



Central Nepal Hotspot 2017 Annual Report

CENTRAL NEPAL HOTSPOT OVERVIEW

Program goal and objectives:

Goal:

To reduce the prevalence of minors at risk and in situations of commercial sexual exploitation in central Nepal.

Objectives:

1. Create the systems and services necessary for minors to speedily, safely and permanently leave sectors where commercial sexual exploitation of children exists.
2. Reduce the use of children in the industry by influencing customers and employers not to engage minors.
3. Prevent children from being recruited into jobs that put them at risk of commercial sexual exploitation.

SLAVERY IN NEPAL'S ADULT ENTERTAINMENT SECTOR

- Over the past 15 years, Nepal has seen a dramatic rise of sex work in the Kathmandu Valley, as well as a rise in the sexual exploitation of children.
- An estimated 13,000 girls and women are working in the adult entertainment sector.
- Many of the workers are trapped in exploitative situations due to restrictions placed upon their freedom or a lack of alternative employment opportunities.

CENTRAL NEPAL



At least half of all Nepali workers in the adult entertainment sector are children, and often those over 18 entered the sector as minors.

1. OPERATING CONTEXT



In 2017 there was a considerable transformation in Nepal's national politics as it transitioned to a federalist system. The transition restructured local governments and devolved power from the national to the local level. In this process, the government rushed to install new officials and create new structures. Groups of three to five Village Development Committees (VDCs) were merged into newly established, single administrative units called municipalities. As power transitioned to the municipalities, District Development Committees (DDC), formerly the district level governing bodies, were transformed into District Coordination Committees, significantly reducing their power and decision-making authority.

This transition will result in several changes which could impact the hotspot. For example, as municipalities work to establish new regulations for local child protection mechanisms, all Village Child Protection Committees (VCPCs) have been dissolved, and the future roles of District Committees for Controlling Human Trafficking (DCCHTs) and District Child Welfare Boards (DCWBs) are unclear. It also remains unclear if Monitoring Action Committees (MACs) will be dissolved. The transition, once complete, could create significant opportunities for the hotspot program to advance its agenda. However, it remains to be seen how these changes will affect our local NGO partners' ability to engage with local government to help end the commercial sexual exploitation of children (CