employment Service Centre (ESC) (staff and beneficiaries)
- Employers Organizations
- Trade Unions
- Other stakeholders: other stakeholders include but not limited to other development partners working in the sector of Migration, Reintegration, Employment, TVET and Private Sector Development

MiRiDeW:

- Swiss Agency for Development and Cooperation (SDC)
- National Human Rights Commission
- Ministry of Foreign Affairs Relevant officials from 2-3 Nepali diplomatic missions in major countries of destination
- Employment Management Division/MoLESS
- National Network for Safe Migration
- Non-Resident Nepali Association (NRNA)
- Pravasi Nepali Coordination Committee (PNCC)
- Safer Migration Programme (SaMi), Reintegration of Returnee Migrants (ReMi)

- Other stakeholders: other stakeholders include but not limited to other development partners working in the sector of Migration, Reintegration, Employment, TVET and Private Sector Development
- Trade Unions

Tentative list of key documents to be consulted:

Project related:

- PRODOC signed with donor
- Concept Note signed and agreed with the Government/Letter of Approval
- Progress report (The World Bank)
- Final Report (The World Bank)
- 1st Progress report (SDC)
- 2nd Progress report (SDC)
- Work plan, monitoring table and reports;
- Qualitative Gender Equality and Social Inclusion (GESI) Assessment Report
- Project publications such as reports, guidelines and brochures/factsheet; and
- Other available relevant documents on the project.

Other External Documents:

Constitution of Nepal, 15th and 16th National Plan, Foreign Employment Policy/Act/Regulations, National Employment Policy, Provincial Labour and Employment Policies, Right to Employment Act, Prime Minister Employment Programme, Integrated Labour and Employment Service Procedure, Local government Operation Act, local employment strategies (if any), government statistics, surveys, and industry reports, etc.

6. Main deliverables

Inception Reports (One each for SESC and MiRiDeW): To be submitted to the ILO Kathmandu within **7 days** of the receiving of all programme documents and may be circulated among key stakeholders.

This report will propose the methods, sources and procedures to be used for data collection and analysis. It will also include a proposed timeline of activities and submission of deliverables. The Evaluator will also share the initial draft inception report with the Project Team and Evaluation Manager to seek their comments and suggestions. The inception report should be in line with ILO EVAL Office Checklist.[13]

Workshops: To present the preliminary results to the stakeholders for their feedback

Draft Reports (One each for SESC and MiRiDeW): To be submitted to the Evaluation Manager within **10 working days** of completion of the data collection and after the stakeholders' workshop).

The draft report will be approx. 30 pages plus executive summary and appendices. The draft report will be disseminated to all key project stakeholders to seek their comments and suggestions.

Final Evaluation Reports (One each for SESC and MiRiDeW): To be submitted to the Evaluation Manager within **5 days** of receipt of the draft final report with comments. The Final Report should be submitted along with all relevant Annexes as indicated in ILO Guidance Note on the evaluation report (including executive summary, good practices, lessons learned etc.).

Once the final reports are completed and reviewed by the Evaluation Manager, it will be shared with the Regional Evaluation Office (REO), and finally with EVAL for final approval and requests the management response to the ILO responsible officer. Then the reports will be available for wider dissemination to all stakeholders.

[13] https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165972.pdf

Evaluation summaries (SESC and MiRiDeW): using the ILO Summary template.[14]

Suggested Report Format: The final version of the reports shall follow the below format in accordance with the ILO Evaluation Office guidelines (see Checklist 6 on Rating the quality of evaluation reports[15] and be no more than 30 pages in length, excluding the executive summary and annexes:

1. Title page
2. Table of Contents
3. Acronyms
4. Executive Summary
5. Project Background
6. Evaluation Background
7. Evaluation criteria and questions
8. Evaluation Methodology
9. Main Findings
10. Conclusions
11. Lessons learned and Emerging Good Practices
12. Recommendations
13. Annexes (TOR, inception report, lessons learned template, list of interviews, meeting notes, relevant country information and documents)

All deliverables must be written in English. All deliverables will be submitted in electronic format in Word.

The process of the finalization of the Evaluation reports:

- The Evaluation Manager will provide methodological comments to the draft final report, which will be also shared with all the stakeholders to receive their comments.
- After consideration of the comments of stakeholders on the reports, the draft final reports will be subject to approval by the evaluation manager and Regional evaluation office focal point for review and then for submission to the ILO Evaluation Office for final approval. The final reports shall be delivered no later than **5 days** after receiving the comments on the draft report.

7. Management arrangements and work plan (including timeframe)

The evaluation team will be comprised of consultant(s) working under the supervision of the ILO Evaluation Manager. The evaluation will be managed by a designated Senior Programme Officer based in Nepal.

- **Evaluation Manager**: The Evaluation Manager will supervise, coordinate, and guide the assignment. He will give the final decision and feedbacks on all the outcomes of the assignment.

- **Evaluator(s):** The evaluator/international consultant, together with an evaluation team and/or national consultant, will conduct this evaluation**.** An additional international consultant financed outside this ToR through SDC will be part of the team and engage during the entire MTR process, fostering learning and reflections across projects and thematic portfolios for SDC.

  The responsibilities of the international consultant/lead evaluator shall be as follows:

  - Responsible for supervising the team member/national consultant in Kathmandu.

[14] Writing Evaluation Summary Checklist: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_mas/@eval/documents/publication/wcms_746811.pdf

[15] https://www.ilo.org/publications/checklist-6-rating-quality-evaluation-reports

- Ensure quality control and adherence to ethical guidelines.
- Defining the methodological approach and drafting the inception report (including all data collection tools), producing the preliminary findings presentation, drafting reports and drafting and presenting a final report
- Ensuring the evaluation is conducted as per TORs and timeline, including following ILO and UNEG guidelines, methodology, and formatting requirements and adhering to evaluation report quality standards as referred to above
- Liaising with the evaluation manager
- Conduct meetings with stakeholders (scheduling, debriefing and/or stakeholders' workshop)
- Be flexible on the evaluation timeline if it takes longer time due to difficulties encountered from remote interviews, be responsible for completing consultations with all key stakeholders, and try their best to complete the interviews/data collection
- Contributing to the report dissemination and communication (if any) by participating in webinars and supporting or providing inputs to evaluation communication products

The responsibilities of the evaluation team member/national consultant are as follows:

- Provide context-specific and technical and methodological advice necessary to the lead evaluator.
- Support the lead evaluator throughout the evaluation process (inception, data collection, data analysis, and report writing)
- Represent the evaluation team in meetings/interviews/focus group discussions with stakeholders upon request of the lead evaluator
- Taking note and interpreting between English-local languages for the lead evaluator, when needed
- Contribute to the report drafting, dissemination and communication by participating in webinars and supporting or providing inputs to evaluation communication products.

The main task of the SDC financed international consultant will be a critical review of both projects with focusing on (1) how the two projects fulfil its purpose in supporting the government at the federal, provincial and local levels to further develop the policy and institutional framework for effective service delivery, building and strengthening on existing horizontal and vertical coordination mechanisms and (2) how effective the engagement with the private sector under the SESC was managed. This consultant will contribute to the ILO evaluation reports – hence the team will produce one single evaluation report for each project.

ILO Project Team who will support the evaluation and their responsibilities in this context are stated below.

- **Project Team**: The project team will provide the project support to the process and will ensure that the planned activities are realized in a timely manner to deliver the expected results. The team will ensure that all relevant documentation is up to date and easily accessible in electronic form by the evaluator from the first day of the contract. It includes the necessary documentation, information, and lists of contacts/stakeholders/constituents/ beneficiaries and provides technical support to the consultant within the scope of the assignment when necessary.

Schedule of payment

The project will cover the cost of the evaluation as follows: -

i. Professional fee: Proposed professional fee's terms of payment.
   - 20% upon the approval of the both inception report.
   - 30% upon approval of the draft evaluation report.
   - 50% upon the approval of the final evaluation report of SESC and MiRiDeW by ILO Evaluation Office.

ii. Travel and DSA where relevant and applicable will be directly managed by ILO as per its policy.

Timeframe

The timeframe for the assessment will be 4 months starting on 15 March to 15 July 2025. The following is a proposed schedule of tasks and the anticipated duration of each task:

Tasks (SESC)	Team Leader/International Consultant - Number of working days	Evaluation Team member/National Consultant - Number of working days	Deliverables and Deadlines
i. Desk review of project related documents; Online briefing with Evaluation Manager and project team. ii. Prepare inception report including interview questions and questionnaires for project stakeholders iii. Review and approval of Inception Report by the Evaluation Manager	3	2	Submission of draft Inception Report (SESC: 25 March 2025) and final version of the report (5 April 2025)
i. Field work in Kathmandu (5 days) and 5 days in the provinces and municipalities: Conduct interviews, and surveys with relevant project staff, stakeholders, and beneficiaries ii. Presentation of preliminary results to the stakeholders in a workshop.	10	10	8-18 April 2025
i. Analysis of data based on desk review, field research, interviews /questionnaires with stakeholders; draft report ii. Methodological review by the Evaluation Manager iii. Circulation of draft report by the Evaluation Manager with the stakeholders	3	2	Submission of Draft Evaluation Report (5 May 2025)
Revise and finalize the report addressing stakeholders' comments	2	0	Submission of Final Evaluation Report (20 May 2025)
Approval of the report by EVAL	0	0	30 May 2025
Total for SESC	**18**	**14**	

Tasks (MiRiDEW)	Team Leader - Number of working days	Evaluation Team member - Number of working days	Deliverables and Deadlines

i. Desk review of project related documents; Online briefing with Evaluation Manager and project team. ii. Prepare inception report including interview questions and questionnaires for project stakeholders iii. Review and approval of Inception Report by the Evaluation Manager	3	2	Submission of draft Inception Report (30 March 2025) and final version of the report (10 April 2025)
i. Field work in Kathmandu: Conduct interviews, and surveys with relevant project staff, and stakeholders ii. Presentation of preliminary results to the stakeholders in a workshop.	5	8	19-24 April 2025 (part of this could overlap with SESC field work when relevant stakeholders are same)
i. Analysis of data based on desk review, field research, interviews /questionnaires with stakeholders; draft report ii. Methodological review by the Evaluation Manager iii. Circulation of draft report by the Evaluation Manager with the stakeholders	5	2	Submission of Draft Evaluation Report (15 June 2025)
Revise and finalize the report addressing stakeholders' comments	2	0	Submission of Final Evaluation Report (30 June 2025)
Approval of the report by EVAL	0	0	10 July 2025
Total for MiRiDeW	**16**	**12**	
Grand total for both projects	**34**	**26**	

8. Profile of the evaluation team

The evaluation will be conducted by a lead international evaluator, who will work with an evaluation team member, or a national consultant based in Nepal. Interested international evaluator may choose to form a team with a qualified national consultant and submit their expression of interest accordingly or vis-a-vis.

The lead evaluator/international consultant shall have the following profile:

- University degree or equivalent in social development, economics, or a related subject.
- Seven years of international experience in project/program evaluation, including a theory of change-based approaches, and desirable in Public Employment Services/ Labour Market and Employment/ International Labour Migration;
- Knowledge of the ILO's mandate and Decent Work agenda
- Substantial knowledge of gender issues and familiarity with the issues of women employment and foreign employment issues
- Good knowledge of the political situation, labour market and employment/foreign employment issues particularly in South Asia/Nepal is an asset.

- Adherence to high professional standards and principles of integrity in accordance with the guiding principles of evaluation professional associations, UNEG, and ILO/EVAL
- Excellent analytical and report-writing skills in English
- Qualitative and quantitative research skills
- Demonstrated excellence in facilitating workshops/consultations/FGDs
- Certificate indicating completion of the ILO EVAL's online Self-induction programme[16] *(Desirable):*

The team member/a national consultant shall have the following profile:

- University degree in social science, development studies/public administration/Statistics or another related field
- Five years' experience in the evaluation/assessment of development projects.
- Knowledgeable of research methodologies and data analysis.
- Experience and exposure/engagement in labour market and employment/labour migration related projects and programme will be an asset.
- Experience working with government systems will be an asset.
- Experience in facilitating workshops/consultations/FGDs for evaluation/assessments and participation in field level data collection
- Extensive knowledge of and experience in applying qualitative and quantitative research methodologies
- Hands-on experience in using participatory tools and methods for data collection and analysis.
- Proficiency in (spoken and written) Nepali and relevant local languages, and English
- Experience in the UN system or similar international development field will be an asset

9. Legal and ethical matters

The evaluation will be carried out in adherence with the ILO evaluation policy guidelines, UN Evaluation Group (UNEG) Norms and Standards, and OECD/DAC criteria for evaluating development assistance.

Ethical considerations will be taken into account in the evaluation process. As requested by the UNEG Norms and Standards, the evaluator(s) will be sensitive to beliefs, manners, and customs, and act with integrity and honesty in the relationships with all stakeholders.

The evaluator(s) shall respect people's right to provide information in confidence and make participants aware of the scope and limits of confidentiality while ensuring that sensitive information cannot be traced to its source.

The ILO owns the copyright and will decide on the possible dissemination of the findings and any other information produced under this assignment. For detailed information, please follow this page: https://www.ilo.org/publications/ilo-evaluation-guidance

All deliverables will be paid for on satisfactory completion and certification by the ILO evaluation manager and in line with the ILO Evaluation report checklist.

10. Application procedure

Candidates interested in this assignment are invited to submit the EOI with following documents/information:

[16] https://training.itcilo.org/delta/ILO-EVAL/ILO_Self-induction_Module_for_Evaluation_Consultants-Part-I/story_html5.html

- EOI/cover letter explaining why they are suitable candidate/s for this assignment.
- Updated curriculum vitae, with contact details of referees and links to previous related work.
- Two copies of similar assignment/task developed as a part of a previous contract.
- Technical proposal should include information on how they plan to deliver this assignment. Financial proposal should include the rate of consulting fee (daily rate of both international and national consultant if EOI will be submitted as a team) and other costs deemed necessary for carrying out this assignment.

Applicants are requested to send the documents to ktm_procurement@ilo.org no later than 17:30 hrs (Nepal time); on **Tuesday, 25 February 2025**. Please indicate "**Application: Consultant for the Mid-Term Review of SESC and MIRIDEW**" in the subject line. Applications received after this deadline will not be considered. Only selected consultant/s will be informed on further process.

11. Attestation for having adequate medical and accident insurance

The service provider must be aware that the ILO accepts no liability in the event of death, injury, or illness of the staff under the Service provider. The Service provider must attest that he/she is adequately covered by insurance for these risks. In no circumstances, shall the Service provider be covered by any ILO insurance. It is the Service provider's own responsibility to take out, at their own expense, any personal insurance policies that are considered necessary, including a civil liability insurance policy. External collaborators whose tasks entail travel must comply with all applicable ILO security procedures and rules, notably those governing security clearance and training.

Interested applicants, MUST attest to the following while applying in response to the Terms of Reference and accompanying Expression of Interest.

Insurance	Do you have Medical and Accident Insurance? YES NO If YES, provide the document - If NO, please be aware that the ILO accepts no liability in the event of death, injury, or illness of the External Collaborator. The External Collaborator attests that he/she is adequately covered by insurance for these risks. **In no circumstances shall the External Collaborator be covered by any ILO insurance**. It is the external collaborator's own responsibility to take out, at their own expense, any personal insurance policies that are considered necessary, including a civil liability insurance policy.
Security	Have you done the Security Trainings? - BSITF, YES, NO - ASITF, YES, NO - External collaborators whose tasks entail travel must comply with all applicable ILO security procedures and rules, notably those governing security clearance and training. External collaborators benefit from the security arrangements and protection provided by the United Nations Security Management Network (UNSMN) at duty stations which are either not under a security level or up to security level four (4). If travel entails, you are required to obtain security clearance through the UN TRIP System before your travel.

ANNEX 2: LIST OF STAKEHOLDERS available internal only

List of 92 stakeholders (68% male and 32% female) interviewed among which 5 also answered a questionnaire (80% male and 20% female).

INTERVIEWEES AND RESPONDENTS

Group of stakeholders	Number of participants	Participation rate (%)	Female	Male
Donors	3	3%	2	1
ILO Staff	7	7%	1	6
ESC staff (model & non-model)	28	31%	9	19
Job Seekers	6	7%	6	0
Local Governments	10	11%	3	7
Provincial Governments	7	8%	1	6
Federal Government	5	5%	1	4
SDC Projects	10	11%	3	7
Private Sector	6	7%	1	5
Trade Unions	2	2%	0	2
Training Providers & TVET Experts	4	4%	0	4
Civil Society	4	4%	2	2
Total :	92	100%	29	63

Questionnaires were answered by 14 ESCs, among which 7 model ESCs and 7 Non-Model ESCs.

▶ Table 3 – List of interviewees/respondents/workshop participants per group of stakeholders

Group of stakeholders	Number of participants	Participation rate (%)	Female	Male
Donors	2	3%	2	0
ILO Staff	6	9.5%	1	5
ESC staff (model & non-model)	19	31%	5	14
Job Seekers	6	9.5%	6	0
Local Governments	10	16%	3	7
Provincial Governments	5	8%	1	4
Federal Government	1	2%	0	1
SDC Projects	8	13%	1	7
Private Sector	2	3%	0	2
Trade Unions	1	2%	0	1

Training Providers & TVET Experts	2	3%	0	2
Civil Society	0	0%	0	0
Total :	**62**	**100%**	**19**	**42**

▶ Table 4 – Number of people interviewed per role

Group of stakeholders	Number of participants	Participation rate (%)	Female	Male
Donors	1	4%	0	1
ILO Staff	1	4%	0	1
ESC staff (model & non-model)	4	16%	3	1
Provincial Governments	2	8%	0	2
Federal Government	4	16%	1	3
SDC Projects	2	8%	2	0
Private Sector	4	16%	1	3
Trade Unions	1	4%		1
Training Providers & TVET Experts	2	8%	0	2
Civil Society	4	16%	2	2
Total :	25	100%	9	16

▶ Table 5 – Number of workshop participants per group of stakeholders

ANNEX 3: BIBLIOGRAPHY

Project Documents

1. Project document
2. Concept Note
3. Project Progress Reports
4. Project Completion Report for World Bank
5. Report on Technical Assistance to Model Employment Service Centre on Employment Promotion Service for World Bank
6. Training of Trainers Report for Employment Service Centre Staff on Employment Promotion Service
7. Training Completion Report for Employment Service Centre Staff on Employment Promotion Service
8. Training Manual on ToT
9. Capacity Development Training Manual on Public Employment Services
10. GEDSI Concept Note & Report
11. Counseling Tools for Job Seekers
12. A Simple Guide for Labour Market and Needs Assessment at Municipal Level
13. A Brief Guidelines – Organizing Private Sector Engagement Meetings
14. A Brief Guideline – Organizing Job Fair
15. A Brief Guidelines-Community Campaign for the Promotion of Employment Service
16. (Mapping Tools for Beneficiaries and Stakeholders)
17. GEDSI Tool (Nepali)
18. Provincial Labour Advisory Council Formation Guideline (Nepali)

Published Reports and Documents

19. ILO Employment Service Convention, 1948 (No. 88); available at www.normlex.ilo.org
20. ILO results-based evaluation strategy 2023-2025
21. Right to Employment Act, 2075 (2018); available at www.lawcommission.gov.np
22. Labour & Employment Policy, 2079, MoLT, Madhesh Province
23. Integrated Labour and Employment (Operational and Management) Procedure, 2023
24. The Sixteenth Plan (Fiscal Year 2024/25 – 2028/29), National Planning Commission/GoN
25. Constitution of Nepal – 2015
26. Local Government Operation Act
27. National Employment Policy – 2071 B.S.

Other documents

28. ILO Four Pillars Policy Framework to Address the Socio-Economic Impacts of COVID-19, ILO (May 2020)
29. Protocol on the Collection of Evaluation Results on the ILO's Response to COVID-19 through Project and Program Evaluations, ILO
30. ILO Guidelines for Policy Evaluation: Principles, rationale, planning and management of evaluations, 4th ed. (November 2020)
31. Code of Conduct Form (to be signed by the evaluator), ILO
32. Checklist 4.8: Writing the Inception Report, ILO
33. Checklist 4.2: Preparing the Evaluation Report, ILO
34. Checklist 5: Preparation of Evaluation Report, ILO
35. Checklist 6: Evaluation Report Quality Assessment, ILO
36. Template for Lessons Learned and Emerging Good Practices, ILO
37. Guidance Note 7 Stakeholder Participation in the ILO Evaluation
38. Guidance Note 3.1: Integrating gender equality into project monitoring and evaluation, ILO

39. Template for evaluation title page, ILO.
40. ILO policy guidelines for results-based evaluation: Principles, rationale, planning and managing for evaluations.

ANNEX 4 - DATA COLLECTION INSTRUMENTS – Evaluation matrix, interview protocol & survey

EVALUATION CRITERIA AND QUESTIONS:

The evaluation addresses the following ILO evaluation criteria (based on the OECD-DAC evaluation criteria) as defined in the ILO Policy Guidelines for results-based evaluation, 2020. A complete set of questions by each criterion is outlined below, as per ToR:

Relevance

The extent to which the intervention objectives and design respond to beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change. ("Is the intervention doing the right things?")

Project's fit with the context:

1. To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services?
2. To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks , ensuring decentralized quality service delivery while maintaining national standards?
3. To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development documents, and Sustainable Development Goals?
4. Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?
5. Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?
6. In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non- discrimination? How the project addressed the recommendation of GESI Qualitative Assessment?
7. To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?

Appropriateness of the project design:

8. Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?
9. Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?
10. To what extent is the project designed based on ILO constituents' needs at the global and national levels and grounded on consultation with target beneficiaries? To what extent have government partners been involved in the implementation or influencing the implementation of the project?
11. Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?

Coherence

The compatibility of the intervention with other interventions in a country, sector or institution. ("How well does the intervention fit?")

1. How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?
2. How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?
3. What is the added value of the ILO work in terms of comparative advantage?

Effectiveness

The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. ("Is the intervention achieving its objectives?")

1. What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?
2. Do the relevant government institutions fully support the initiatives taken by the project?
3. Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?
4. Have unintended results (positive or negative) of the project been identified?
5. How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?
6. How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at the outset of the project and updated regularly?

Efficiency

The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. ("How well are resources being used?")

1. How efficiently have been the resources of the project (time, expertise, funds, knowledge and know-how) used to produce outputs and results? Are resources (funds, human resources, time, expertise etc.) allocated strategically to achieve the project objectives? Do the project benefit from complementary resources at the global and country levels that supported the achievement of its intended objectives?
2. Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate?
3. Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?
4. To what extent does the project leverage resources (financial, partnerships, expertise) to promote Gender equality and non-discrimination?
5. How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?
   Does the project receive adequate technical and administrative support/response from the ILO backstopping units?

Sustainability and impact potential

The extent to which the net benefits of the intervention continue or are likely to continue. ("Will the benefits last?") ; The extent to which the intervention has generated or is expected to generate significant positive or negative, intended, or unintended, higher-level effects. ("What difference does the intervention make?")

1. How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?
2. To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?
3. How the members of the Project Team envisage the achievement of solutions for sustainable results?
4. To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?
5. To what extent and to which knowledge developed throughout the project (research papers, progress reports, manuals, and other tools) can still be utilized during and after the end of the project to inform policies and practitioners?

SDC Consultant focus

In addition to contributing to data collection and analysis on the foregoing questions, the SDC consultant on the team will devote special attention to four specific questions:

1. How do the two projects fulfill their purposes on supporting the government at the federal, provincial and local levels to further develop the policy and institutional framework for effective service delivery and sustained impact beyond project duration, building and strengthening on existing horizontal and vertical coordination mechanisms.
2. How effective was the SESC project in bringing relevant development partners together to develop a joint vision with the government counterpart?
3. How was the engagement with the private sector under SESC managed by ILO?
4. How much was project management opportunity-driven and responding to suggestions from SDC and WB?"



Description of data collection instruments: The main data collection instruments used in this evaluation are following: project data, questionnaires, semi-structured key informant interviews, and focus group discussions. The evaluation matrix is presented below.

EVALUATION QUESTIONS MATRIX and PROTOCOL

Protocols : A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders - H. Donor

code	Criteria	Evaluation questions	Data sources	Data collection method Interview (individual / groups) = I, Document review = DR, Survey = S)	Stakeholders / Informants	Interview / Protocol Questions	Group protocol
R1	Relevance	To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services (SESC)?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services?	A-B-C-D-G
R2	Relevance	To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks, ensuring decentralized quality service delivery while maintaining national standards?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders - H. Donor	To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks, ensuring decentralized quality service delivery while maintaining national standards?	A-B-C-D-E-F-G-H
R3	Relevance	To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development	(i) National development frameworks; SDGs (ii) Project documents and progress reports; and (iii) Project stakeholders	DR / I	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders	To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development documents,	A-G

		documents, and Sustainable Development Goals?				and Sustainable Development Goals?	
R4	Relevance	Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?	(i) National development frameworks; (ii) Project documents and progress reports; and (iii) Project partners and stakeholders	DR / I / S	B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders	Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?	B-C-D-E-F-G
R5	Coherence	Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?	(i) National development frameworks; (ii) Project documents and progress reports; and (iii) Project partners and stakeholders	DR / I / S	B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?	B-C-D-G
R6	Coherence	In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non-discrimination? How the project addressed the recommendation of GESI Qualitative Assessment (SESC)?	(i) Project documents and progress reports; and (ii) ILO staff	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - F. Other partner organizations / relevant stakeholders	In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non-discrimination? How the project addressed the recommendation of GESI Qualitative Assessment?	A-B-C-D-E-F

R7	Relevance	To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?	(i) Project documents (ii) ILO staff	DR / I	A. ILO Staff	To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?	A
R8	Relevance	Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?	(i) National development frameworks & ILO Programme and Budget Outcomes; (ii) Project documents and progress reports; and (iii) ILO staff; Project partners and stakeholders	DR / I	A. ILO Staff / Project team - G. Other partner organizations / relevant stakeholders	Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?	A-G
R9	Relevance	Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?	(i) Project documents and progress reports	DR	A. ILO Staff / Project team	Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?	A
R10	Relevance	To what extent is the project designed based on ILO constituents' needs at the global and national levels and grounded on consultation with target beneficiaries? To what extent have government partners been involved in the implementation or influencing the implementation of the project?	(i) National development frameworks; (ii) Project documents and progress reports; and (iii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders	To what extent is the project designed to address the needs of ILO constituents at both global and national levels, and how much consultation with target beneficiaries has been conducted? How involved have government partners been in the implementation or influence of the project?	A-B-C-D-E-G

R11	Relevance	Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?	(i) Project documents and progress reports	DR / I / S	A. ILO Staff / Project team	Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?	A
C1	Coherence	How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?	(i) Project documents and progress reports; and (ii) ILO staff; Donor; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders - H. Donor	How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?	A-B-C-D-E-G-H
C2	Coherence	How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?	(i) Project documents and progress reports; and (ii) Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders	How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?	A-B-C-D-E-G
C3	Coherence	What is the added value of the ILO work in terms of comparative advantage?	(i) Project documents and progress reports; and (ii) ILO staff; Donor; Project partners	DR / I	A. ILO Staff / Project team - G. Other partner organizations / relevant stakeholders - H. Donor	What is the added value of the ILO work in terms of comparative advantage?	A-G-H
E1	Effectiveness	What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?	(i) Project documents and progress reports; and (ii) ILO staff; Donor; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders - H. Donor	What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?	A-B-C-D-E-F-G-H

E2	Effectiveness	Do the relevant government institutions fully support the initiatives taken by the project?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - Other partner organizations / relevant stakeholders	Do the relevant government institutions fully support the initiatives taken by the project?	A-B-C-D
E3	Effectiveness	Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?	(i) Project documents and progress reports; and (ii) Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders	Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?	A-B-C-D-E-F-G
E4	Effectiveness	Have unintended results (positive or negative) of the project been identified?	(i) Project documents and progress reports; and (ii) Project partners and stakeholders	DR / I / S	B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders	Have unintended results (positive or negative) of the project been identified?	B-C-D-F-G-H
E5	Effectiveness	How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?	(i) Project documents and progress reports; and (ii) Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - D. Private Sector - F. Other partner organizations / relevant stakeholders	How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?	A-B-C-D-F
E6	Effectiveness	How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at the outset of the project and updated regularly?	(i) Project documents and progress reports; and (ii) ILO staff; Donor; Project partners	DR / I	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders - H. Donor	How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at	A-G-H

						the outset of the project and updated regularly?	
Effic.1	Efficiency	How efficiently have the resources of the project (time, expertise, funds, knowledge and know-how) used to produce outputs and results? Are resources (funds, human resources, time, expertise etc.) allocated strategically to achieve the project objectives? Do the project benefit from complementary resources at the global and country levels that supported the achievement of its intended objectives?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities	How efficiently have the project's resources (time, funds, expertise, etc.) been used to achieve results? Were they allocated effectively to meet the project objectives? Did the project receive additional support from global or local resources to help achieve its goals?	A-B-C-D
Effic.2	Efficiency	Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate? If not, why?	A-B-C-D-G
Effic.3	Efficiency	Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?	(i) ILO Project Team	DR / I	A. ILO Staff / Project team	Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?	A
Effic.4	Efficiency	To what extent does the project leverage resources (financial, partnerships, expertise) to promote	(i) Project documents and progress reports; and (ii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities	To what extent has the project leveraged financial, partnership, and expert resources to promote gender equality and non-	A-B-C-D

		Gender equality and non-discrimination?				discrimination? What specific actions were taken to achieve this?	
Effic.5	Efficiency	How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders	How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?	A-B-C-D-E-F-G-H
Effic.6	Efficiency	Does the project receive adequate technical and administrative support/response from the ILO backstopping units?	(i) ILO Project Team	DR / I	A. ILO Staff / Project team	Does the project receive adequate technical and administrative support/response from the ILO backstopping units?	A
SI1	Sustainability and Impact Potential	How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - G. Other partner organizations / relevant stakeholders	How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?	A-B-C-D-E-G
SI2	Sustainability and Impact Potential	To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?	(i) National development frameworks; (ii) Project documents and progress reports; and (iii) ILO staff; Project partners	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?	A-B-C-D-E-G
SI3	Sustainability and Impact Potential	How the members of the Project Team envisage the achievement of solutions for sustainable results?	(i) ILO Project Team	DR / I	A. ILO Staff / Project team	How do the members of the project team envision achieving sustainable results? What strategies or approaches are in place to	A

						ensure the long-term impact of the project?	
SI4	Sustainability and Impact Potential	To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?	A-B-C-D-G
SI5	Sustainability and Impact Potential	To what extent and to which knowledge developed throughout the project (research papers, progress reports, manuals, and other tools) can still be utilized during and after the end of the project to inform policies and practitioners?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - G. Other partner organizations / relevant stakeholders	To what extent can the knowledge generated throughout the project be utilized during and after the project to inform future policies and practices?	A-B-C-D-G
SWOT 1	General / SO	What went well and further will?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR / I / S	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders - H. Donor	What went well and further will?	A-B-C-D-E-F-G-H
SWOT 1	General / WT	What went ill and can change / further will (if issue not tackled)?	(i) Project documents and progress reports; and (ii) ILO staff; Project partners and stakeholders	DR/ I	A. ILO Staff / Project team - B. ESCs - C. Provincial Ministries - D. Municipalities - E. Private Sector - F. Registered Job Seekers - G. Other partner organizations / relevant stakeholders - H. Donor	What went ill and can change / further will (if issue not tackled)?	A-B-C-D-E-F-G-H

▶ **Table 6 – Evaluation matrix**

INTERVIEW PROTOCOL

Key questions for A. ILO Staff / Project team - B. Partner organizations, other relevant stakeholders and donor - C. Beneficiaries - D. Others

code	Interview / Protocol Questions	Group protocol
R1	To what extent is the project relevant in the current context of federalization and how has the project contributed or contributing to the federalization in Public Employment Services?	A-B-C-D-G
R2	To what extent has the project contributed or is contributing on capacity strengthening and institutional frameworks, ensuring decentralized quality service delivery while maintaining national standards?	A-B-C-D-E-F-G-H
R3	To what extent did the project address key relevant components of and contribute to UN Country programme frameworks (UNSDCF), strategic country development documents, and Sustainable Development Goals?	A-G
R4	Is there a fit between the project design and the direct beneficiaries' needs and relevant to country needs?	B-C-D-E-F-G
R5	Is the project approach and activities relevant to the needs of the constituents and the stated objectives? To what extent the government benefited from the activities and outputs? How does the Government of Nepal (GoN) see the component of the project contributing to their larger framework?	B-C-D-G
R6	In accordance with the overall objective and outcomes, what specific measures have been taken by the project to address issues related to gender equality and non-discrimination? How the project addressed the recommendation of GESI Qualitative Assessment?	A-B-C-D-E-F
R7	To what extent are the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherence? Does the design need to be modified in the second half of the project, and why?	A
R8	Is the design of the project appropriate in relation to the ILO's strategic and national policy frameworks?	A-G
R9	Is intervention logic coherent and realistic to achieve the planned outcomes? Did the activities support objectives (strategies)? Were indicators useful and SMART to measure progress?	A
R10	To what extent is the project designed to address the needs of ILO constituents at both global and national levels, and how much consultation with target beneficiaries has been conducted? How involved have government partners been in the implementation or influence of the project?	A-B-C-D-E-G
R11	Does the project design consider the gender dimension of the planned interventions through objectives, outcomes, outputs, and activities that aim to promote gender equality?	A
C1	How well do the interventions of the project fit with other interventions of the ILO Office for Nepal? What synergies has been created with ILO's and SDC supported other projects? How well do the interventions of the project fit with other interventions of the relevant partners?	A-B-C-D-E-G-H
C2	How the initiatives of the projects are coherent with priorities of the government and with the initiatives of other UN agencies or development actors?	A-B-C-D-E-G
C3	What is the added value of the ILO work in terms of comparative advantage?	A-G-H
E1	What progress has been made towards achieving the overall project objectives/outcomes? Have there been any obstacles, barriers? What are the results noted, particularly in terms of notable successes or innovations?	A-B-C-D-E-F-G-H

E2	Do the relevant government institutions fully support the initiatives taken by the project?	A-B-C-D
E3	Has the SESC project been able to establish effective linkages to the private sector to promote national employment services and their quality and relevance?	A-B-C-D-E-F-G
E4	Have unintended results (positive or negative) of the project been identified?	B-C-D-F-G-H
E5	How gender and social inclusion considerations are mainstreamed throughout the project cycle (design, planning, implementation, M&E), including that of implementation partners?	A-B-C-D-F
E6	How effective is the monitoring mechanism set up, including the regular/periodic meetings among project staff and with the beneficiary, donor and key partners? Is there a suitable monitoring and evaluation framework for accountability, management and learning developed at the outset of the project and updated regularly?	A-G-H
Effic.1	How efficiently have the project's resources (time, funds, expertise, etc.) been used to achieve results? Were they allocated effectively to meet the project objectives? Did the project receive additional support from global or local resources to help achieve its goals?	A-B-C-D
Effic.2	Given the complexity and challenges of the project, are the existing management structure and technical capacity sufficient and adequate? If not, why?	A-B-C-D-G
Effic.3	Has the project been receiving adequate political, technical and administrative support from the ILO and its national partners? If not, why? How that could be improved?	A
Effic.4	To what extent has the project leveraged financial, partnership, and expert resources to promote gender equality and non-discrimination? What specific actions were taken to achieve this?	A-B-C-D
Effic.5	How effective is the communication and advocacy strategy in influencing the relevant target groups and audiences?	A-B-C-D-E-F-G-H
Effic.6	Does the project receive adequate technical and administrative support/response from the ILO backstopping units?	A
SI1	How will the implemented work be institutionalized and used by government institutions to enhance future work on the intended objectives of the project? How likely will the ILO project lead to results that will be sustained?	A-B-C-D-E-G
SI2	To what extent have results contributed to advance sustainable development objectives (as per UNSDCFs, similar UN programming frameworks, national sustainable development plans, and SDGs)?	A-B-C-D-E-G
SI3	How do the members of the project team envision achieving sustainable results? What strategies or approaches are in place to ensure the long-term impact of the project?	A
SI4	To what extent has the project contributed to strengthening the capacities of government structures? What is the level of ownership of the programme by partners and beneficiaries?	A-B-C-D-G
SI5	To what extent can the knowledge generated throughout the project be utilized during and after the project to inform future policies and practices?	A-B-C-D-G
SWOT 1	What went well and further will?	A-B-C-D-E-F-G-H
SWOT 1	What went ill and can change / further will (if issue not tackled)?	A-B-C-D-E-F-G-H

▶ Table 7 – Interview / protocol questions

MTR QUESTIONNAIRES

All following questionnaires have been translated in Nepali.

1. A. Key Informant Interview Questionnaire for Employment Service Centre (ESC)

Name: ……

Designation: ……..

Name & Address of the Municipality: ……

Contact Details: Email: …… Tel:.....

Joined since: ……..……...

Qualification: ……..……...

No. of staff deployed in the center: ……

---

1. To what extent are you satisfied with the ESC project? Please indicate your answer with a cross.

1 = Strongly dissatisfied	2 = Somewhat dissatisfied	3 = Somewhat satisfied	4 = Strongly satisfied	N/A

Please explain to what extent this project has been helpful to you (e.g., any notable success, innovation or issue).

2. Have you received any of the following capacity-building trainings? (Please check all that apply)

   2.1 Orientation on the guidelines

   2.2 Orientation on the manuals (e.g., Operational Manual, Counseling Service Manual, Employer Service Manual)

   2.3 Training on labour market assessment

   2.4 Training on job coaching, matching, and job fairs

   2.5 Training on orientation for aspirant migrant workers

2.6 Training on the reintegration of returnees

2.7 Training of Trainers (ToT) (Master Trainer)

Others: ……..

3. How relevant and effective have these trainings been in helping you execute your mandate? (Please provide details on their usefulness and impact.)

4. Besides the trainings listed above, have you received any refresher training from the SESC project? (If yes, please specify.)

5. How relevant is the on-the-job support provided by the project to your work? (Please elaborate on its effectiveness.)

6. What are the major challenges you face in implementing these guidelines and manuals? What specific measures the project has undertaken to address these issues?

7. What are the major challenges in providing employment support services to registered job seekers, beyond the 100-day cash-for-work program? What specific measures the project has undertaken to address these issues

8. What are the major challenges in providing employment support services specifically for women? What specific measures the project has undertaken to address these issues?

9. What are the major challenges in providing employment support services for disadvantaged groups? What specific measures the project has undertaken to address these issues?

10. What are the major challenges in providing employment support services for people with disabilities (PwD)?

11. Has your center developed an employment policy or guideline?
    - Yes
    - No (If no, do you have plans to develop one soon? Please explain.)

12. Have you referred to the provincial government's guidelines on labour and employment policy? (If yes, how have they been useful?)

13. Do you receive adequate support from municipal elected representatives and officials?
    - Yes (If yes, please specify the types of support received.)
    - No

14. Employment Support Services Provided by Your Center So Far: (Please fill in the table with relevant data.)

Services & Events	Male	Female	Total	DAG	PwD	Aspirant Migrant Workers	Returnees	Remarks
Registration of Job Seekers								
Counseling for Job Seekers								
Job Referral								
Training Referral								
Job Fair								
Community Campaign								
Private Sector Engagement (PSE) Meeting								
Sector Mapping								
Annual Work Plan								

Note: DAG = Disadvantaged Groups, PwD = People with Disabilities

15. Do you have adequate resources (funds, human resources, time, expertise, etc.) to execute the mandates of the center? (If no, please specify what is lacking.)

16. How relevant and effective is the on-the-job support provided by the project in helping you execute your mandate? (Please provide specific examples.)

17. Are you engaged in revising and updating the existing manuals (e.g., ESC Operation Manual, Counseling Services Manual, Employer Services Manual)? (If yes, please describe your role.)

18. How relevant and effective are the promotional materials (e.g., jingles, posters, pamphlets, standees) for communication and outreach activities? (Please explain their impact.)

19. To what extent are the roles, responsibilities, coordination, and complementarity among key stakeholders and existing programmes effective in supporting the operations and sustainability of ESCs? (Please elaborate on any challenges or successes related to stakeholder coordination.)

20. Do you have any feedback or suggestions for the SESC project, including to strengthen its sustainability and impact potential? (Please provide specific recommendations.)

1.B. Key Informant Interview Questionnaire for Elected Representatives of Municipality

Name: ……

Designation: ……..

Name & Address of the Municipality: ……

Contact Details: Email: …….. Tel:.....

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1. To what extent are you satisfied with the ESC project? Please indicate your answer with a cross.

1 = Strongly dissatisfied	2 = Somewhat dissatisfied	3 = Somewhat satisfied	4 = Strongly satisfied	N/A

Please explain to what extent this project has been helpful to you (e.g., any notable success, innovation or issue).

2. How relevant are the capacity-building trainings and orientations provided by the project for your

   ESC staff members? (Please explain their significance to the staff's roles.)

3. How effective are these events in enabling your staff to execute their mandates? (Please provide examples of their impact.)

4. Have you developed a labour and employment policy or guideline for your ESC? Yes No

   (If yes, please describe it briefly. If no, are there plans to develop one?)

5. Have you allocated budget and human resources for the ESC? Yes No

   (If yes, please specify the yearly budget and number of staff allocated.)

6. Do you anticipate any challenges in maintaining or increasing financial support for the ESC? If so, how are these being addressed, or what support would help mitigate these challenges?
7. Have you received an orientation on the ESC's mandate from the project? (If yes, how useful was it? If no, do you feel it is needed?)
8. Are you satisfied with the employment support services provided by your ESC to job seekers?

   Yes No

   If yes, please share the impact of these services.

   If no, please suggest how they could be improved.

9. What do you expect from the Ministry of Labour, Employment and Social Security (MoLESS) or the Prime Minister's Employment Program (PMEP) to enhance the services of your ESC? (Please provide specific recommendations.)

10. What do you expect from your provincial line ministry to improve the services of your ESC? (Please provide specific suggestions.)

11. Do you believe policy interventions could lead to better outcomes for your ESC? (If yes, what types of policies would be most beneficial?)

12. What are the possible barriers, including existing policies, that hinder your municipality from fully owning and governing the ESC? (Please list specific challenges.)

13. What are your future plans for the ESC? (Please outline your vision or upcoming initiatives.)

14. In your opinion, which interventions of the SESC project are most relevant and effective in helping the ESC execute its mandate? (Please provide examples.)

15. To what extent are the roles, responsibilities, coordination, and complementarity among key stakeholders and programmes effective in supporting the operations and sustainability of ESCs?
    (Please elaborate on any challenges or successes related to stakeholder coordination.)

16. Please share your feedback and suggestions for the SESC project regarding future interventions. (Please include specific recommendations.)

1.C. Guiding Questionnaire for Consultation Meeting with the Senior Officials of the Provincial Ministry

Name: .....

Designation: .....

Name & Address of the Ministry: .....

Contact Details: Email: ..... Tel: .....

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1. To what extent are you satisfied with the SESC project? Please indicate your answer with a cross.

1 = Strongly dissatisfied	2 = Somewhat dissatisfied	3 = Somewhat satisfied	4 = Strongly satisfied	N/A

Please explain to what extent this project has been helpful to you (e.g., any notable success, innovation or issue).

2. In your opinion, how relevant were the capacity-building initiatives of the SESC project in enabling ESCs to implement their mandates? Note 2: Follow-up questions: What are the remaining needs and challenges?

3. Has your ministry developed a labour and employment policy, or is there a plan to develop one? Note 2: Follow-up questions: What challenges do you face? How did ILO support you until now and can further support you during this project and/or eventually beyond?

4. How does your policy guide the ESCs in your province to fulfill their mandates?

5. In your view, what are the major obstacles preventing ESCs from effectively implementing their mandates?

6. What policy-level barriers hinder the execution of ESC mandates at the local level, and how can these be addressed or mitigated?

7. Have you allocated a budget specifically for ESC operations, or is funding channeled through respective municipalities?

8. Do you foresee any risks of reduced financial support for ESC operations? If so, how are these risks being addressed - or how could they be in the future?

9. To what extent are the roles, responsibilities, coordination, and complementarity among key stakeholders and programs effective in supporting the operations and sustainability of ESCs? (Please elaborate on any challenges or successes related to stakeholder coordination.)

10. Please share your feedback and suggestions for improving the SESC project, including to strengthen its sustainability and impact potential.

1.D. Key Informant Interview Questionnaire for Private Sector (Provincial Level FNCCI)

Name: .....

Designation: .....

Name & Address of Org. : .....

Contact Details: Email: ..... Tel:.....

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1. To what extent are you satisfied with the SESC project? Please indicate your answer with a cross.

1 = Strongly dissatisfied	2 = Somewhat dissatisfied	3 = Somewhat satisfied	4 = Strongly satisfied	N/A

Please explain to what extent this project has been helpful to you (e.g., any notable success, innovation or issue).

2. Are you aware of the mandate of the ESC? Yes No

   (If yes, please briefly describe your understanding of it.)

3. Have any ESC staff members referred job seekers to your institution? Yes No

   If yes, how many have been referred as of now?

   Male: …… Female: ……

4. How many of the referred job seekers has your institution employed, and in which occupations? (Please provide numbers and specify the types of occupations.)

5. Have you ever participated in an employer engagement meeting organized by the ESC? Yes No

   (If yes, please describe your experience.)

6. How effective are these employer engagement meetings, and what outcomes have they produced? (Please elaborate on their usefulness and any tangible results.)

7. Before referring job seekers to your institution, what preparatory work should the ESC undertake? (Please share the specific support services you think are required and how well they are performed.)

8. Have you participated in a job fair organized by the ESC? Yes No

   If yes, are you satisfied with the arrangements or processes adopted by the ESC? (Please explain.)

   If no, how could the upcoming job fair be improved to better address employers' needs?

9. Are these job fairs beneficial for your institution in finding appropriate candidates? (Please provide examples or explain why/why not.)

10. Has your institution shared a demand of workers with the ESC?

    Shared Yet to share

    (If shared, please specify when and what was included. If not, why?)

11. How optimistic are you about the ESC's capacity to provide employment support services to job seekers - including women, disadvantaged groups (DAG), people with disabilities (PwD), aspirant migrant workers, and returnees – in the short, mid and longer term? (Please explain your level of confidence and any concerns.)

12. In your opinion, what actions could the local government take to further support or enhance the effectiveness of ESC services? (Please share any specific recommendations.)

13. How effective is the engagement of private sectors with ESCs? (Please share any specific recommendations.)

14. Do you have any other suggestions or feedback for the SESC project regarding its future interventions, including to strengthen its sustainability and impact potential? (Please share specific ideas or improvements.)

1.E. MTR of SESC Project

Checklist for FGD with ESC's Beneficiaries (Registered Job Seekers)

Venue: _____ Date: _____

S.N.	Name	Address	Gender	Age	Qualification	Date of Registration	Anticipated Occupations	Remarks
1								
2								
3								
4								
5								
6								
7								
8								

1. What support services have you received from your ESC so far? (Please check all that apply)
   - Job coaching
   - Career counseling
   - Job linkage
   - Job referral

- Vocational career counseling (e.g., referral to Vocational Training Institutes)
- Assistance in preparing job applications and CVs
- 100 days of employment (e.g., public infrastructure projects)
- Other (please specify): _____

2. To what extent are you satisfied with the ESC services? Please indicate your answer with a cross.

1 = Strongly dissatisfied	2 = Somewhat dissatisfied	3 = Somewhat satisfied	4 = Strongly satisfied	N/A

Please explain how these services have been helpful to you, or, if not, let us know why you were dissatisfied.

3. Please share your feedback and suggestions for improving ESC services.

▶ ANNEX 5 - EVALUATION SCHEDULE

	Phase	Task	Deliverables and deadlines
I	Inception phase	1. Desk review of project-related documents; Briefing with Evaluation Manager and project team. 2. Prepare inception report including interview questions and questionnaires for project stakeholders.	Submission of *Interview Questions and Questionnaires* (13 April 2025) Submission of Inception Report (19 April 2025)
II	Fieldwork phase	3. Field work in Kathmandu and selected provinces/municipalities: Conduct interviews and surveys with relevant project staff, stakeholders, and beneficiaries. 4. Presentation of preliminary results to the stakeholders in a workshop in Kathmandu.	*Field mission:* 14 April – 28 April 2025 *Additional Interviews:* 29 April – 2 May 2025 *Survey data collection:* 14 April – 1May 2025
III	Data analysis and reporting phase	1. Analysis of data based on desk review, field research, interviews /questionnaires with stakeholders; **Draft report** 2. Methodological review by the Evaluation Manager 3. Circulation of draft report by the Evaluation Manager with the stakeholders	Submission of **Draft Evaluation Report** (15 May 2025)
		Revise and finalize the report addressing stakeholders' comments	Submission of **Final Evaluation Report** (31 May 2025)
IV	Approval	Approval of the report by EVAL	30 June 2025

▶ **Table 8 – Evaluation schedule**

ANNEX 6 - FIELD VISIT ITINERARY

available internal only

The following list includes 35 interviews, with 41 identified contact names. Among the proposed interviewees at the time of the Inception Phase, 52.92% are women. All interviews were subject to the responsiveness and availability of stakeholders, as well as the interview/mission time frame.

ANNEX 7 - SWOT ANALYSIS

STRENGHTS (S)	OPPORTUNITIES (O)
Strategic to Operational **1. Strategic Positioning** • ILO's expertise, normative work and tripartite mandate. • ESCs play a central role within municipalities and are well-positioned to expand their role with the right support. **2. Policy & Programmatic Anchoring** • A national-level policy framework exists, allowing ESCs to function within a generally coherent institutional structure. **3. Service Relevance** • ESCs deliver essential services including migrant labour support (FEB) and short-term public employment programs. **4. Human Capital** • Dedicated, young staff; some trained in SIYB and career counselling; orientation to digital solutions. **5. Successful Initiatives** • Job fairs conducted with FNCCI; (E.g., over 1000 trained of which 52% of them are women in 40 different occupations based on the LMNA by Dhangadi sub-metro)	**1. Reorientation Toward Local Economic Development** • Support priority sectors through BDS, TVET, marketing, and digital tools **2. Enhanced Staff Development** • Frequent and more in-depth training to improve service quality; training refreshers **3. Private Sector Partnerships** • Scale up and grow partnerships with FNCCI, CCIs, especially at the provincial and district levels as well as firm-level initiatives such as in-industry training. • Strengthen work at the policy level, contributing to the federalization of public employment services. **4. Policy Continuity** • Showcase municipalities that have developed labour and employment policies. • Partnership restructuring • Redefine roles of donors, ministries, and implementers with local focus.

6. Tools & Approaches

- Positive reception of ILO labour market and training tools.

7. Project Clustering

- Synergies with SaMi, ReMi, ENSSURE, MRCs and MEDPA enhance ESC functionality.

8. Municipal Engagement

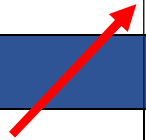
- Examples like Bhimdatta show strong local ownership through Employment Desks and guidelines.

5. Digital Expansion

- Develop portals/apps for ESCs to streamline services and boost outreach. (E.g., through a simple app)
- Consider using e-learning (younger generations or private training providers), eventually combined with hybrid trainings

6. Knowledge and experience sharing

Set-up knowledge and experience sharing platforms, promoting peer learning, notably bringing together ESCs facing similar challenges.



WEAKNESSES (W)

1. Institutional Anchoring

- ESCs are not embedded within larger municipal systems or development plans.

2. Job Security & Structure

- Staff salaries are precarious and dependent on mayoral discretion. Some staff report at the national level and some at the municipal level.

3. Limited Visibility & Reach

- Poor ESC office locations and public visibility.

4. Low Budgets

THREATS (T)

1. Over-reliance on Migration

- Weakens local economic prospects and sustainability.

2. Reactive Economic Approach

- Municipalities may face challenges in shifting their focus from crisis management to longer-term business development and more sustainable, community-based initiatives.

3. Staff Retention Risks and Lack of Human Resources

- Loss of trained ESC staff due to lack of multiyear funding and clear institutional future
- In order to fulfil ESCs' mandates, more staff is needed to achieve expected results.

• ESCs receive no direct funds to run their activities; training budgets are episodic and require more a tailored and in-depth approach. **5. Training Gaps / Expertise** • Capacity building materials are limited to PowerPoint presentations. • The level of expertise of consultants providing on-the-job support has been perceived at times as lower than expected. • Adapting training (specific context and needs); Adult training and instructional design. **6. Inter-Governmental Coordination** • Collaboration between federal, provincial, and local governments requires clarification in terms of roles and responsibilities at an early stage. **7. Scaling Limitations** • No classification or prioritization plan for expanding ESCs across all municipalities. **8. Management Delays** • Delays in formal approvals as well as lengthy procurement processes (out of the control of the project team) hinder project implementation. • Procedural delays hinder planning.	**4. Funding Gaps** • Service disruptions - especially in migrant support and employment programmes - may trigger unrest and risk losing the momentum built so far. **5. Political Instability** • Frequent personnel rotations hinder strategic follow-through. **6. Fragmented Implementation** • Unsystematic coordination across projects (SaMi, ReMi, ENSSURE) undermines efficiency. **7. Legal & Structural Barriers** • No legal mandate for municipalities to institutionalize ESCs.

▶ **Table 10 – SWOT Analysis**

ANNEX 8 - TABLE OF OUTPUTS

Outputs	Activities	Sub-Activities	Status	List of activities conducted	From mm/yyyyy	To mm/yyyyy	Barrier / Challenge	Other comments
Output 1.1: Output 1.1: MoLESS and ESC capacity is enhanced to manage and deliver integrated labour and employment function	Activity 1.1.1 – Review, update and complement ESCs' operational manuals and guidelines		Completed	1. TOT manual and training manudal development 2. Consultation Workshop 3. Revision of manual planned	Nov.22	Feb.23	1. Selection of master trainers as the government provided emphasis to government officials 2. The plan was to develop the manual for technical sessions, however government included the generic session in the manual, which delayed in finalizing the manual and sharingthe manual with ESCs.	The revised training manual is in Draft and will be finalized in a month. The project will also develop the ESC management manal later this year
	Activity 1.1.2 - Capacity building of Human Resources of ESCs	Training of Trainers - 30 Trainers	Completed	6 days TOT to 31 master trainers	Feb.23	Feb.23	1.. The idea to select a government institution to develop their capacity to provide Training to ESCs, but the government did not agree on that which delayed in deliverying TOT.	5 external master trainers, 6 Employment Coordinators from ESC and 20 from the ministry
		Training EC & EA - 3 days - 753 ESCs	Completed	1. 4 days residencial training to 1,372 (1,076 Men and 296 Women) ESC officials from 753 ESCs of all seven provinces and 12 from provincial level Employment Information Centres 2. 3 days training for 30 Model ESCs on planning and delivering integrated labour and employment services at the local level	Mar.23	May.24	The re-scheduling of training by the ministry to accommodate the presence of senior leadership in all the training events led to delays in activities' implementation	This was the for the first time that ESC staff got capacity building training and which was after 5th year of YETI support to PMEP
		Training TA - 1 day - 753 ESCs	merged with above					Same as above
	Activity 1.1.3 - Support the implementation of employment promotion services for selected ESCs	On-the-job support for 13 ESCs	Completed	1. 13 individual ESC Annual Workplan developed 2. 9 sector wise tools developed, and 3,678 stakeholders registered in the database 3. a common tool for counselling developed and 4,166 jobseekers registered in the database. 4. Out of the registered people in the database, 651 people provided with counselling services. 5. 566 service seekers referred to relevant training and 184 jobseekers referred to employment. 6. 27 private sector engagement programmes organized 7. 9 Job fairs organized by ESCs 8. 17 events of community campaigns organized to sensitize youth on employment promotion services. 9. 13 individual labour market and service needs assessments conducted and reports (draft version) produced 10. 13 model ESCs allocated a cumulative budget of US $ 142,920.09 for FY 2080/81	Feb.24	Jun.24	The project was originally designed with the understanding that such funding would be provided by the federal government, while the SESC project would focus on delivering technical assistance. However, the federal government prioritized the 100-day Cash for Work program over the employment promotion services to be delivered by the ESCs. So, the ESCs had very limited funds for delivering employment promotion services and there was no allocation funds from the local level	The support to Model ESCs has significantly contributed to improving overall employment outcomes for job seekers and employers which was not before the support of the project
		Plan and delivery of Job Fairs, job referral and counselling		Combined with above				
	Activity 1.1.4 - Capacity enhancement to MoLESS/PMEP on technical and managerial skills to enhance Service Delivery Mechanism	Training for MoLESS staff on best practices and international experiences	Completed	1. 2 MoLESS staff in BKK - Effective management of employment services 2. 2 MoLESS staff in Turin - Effective management of employment services 3. 4 ESC staff virtually ITCILO - career counsleing 5. trainng for 5 Officials (2 from federal, 2 from provincial and 1 from local level) confirmed for 16-20 June 2025 - Effective management of employment services	May.23	Apr.24	Limited budget for the international training, study visits, exposure tours, etc	It was not before the project support. PES in new to Nepal. So, these are the first officials got the training

Output 1.2: Functional Capacity of ESCs and their stakeholders is strengthened	Activity 1.2.1 - Continued Capacity Development Mechanism for ESCs and stakeholders.	Capacity Development Mechanism	Ongoing	1. Discussion is going on and has agreed with the Provincial Centre for Good Governance (PCGG) for developing the training mechanism 2. TOR for the international expert and the national expert is in the preparation phase, and the activities will start from June 2025. 3. As PCGGs are responsbile to support the local level in planning, they will also support LGs to include the budget allocation training on employment propmotion services 4. In case of the Ministry of Labour and Transport, responsible for labour and employment is also intending to establish their own training centre to provide training on employment promotion services	Jun.25	Nov.25	1. The plan was after the PES Assessment which recoomends practical interventions and action points for the training mechanism. Except for capacity-building training for ESCs, project activities were put on hold due to the pending approval of the project document by MoLESS. This approval was a prerequisite set by the donor, as outlined in the project document. The ILO received the approval at the end of November 2023, which subsequently delayed the timely implementation of the project. (*)	
		Development of new training packages	Planned	Will be combined and same experts will develop it	Jun.25	Nov.25	The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
	Activity 1.2.2 – Capacity enhancement of municipal and provincial governments and stakeholders on ESCs' operations and their roles for employment promotion	PCGG Capacity Development	Planned	Will be combined and same experts will deliver TOT after guudeline and moduels development	Jun.25	Nov.25	The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
		Enhance vertical and horizontal coordination and cooperation for the sustainability of ESCs.	Planned	1. Orientation of 75 muncipal leaders, together with MoLESS during the training for ESCs. The cost was borne by the ministry - 2024 2. already begun the process of establishing an implementation agreement with MuAN to strengthen the capacity of municipal leaders	Jun.25	Mar.26	Bringing local leaders to participate in the capacity building workshop. The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
		Engagement of private sectors with ESCs	Ongoing	already initiated the process of establishing an implementation agreement with the FNCCI to develop and pilot the Private Sector Engagement Strategy.	May.25	Nov.25	Local government/ESCs to allocate budget for private sector engagement budget	
Output 2.1: Evidence on the institutional, legal and policy framework of integrated labour and employment services and operational development of ESCs and their services is generated and disseminated	Activity 2.1.1 - Conduct and disseminate a comprehensive Employment Services Assessment, including governance, legal, operational, and enabling environment aspects.	Employment Services Assessment	Completed	1. PES Assessment in draft available 2. Executive Summary and major recommendations provided to the government of Nepal 3. The government has owned the recommendation and is developing ESC Vision Concept note, National PES Strategy with Roadmap, Strategy for newly established Internal Employment Management Division and resctruring of PMEP to National International Employment Promotion Programme	Nov.24	Feb.25	The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
	Activity 2.1.2 - Support selected Model ESCS to conduct and disseminate labour market and needs assessments to develop / revise the local employment strategy	Labour Market Assessment/Needs Assessment	Completed	**Provincial Level LMA**: 1. Sudurpaschim Province developed evidence-based Labour and Employment Policy with the support of ILO and revision of the	Feb.24	Jun.24	The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This	
			Planned	The will be academic research by the academia/universities			The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	

Output 2.2: ESC's institutional and operation efficiency, and services are enhanced and operationalized	Activity 2.2.1 –Support the implementation of integrated ESC's services, including adjustments to sectorial and regional needs	Support in implementation of integrated labour and employment services	Ongoing	Based on new guidelines. The PES assessment, accompanied by a roadmap recommending the strengthening of the PES institutional framework, represents a major contribution toward ensuring decentralized, high-quality employment services. Based on this, ILO provides technical support to MoLESS to clearly define the roles and responsibilities of the three tiers of government in managing PES. Ultimately, these efforts will culminate in the development of a National PES Strategy. This requires facilitation of multiple bilateral discussions with MoLESS and with provincial ministries responsible for labour and employment.	Nov.23	Ongoing	very little or no allocation of budget for the activities by the municipalities for ESCs on promotion services. In parallel, the project works at the federal and provincial level to advance unerlying policies and procedures to then facilitate the work at the local level. The PMEP was at the programmatic level and not at an institutional level. Therefore, the programme did not have a long-term vision. This year the GoN decided set up the Division for Internal Employment in MoLESS. This will allow full implementation of integrated ESC services at the local level. The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
		Support in strengthening the operationalization of Employment Services Centre Policy Framework	Ongoing	1. Supported the government in the validation process of developing the Integrated Labour, and Employment Services Procedure. 2. Working with the government in developing ESC Vision, PES Strategy with the Roadmap which will also direct for development of this product 3. A consultation workshop is planned at the end of May 2025	Nov.23	Ongoing	1. very little or no allocation of budget for the activities by the municipalities for ESCs on promotion services 2. Rapid changes in the leadership and officials in the ministry which impact on developing policy related interventions/documents 3. Delays in the realization of the federal government to revise procedure and including the PES strategy. MoLESS has initiated drafting it based on PES assessment The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
	Activity 2.2.2 - Support the strengthening of ESCs and ESC's governance, operational and financing frameworks	Enhance Institutional and Operational Mechanism to Strengthen ESCs	Ongoing	1. Conducted a Round Table Discussion with experts and academia on the potential outlook of the PES System in Nepal to to appropriately conceptualize and provide suggestions to institutionalize the PES system in Nepal and make it as pragmatic as possible for domestic and foreign employment. 2. Policy Dialogue on Public Employment Services conducted at the Federal Level (In collaboration with MoLESS) on 15 February 2024, has led to enhanced knowledge of PMEP/MoLESS officials and other stakeholders about the major roles of PES (at all level) in addition to cash for work. This was also done at the Sudurpaschim Province in year 2024 3. Rest of Provincial level 6 policy dialgoues to strenthen PES and ESCs is planned to complete by July 2025. Government drafted a concept note in collaboration with ILO that also includes an action plan to be finalized in May. This could not have been achieved in a such a short time frame (February to May 2025) without the technical assistance of ILO - taking into consideration that this was mandatory to start with , and then to work on the policy and procedures - to be followed by full implementation of integrated ESC services at the local level. ILO systematically supported the idea of having a permanent division focused on domestic employment in a context where the focus has been primarily on foreign employment.	Nov.23	Ongoing	Rapid changes in the leadership and officials in the ministry which impact on developing policy related interventions/documents The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
		Costing for ESCs	Planned	Planned for this year			Municipal governments to include ESCs in the permanent structure	
		Support developing Monitoring and Evaluation Framework	Ongoing	1. Expert is working on it and will be completed by May 2025 2. Training for ESCs on the framework is planned in June	Nov.24	Jun.25	The ILO received the approval at the end of November 2023 to implement project activities (except capacity building). This subsequently delayed the timely implementation of the project. (*)	
	Management & Operations						limited staff to work with 3 tiers of governments	

▶ Table 11 –Table of Outputs

ANNEX 9 - SUMMARY OF OUTPUTS

OUTPUT DELIVERY [a]

Output	Output status	Output Progress
Outcome 1: ESCs have increased capacity to provide quality employment services with particular emphasis on young men and women, aspiring migrants and returnees		
1.1 ESC's capacity to manage and deliver employment promotion services is strengthened	Completed	▶ Knowledge, skills and capacity of total of 1,372 (21.5% women) ESC and government officials on different aspects of PES enhanced as of below: 1,372 (1,076 Men and 296 Women) ESC officials from 753 ESCs of all seven provinces and 12 from provincial level Employment Information Centres trained on basic employment promotion services. ▶ 30 Model ESCs Coordinators/officials (23 Men and 7 Women) trained in Integrated Labour, Employment Services, Employment Promotion Services and developing local employment strategies. ▶ Supported 13 Model ESCs in the implementation of employment services through the On-The-Job Capacity Building Programme. The results achieved under this support are: - *13 individual ESC Annual Workplan developed* - *9 sector wise tools developed, and 3,678 stakeholders registered in the database* - *a common tool for counselling developed and 4,166 jobseekers registered in the database.* - *Out of the registered people in the database, 651 people provided with counselling services.* - *566 service seekers referred to relevant training and 184 jobseekers referred to employment.* - *27 private sector engagement programmes organized* - *9 Job fairs organized by ESCs* - *17 events of community campaigns organized to sensitize youth on employment promotion services.* - *13 individual labour market and service needs assessments conducted and reports (draft version) produced* ▶ Supported 4 PMEP officials with international training – two in Thailand and two in Italy to participate in the training on the effective management of Public Employment Services. ▶ Supported 4 ESC Coordinators with online international training from ITCILO Italy on Career Guidance training.
1.2 Institutional Capacity Development Mechanism for ESCs and stakeholders is developed and operationalized	Delay: behind schedule	▶ The project is working with MoLT Madhesh Province to develop the Provincial Level Employment Information Centre/Labour and Employment Unit to develop a provincial training centre and to create a system of continuous capacity building for ESCs and stakeholders. The MoLT will include this

[a] Based on the Implementation Plan

Output	Output status	Output Progress
		decision in the revised Labour and Employment Policy this year. A similar discussion is going on with Sudurpashchim province. ▶ A process of collaboration and partnership with the Municipal Association of Nepal (MuaN) is going on for providing capacity building activities of municipal governments on their roles in ESCs' operations and their roles for employment promotion including how they can integrate ESCs into their plan and budget – including budgeting for ESCs operations. For the effective implementation of this programme, ILO will establish an Implementation Agreement with MuAN. ▶ The project is working in the Implementation Agreement with the FNCCI to develop a national framework for the engagement of ESCs with private sector, in partnership with employer organizations and training providers' organization, to support stronger collaboration of the ESCs with the private sector at all levels. Provincial Level LMA and Needs assessment under outcome 2 will also contribute to developing the strategies.
Outcome 2: MOLESS, in coordination with provincial and local governments, has developed and started implementing inter-institutional measures and collaborated with private sector stakeholders, to improve public employment services.		
2.1 Evidence on the institutional and operational development of ESCs and their services is generated and disseminated	On schedule	▶ ILO's subject matter specialists and international experts have been assessing Public Employment Services (PES) and labour market policies. To conduct PES, the project is using ILO's "Public employment services diagnostic tool and Guide" (PES Scan) to conduct the assessment, ensuring that the diagnostics tools are adjusted and relevant for the Nepali context. The fieldwork will commence after Dashain. ▶ Labour Market Assessment (LMA) at the province level (Mandhesh and Sudurpaschim) accompanied by an Active Labour Market Policies (ALMPs) assessment has been done. The assessment encouraged the provincial government in developing evidence-based Labour and Employment Policy (in Sudurpashchim province which is in process with the support of ILO) and revision of the policy (in Madhesh Province which the MoLT foresees to revise) and developing provincial level employment strategies and programmes. ▶ Supported 13 model ESCs to conduct the assessment of the labour markets at local levels. The assessment provided ESCs with valuable insights into current trends, skill gaps, and the specific needs of both employers and jobseekers. This was done by the ESCs themselves, together with the experts deployed by the project. With the findings and implementing the recommended strategies of these reports, ESCs can enhance their services and contribute to a more dynamic and responsive labour market.

Output	Output status	Output Progress
		▶ The project also developed simplified LMA tools for ESCs to conduct these exercises regularly as part of their usual work and provided training to ESC staff of all 13 model ESCs before conducting LMA and Needs Assessments.
2.2 ESC's institutional framework and services are enhanced and operationalized	On schedule	▶ The revision of the Integrated Labour and Employment Service Procedure has been agreed with the MoLESS. This will include clarity on roles on three tiers of government and service delivery mechanism of ESCs. ▶ Policy Dialogue on Public Employment Services conducted at the Federal Level (In collaboration with MoLESS) on 15 February 2024, has led to enhanced knowledge of PMEP/MoLESS officials and other stakeholders about the major roles of PES (at all level) in addition to cash for work ▶ Provincial Planning Workshops (in collaboration with Sudurpashchim and Madhesh provincial governments) provided support to the provincial governments in identifying and prioritising the key issues related to labour and employment; enhancing collaboration among stakeholders to address labour and employment issues and prepare a plan of action for FY 2081/82 to address the identified issues in previous FYs. ▶ Supported in formalizing budgeting from Madhesh Province (MoLT) to invest in employment promotion services including reintegration of returnee migrant workers. The MoLT has provisioned 8 officer level staff to be based in each district of Madhesh province including an allocation of a budget of US $256,092 to provide support to Local Levels in Coordination and collaboration between the local and Provincial programmes including Employment Promotion Services, reintegration of returnee migrant workers and Migrant Resource Centres (MRCs) and reporting related to labour and employment issues (**Proposed Job Description is attached in Annex B**). The project has already received a request from MoLT to support in developing procedures for working in employment promotion services and ESCs including the working procedures of these staff. These staff will report to Labour and Employment Unit in the ministry and working with all the ESCs in the Madhesh Province. ▶ Supporting MoLESS to develop a Monitoring and Evaluation (M&E) framework for ESCs (including PMEP) and create a systematic and evidence-based approach to improving the delivery of integrated employment services. It will allow for a thorough monitoring of the performance of ESCs in terms of job placement, skills development, and other relevant indicators. The ILO M&E Expert/consultant has been closely working with PMEP/MoLESS and ESCs in the process of developing these tools. After developing the tools, the project will provide M&E training to PMEP/MoLESS and ESCs officials on using the tools.

OUTPUTS: Overall delivery assessment [b]	
☐ Highly satisfactory Implementation of almost all (>80%) outputs is on schedule as envisaged in the implementation plan and almost all (>80%) indicator milestones have been met.	☒ Satisfactory Implementation of the majority (60-80%) of outputs is on schedule as envisaged in the implementation plan and the majority (60-80%) of indicator milestones have been met.
☐ Unsatisfactory Some (40-60%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only some (40-60%) indicator milestones have been met.	☐ Very unsatisfactory Few (<40%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only a few (<40%) indicator milestones have been met.

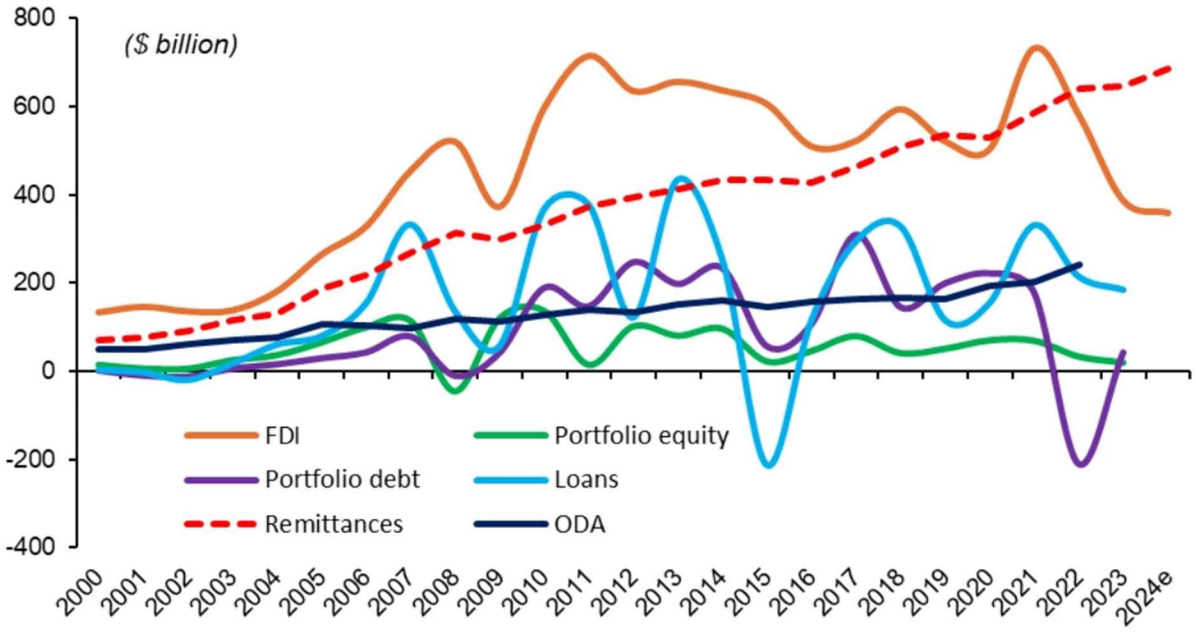
Ref.2.2 SESC Annual Project Progress Report_ILO- Oct 2024.pdf

▶ Table 12 –Summary of outputs

ANNEX 10 - GLOBAL TRENDS IN REMITTANCES (CONTEXT)

The World Bank estimates that officially recorded remittance flows worldwide to low-and middle-income countries reached $685B in 2024, up nearly 6% from 2023. The top recipient countries in 2024 were India ($129B in 2024), Mexico ($68B)), China $48B), Philippines $40B), and Pakistan ($33B[17]). In fact, as Figure 1 shows, the aggregate volume of remittances to developing and emerging economies has grown so large that it has surpassed the combined value of foreign direct investment (FDI) and official development assistance (ODA).

Figure 1: Remittances continued to outpace FDI and ODA combined



Source: Ratha, Plaza and Kim, 2024

Figure 4 – Remittances continued to outpace FDI and ODA combined

In the wake of major reductions in the aid budgets of the United States, United Kingdom and European countries, and worldwide trade disruption triggered by aggressive US tariffs, it is likely that remittances will figure even more prominently in the years ahead in the economic development of low- and middle-income countries.

At the same time, many migrant workers pay a high price, too often with their lives, because of unsafe working conditions, abuse, and wage theft. For governments and civil society organizations of migrant-sending countries, the dual challenge remains: first, protecting the rights of migrant workers in countries of destination (CoDs) and optimizing remittance flows for sustainable development in countries of origin. Multilateral agencies and networks— particularly the International Labour Organization, the International

[17] D. Ratha, S. Plaza, and E. J. Kim, In 2024, remittance flows to low- and middle-income countries are expected to reach $685 billion, larger than FDI and ODA combined, People Move Blog, World Bank, Washington, DC, December 18, 2024 https://blogs.worldbank.org/en/peoplemove/in-2024--remittance-flows-to-low--and-middle-income-countries-ar

Organization for Migration, and the UN Compact for Safe, Orderly and Regular Migration—monitor and advocate for the human rights and decent work for migrant workers.

Research confirms that the households of highly skilled migrant workers tend to invest remittances in the education of family members, contributing to sustainable development at the micro-level. Further study is needed on the investment patterns in education, health and housing improvements on the part of the families of low-skilled migrant workers.[18] In general, however, as one scholar argues: "By focusing attention on enhancing international migrants' ability to invest in their children's education and in non-farm capital, labour-rich developing countries may be able to generate lasting and positive effects on the structure of their economies".[19]

National-level attempts to leverage remittances to mobilize capital for sustainable development have been met with mixed results. Some countries—including Israel, India, Nigeria and Philippines—have successfully issued diaspora bonds, attracting substantial capital. However, in countries like Ethiopia and Nepal, diaspora bonds were not successful. As one study reported: "In Ethiopia, a large portion of the diaspora belonged to a political party that opposed the government. In Nepal, the interest rate was too low and the bond was in local currency terms and thus subject to currency risk. In both cases, they could not market the bond overseas because the bonds were not registered with the respective securities and exchange commissions."[20]

In contrast, there is more promise in leveraging remittances for sustainable development closer to the ground. Active municipal economic development that mobilizes local investment, FDI and ODA to stimulate the growth of lead economic sectors and micro-, small- and medium-sized enterprises (MSMEs) must be an essential element in this effort along with skill-building programs, job-matching, and employment counselling.

Trends in Remittances for Nepal

In 2024, Nepal ranked 16th among the top 20 recipient countries, receiving $11.4B in remittances that year. Indeed, remittances accounted for about 26% of the country's gross domestic product (GDP) in 2024, up from 22% of GDP in 2022.[21] The main destination countries for Nepali migrant workers continue to be the Gulf Cooperation Council (GCC) countries—notably Bahrain, Jordan, Oman, Qatar, Saudi Arabia, and the United Arab Emirates—and Malaysia, with increasing but still minor flows of Nepali workers to European destinations like Romania and Spain. Both unskilled and semi-skilled labour are required in these countries for construction and infrastructure projects and the services sector.

Upskilling migrant workers for better jobs when they are overseas and when they return must be a priority for governments and business associations at all levels in Nepal. So must providing social welfare services for Nepali migrant workers who have been injured or died on the job or have been abused or the victims of wage theft. Overseas missions of Nepal in the Gulf and Malaysia, working under bilateral labour market agreements or memoranda of understanding, may cooperate with nonprofits providing legal aid and other

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[18] L. Bossavie and Ç. Özden, Impacts of Temporary Migration on Development in Origin Countries, Policy Research Working Paper 9996, World Bank, Washington, DC, 2022; republished by Oxford University Press, 2023 https://academic.oup.com/wbro/article-abstract/38/2/249/7125581?login=false

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[21] Ratha, Plaza and Kim, Ibid, 2024

volunteer support to investigate and try to settle cases of migrant-worker injury, death or grievance in countries of destination.

Back in Nepal, employment centres often manage returned dead bodies of migrant workers, regular or illegal, and work with their families to reach financial settlements and access social services in these and non-death related grievance cases. Indeed, ESCs consulted by the MTR team were found to spend 30 to 40% of their time providing these services, and even more in regions that are especially dependent on migrant labour.

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ANNEX 11 - PROJECT DESIGN IMPLICATIONS

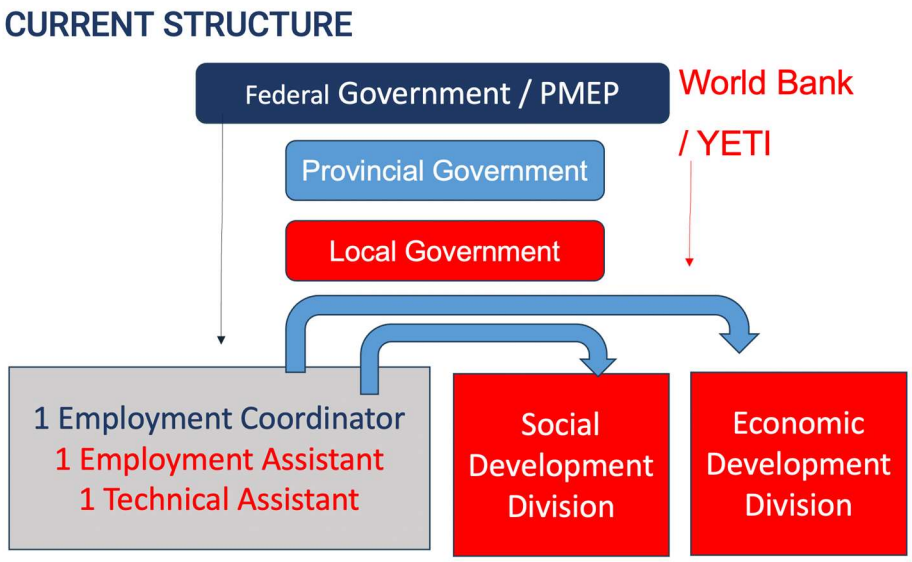


Figure 5 – ESC's positioning within the municipal governance framework

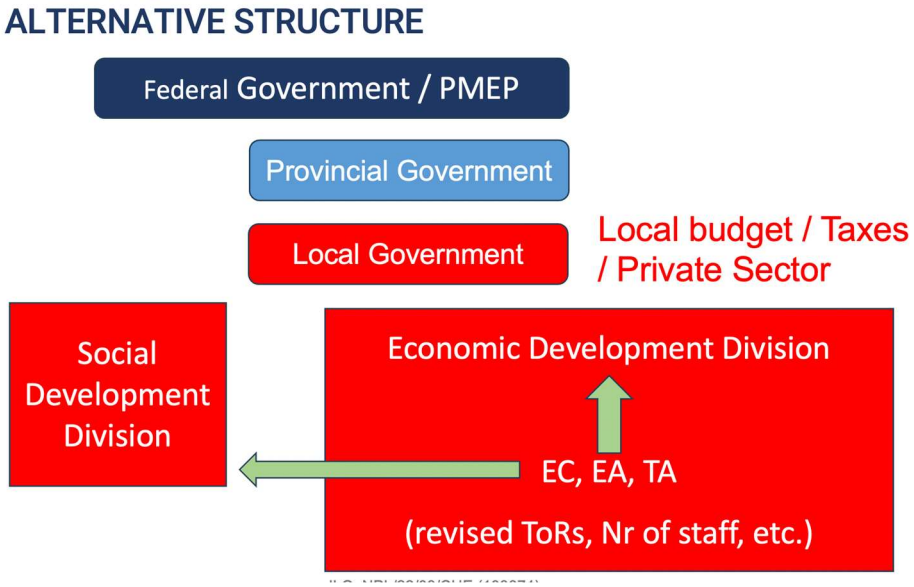


Figure 6 – ESC's positioning within the municipal governance framework (Alternative)

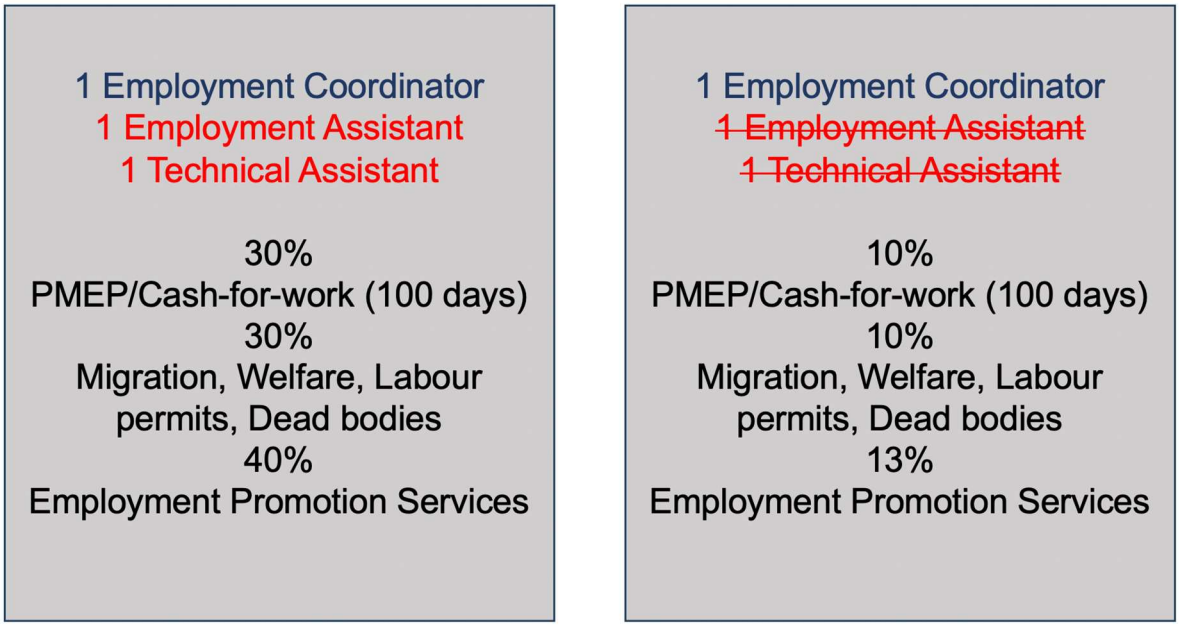


Figure 7 – ESC Staff and distribution of workload

ANNEX 12 – EMERGING LESSON LEARNED

Evaluation Title: Mid-Term Review (MTR) of the project "Strengthening of Employment Service Centres in Nepal (SESC)"	**Project TC/SYMBOL:** NPL/22/03/CHE (108874)
Name of evaluators: Maria Zarraga, Edward Jackson, Mahesh Hada	**Date:** May 15, 2025

The following Lesson Learned has been identified during the course of the evaluation. Further text can be found in the conclusions of the full evaluation report.

LL Element	Text
Brief summary of lesson learned (link to project goal or specific deliverable)	The MTR revealed that capacity-building for Employment Service Centres (ESCs) was requested early on, and initiated to take over the YETI project, while the necessary systems and structures to support it were delayed due to slow government approval of Component 2 activities. This created a gap between training efforts and institutional readiness. Initial training rightly enabled ESC staff to begin delivering employment services. Capacity building however lacked the backing of a clear institutional framework and job security. Employment Assistants and Technical Assistants lost their roles to cessation of funding, and Employment Coordinators faced uncertainty. It was later confirmed that, largely due to the project's influence, Employment Coordinators' positions will be secured in the upcoming fiscal year. This situation highlights a core tension: foundational training is essential, but without parallel progress in policy development, institutional clarity, and local ownership, its impact is limited. The delay in clarifying local governments' roles and responsibilities weakened early efforts. With the rollout of Component 2, notable progress is now being made based on defined institutional roles and governance structures. ILO played a crucial role in advocating for interim staff retention and building momentum at the federal level to formalize the ESC framework. This demonstrates the importance of a well-sequenced, phased approach - linking capacity-building with broader institutional reform and ensuring alignment across all levels of government. The real challenge is not just activating ESCs but building a fully integrated, sustainable employment system. This is especially urgent given the country's limited ability to rely on remittances and external aid in the long run. To be effective, capacity-building must be grounded in: ▸ Strong policy and institutional frameworks ▸ Clear roles and mandates across government levels ▸ Committed local leadership ▸ Attractive and stable career pathways for ESC staff ▸ Reliable and sustainable financing.

	Efforts to build capacity must go hand-in-hand with institutional development. Moving forward, a longer-term strategic approach and increased donor investment will be critical to accelerate the institutionalization of ESCs. This means moving beyond short-term or localized interventions to support a nationally coherent system - ensuring that ESCs are embedded as a permanent part of the country's employment infrastructure, capable of delivering inclusive and sustainable labour market outcomes – taking into consideration that systemic change happens gradually if leading to stabilization of the labour market and the reduction of unemployment rates.
Context and any related preconditions	The ILO SESC project was launched in a complex environment where Employment Service Centres (ESCs) had already been established under the PMEP but lacked critical institutional, policy, and financial foundations. The dual reporting arrangement - where Employment Coordinators reported to the federal level while other ESC staff were under local government authority - created significant coordination and accountability issues. Additionally, the ending of funding support from the World Bank for ESC staff salaries, without further financing at any government level, further complicated the situation. These structural gaps in governance and resources impacted ESCs' readiness to effectively absorb capacity-building support.
Targeted users / Beneficiaries	Users refer to policymakers, ILO, donors, tripartite constituents, and other implementing partners, involved in employment programmes. Local government authorities, managing Employment Service Centres (ESCs), are also key users.
Challenges / negative lessons – Causal factors	Key challenges stemmed from the lack of foundational structures and delayed policy work. Capacity building was pushed forward quickly, and the project faced unexpected delays, leading to inefficiencies and resistance. The latter are being now addressed with notable results under Component 2 - highlighting the importance of systemic change and policy dialogue that is central to ILO's mandate. While the project achieved to transfer the required initial capacity to ESCs, a phased, systemic approach remains critical to achieve stronger value for money and meaningful results - offering donors a high-impact opportunity to drive lasting change in employment systems.
Success / positive issues – Causal factors	The mid-term review revealed key challenges in continuing the project after the Prime Minister Employment Programme (PMEP), emphasizing that while capacity-building efforts were requested early on, the necessary systems and structures were still under development. It highlights the importance of shared responsibility among all stakeholders - tripartite constituents, donors, and the implementing agency - in ensuring that foundational work, such as policy development, role clarity, and funding arrangements, is in place to strengthen the impact of capacity building.
ILO administrative issues (staff, resources, design, implementation)	A more strategic approach would require having more project staff and resources to address the aforementioned issues and accelerate systemic results.
Other relevant comments	

▶ Table 13 – Emerging Lesson Learned

ANNEX 13 – EMERGING GOOD PRACTICE

Evaluation Title:	**Project TC/SYMBOL:**
Mid-Term Review of the project "Strengthening of Employment Service Centres in Nepal (SESC)"	NPL/22/03/CHE (108874)
Name of evaluators: Maria Zarraga, Edward Jackson, Mahesh Hada	**Date:** May 15, 2025

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	**Text**
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	The project implemented a comprehensive and systemic approach to strengthening Employment Service Centres (ESCs) across Nepal, engaging federal, provincial, and local governments. By working at all three tiers of government, the project laid the foundation for institutionalizing Employment Services (PES) and improving employment policies and frameworks. Despite challenges such as delays, turnover, and natural resistance to change, the project successfully completed a thorough assessment of public employment services and labour market policies. This comprehensive study not only provided valuable insights into the roles and responsibilities across the three levels of government but also informed policy decisions and strategic resource allocations. The project effectively established the groundwork for increasing private sector engagement and collaborating with the Municipal Association of Nepal to foster local ownership and capacity building.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	This approach was implemented in a context where Nepal was transitioning to a federal system, requiring careful alignment with new structures at the federal, provincial, and local levels. The challenges faced, such as delays, stakeholder turnover, and resistance to change, were expected in such a context of shifting governance and institutional development. While these factors posed challenges, they also highlighted the need for a strong, coherent strategy to integrate employment services within a decentralized governance structure. The systemic approach taken by the project provided an essential framework for overcoming these challenges, ensuring long-term sustainability and impact. *Advice and Limitations:* The model applied here is valuable in the context of a federalizing country but may require adaptation for countries with centralized systems or those not undergoing such significant governance transitions. While the approach proved effective in Nepal, the capacity of local governments to engage in such comprehensive frameworks may vary in other settings, requiring tailored strategies for each local context.
Establish a clear cause-effect relationship	The systemic, multi-tiered approach of the project resulted in a strengthened institutional framework for Employment Services, directly leading to better coordination among the three levels of government. By addressing gaps in policies and frameworks, and engaging local governments through associations

	like the Municipal Association of Nepal, the project laid the groundwork for sustainable local engagement in employment services. This, in turn, led to more robust and localized employment policies, which are crucial for addressing the needs of job seekers in specific regions. Through the study and strategic recommendations, the project also created the conditions for private sector involvement, which is a critical factor in expanding employment opportunities and fostering sustainable economic growth. To further refine and strengthen the cause-effect relationship, a fully reworked theory of change, with clear waves of change highlighting shifts in policy frameworks, institutionalization, tailor-made outcomes, capacity building, and scaling up, would be beneficial. This should be supported by a systemic change expert with solid expertise and experience related to ILO's specific mandate.
Indicate measurable impact and targeted beneficiaries	The project's impact can be measured by the improved capacity of local and provincial governments to manage Employment Services, the enhanced collaboration between government tiers, and the ongoing development of policy frameworks, such as the ESC Vision Document and National PES Strategy. Local job seekers, including marginalized groups such as persons with disabilities, are the direct beneficiaries of this approach, as it has already led to better-targeted training, more job opportunities, and improved local economic conditions. Additionally, the private sector and small businesses benefit from increased engagement and alignment with employment services, allowing for more tailored skills development and job creation aligned with market needs. *Targeted Beneficiaries:* ▸ *Job seekers across Nepal, particularly in marginalized communities* ▸ *All tiers of governments, through capacity-building efforts and support in adapting policy frameworks and guidelines, workers' and employers' organizations* ▸ *Private sector actors, through improved collaboration with public services including a demand driven approach* ▸ *Municipal associations and local leaders, benefiting from enhanced knowledge and resources.*
Potential for replication and by whom	This systemic approach has strong potential for replication in countries undergoing federalization or decentralization processes. The model can be adapted to various local contexts, especially in nations with significant regional disparities or transitioning governance structures. As the project continues, a key focus should be on engaging local actors, building institutional memory, and strengthening private sector partnerships to ensure its sustainability and scalability. While work progresses at the policy level, the primary stakeholders for scaling and replicating this model include tripartite constituents, key stakeholders, and networks of change agents. These groups are well-positioned to create multiplier effects and long-term impact, particularly in driving local economic development. This will help ensure that employment services remain localized, accessible, and sustainable, contributing to broader goals of inclusive economic growth and job creation. Feasible goals should also be adapted to the existing budget to ensure systemic change, rather than overextending resources, which could jeopardize impact and sustainability.
Upward links to higher ILO Goals (DWCPs Country Programme	The project aligns directly with ILO's broader strategic goals, especially under the Decent Work Country Programme (DWCP) and the Strategic Programme Framework. By strengthening public employment services at all levels of

Outcomes or ILO's Strategic Programme Framework)	government and fostering private sector involvement, the project contributes to ILO's objectives of promoting decent work, social dialogue, and economic growth. The project also supports the achievement of Sustainable Development Goal (SDG) 8 – Decent Work and Economic Growth, particularly by ensuring that employment services are responsive to local needs and linked to broader economic strategies. The ILO's leadership in this transformation ensures that the changes are in line with International Labour Standards, including gender-responsive and inclusive policies, and sets a solid foundation for future work on policy coherence and labour market development in Nepal.

▶ Table 14 – Emerging Good Practice

Management response to the
Mid-term Review of SESC Project

Management Response

The Management Response (MR) states the position of the SDC on the recommendations of the Mid Term Review (MTR) of the "Strengthening of Employment Service Centres in Nepal" (SESC) project. The MR provides a solid basis for strategic decision-making.

Assessment of the evaluation

The evaluation was conducted by Mara Zarraga, Edward Jackson and Mahesh Hada in accordance with international standards. The main objectives of the evaluation have been met, namely to assess the SESC project against the five DAC evaluation criteria; to review progress against planned outcomes and deliverables; to examine the quality of project management and partnership arrangements; to evaluate the adequacy of the project's theory of change, implementation approach, and monitoring systems; and to provide actionable recommendations for strengthening performance and ensuring sustainability in the remaining implementation period.

The report's analysis and resulting recommendations are useful for strengthening the strategic orientation of the SESC Project. However, the SDC management doesn't fully agree with all findings and considers some of the longer-term recommendations unrealistic given the limited time left in the project cycle. The emphasis on completing core deliverables, strengthening provincial and local ownership, and ensuring a credible pathway for PES institutionalisation resonates strongly with SDC's priorities. On contrary, recommendations that introduce e.g. scale-up planning are viewed as less feasible in the current context. Overall, the evaluation offers a solid basis to guide the project through its final implementation phase.

Main findings

Relevance: The evaluation accurately confirms that the project remains relevant to Nepal's evolving employment agenda, particularly considering increased public and political attention to employment and the need for stronger Public Employment Services (PES).

Coherence: The report provides a fair analysis of the project's alignment with government priorities and complementary donor efforts. It highlights strong coherence in design but identifies gaps in coordination and shared expectations, especially between ILO, SDC, and government counterparts.

Effectiveness: The evaluation accurately captures mixed progress: while foundational work and selected outputs have been delivered, several commitments remain delayed. The findings underscore the need for sharper prioritisation and more disciplined implementation.

Efficiency: The review highlights inefficiencies related to slow implementation, uneven project management, and limited responsiveness to emerging bottlenecks. These assessments align with management's view that stronger planning, timely execution, and clearer internal decision-making are essential for the final phase.

Impact: While the project has contributed to early system-level improvements and capacity building, the evaluation rightly notes that visible employment outcomes and institutional changes remain limited.

Sustainability: The evaluation's focus on sustainability is well-founded. It correctly points out that lasting results hinge on deeper provincial and local ownership, clearer mandates, and stronger institutional anchoring.

Out of the 11 recommendations, three are 'fully agreed' (green), four are 'partially agreed' (orange) and four are not agreed ('disagree' - red) – see table below. The SDC agrees to seize this opportunity to improve its results by taking specific measures in line with the recommendation.

Recommendation A: Advance project implementation and scaling through comprehensive capacity building, coordination, and pilot initiatives; accelerate local government engagement and sustainability while maintaining strong support and guidance from federal and provincial levels, emphasizing shared goals and successes.	
R1. Finalize and institutionalize training manuals	
R2. Categorize ESCs and clarify roles (ESC Vision 2030)	
R3. Launch targeted capacity building and learning platforms	
R4. Pilot and support model ESCs	
R5. Conduct operational feasibility assessments	
R6. Develop communication strategy and digital tools	
R7. Strengthen financial and operational sustainability	
R8. Accelerate pilot actions at local level	
R9. Pursue strategic policy engagement and legal frameworks	
Recommendation B: Endorse the design and development of an "impact-oriented" framework, intervention strategy, and M&E system, with the support of systemic change expertise.	
R10. Design a national roadmap for systemic change across phases, supported by strategic change management expertise, inclusive stakeholder engagement, and potentially a multi-donor, and a multi-phase approach.	
Recommendation C: Promote transparent and open dialogue between donors and the ILO to clarify mutual expectations, existing constraints, and the overall operational feasibility of implementation.	
R11. Establish a bilateral communication mechanism to ensure regular, senior-level alignment and coordinated planning taking existing constraints into consideration.	
Fully agree	Partially agree / Disagree

Overview of recommendations, management response and measures

Recommendation 1: *Advance project implementation and scaling through comprehensive capacity building, coordination, and pilot initiatives; accelerate local government engagement and sustainability while maintaining strong support and guidance from federal and provincial levels, emphasizing shared goals and successes.*		
R1 (Short-Term): Finalize and institutionalize training manuals R2 (Short-Term): Categorize ESCs and clarify roles (ESC Vision 2030) R3 (Short- to Mid-Term): Launch targeted capacity building and learning platforms R4 (Short- to Mid-Term): Pilot and support model ESCs R5 (Short- to Mid-Term): Conduct operational feasibility assessments R6 (Short-Term): Develop communication strategy and digital tools R7 (Short- to Mid-Term): Strengthen financial and operational sustainability R8 (Short- to Mid-Term): Accelerate pilot actions at local level R9 (Mid- to Long-Term): Pursue strategic policy engagement and legal frameworks		
Management response		
Fully agree	Partially agree	Disagree
The SDC partially agrees with Recommendation 1. While the proposed actions align with the overall objectives of SESC project, implementation must be realistic and time-bound. We endorse the completion and validation of training manuals. We also support ESC categorisation and the clarification of roles in line with the Draft ESC Vision 2030. However, SESC must provide more structured technical assistance and ensure that the criteria remain practical and service oriented. Similarly, while the expansion of capacity-building packages, e-learning modules, and knowledge-sharing platforms is relevant, these activities must be consolidated and based on PES Assessment recommendations. The SDC also strongly emphasises on the project's advocacy and programmatic support to the National PES Policy Framework be a top priority in the remaining project period. We also agree on the value of piloting model ESCs, recommend scaling it down if required, and conducting operational feasibility assessments, and emphasise on visible service delivery outcomes. We acknowledge the draft communication strategy to promote ESC services but insist not to pursue further on possible mobile app development, as this is something which is supported already through other SDC projects. Finally, strengthening sustainability through local champions and alignment with other development partners is appropriate. We recommend SESC to facilitate existing linkages with ReMi project for improved advocacy on institutionalisation of ESCs/PES.		

Measures	**Responsibility**	**Timing**
a) R1 – Finalize and formally endorse the ESC training manuals by MoLESS by Feb 2026, ensuring institutional ownership from MoLESS and PGs.	SESC	Feb 2026
b) R2 - Continue supporting MoLESS to operationalise the ESC Vision 2030.	SESC	June 2026
c) R3 - Consolidate existing capacity-building materials (including e-learning, workshops, trainings) into a single, coherent training package and hand it over to the GoN to run trainings through GoN training Institutes (LDTA and Provincial), in close collaboration with ReMi and SaMi	SESC, ILO HQ, MoLESS	April 2026
d) R4 – Will not be pursued further, as agreed earlier.		
e) R5 - Will not be pursued further, as agreed earlier.		
f) R6 - Implement the drafted communication strategy with a focus on low-cost, decentralized outreach materials for municipalities.	SESC, ILO	Feb 2026
g) R7 – Engagement with MuAN/NARMIN on their strengthening and investments to ESCs.	SESC	June 2026

h)	R8 - Will not be pursued further, as agreed earlier.		
i)	R9 - Focus remaining policy work on advancing the National PES Policy Framework and clarify institutional mandates that can realistically be endorsed.	SESC	May 2025

Recommendation 2: *Endorse the design and development of an "impact-oriented" framework, intervention strategy, and M&E system, with the support of systemic change expertise.*

R10 (Mid- to long-term - with key mid-term milestones): Establish a phased, monitored scale-up roadmap.

Management response

Fully agree	**Partially agree**	**Disagree**

The SDC does not agree with the recommendation to introduce a phased scale-up roadmap at this stage of the project. Given that SESC is already experiencing delays in its approved workplan and expenditure, and still has a number of pending activities, introducing an additional scale-up planning process is neither feasible nor strategic. With the project stated to close in June 2026, the priority should be to focus fully on completing ongoing commitments, particularly the delivery of the National PES Policy Framework and other core outputs already agreed upon with government stakeholders. The SDC therefore expects the project team to concentrate on disciplined implementation, timely completion of pending activities, and preparation for a responsible exit.

Measures	Responsibility	Timing
a) Prepare a focused implementation tracker to ensure that pending activities are completed on time. b) Allocate remaining project resources toward delivering the PES Policy Framework.	SESC	June 2026

Recommendation 3: *Promote transparent and open dialogue between donors and the ILO to clarify mutual expectations, existing constraints, and the overall operational feasibility of implementation.*

R11. Establish and clarify a bilateral high-level communication mechanism to address formally any key issues such as expectations, constraints, operational feasibility considering available resources and constraints, and ensure senior-level alignment.

Management response

Fully agree	Partially agree	**Disagree**

The SDC agrees in principle with the recommendation to strengthen open dialogue between donors, and we welcome continued clarity on expectations, constraints, and operational feasibility. We also support the idea of a high-level communication mechanism if it serves to streamline coordination rather than introduce additional procedural layers. However, we only partially endorse this recommendation because of the changed political context in Nepal and the resulting shift in priority for the interim government. This creates both opportunities and urgency; the remaining project period must be used to consolidate the foundations for PES institutionalisation, especially through securing stronger provincial and local ownership of ESCs. For SDC, sustainability is paramount, and the focus in the final months should therefore be on completing substantive technical work, ensuring government uptake, and embedding core processes for effectiveness and relevance rather than establishing new coordination structures. The priority for SESC moving forward is to concentrate its time and resources on delivering results that enable long-term institutional anchoring of employment services.

Measures	Responsibility	Timing

a) Use existing coordination structures to reinforce shared expectations and ensure that federal, provincial, and local ownership of ESCs remains the central focus for the remainder of the project. b) Channel project dialogue toward practical progress on PES institutionalisation rather than establishing new mechanisms that may divert effort from implementation.	SESC, ILO	June 2026

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Approved by:

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Date: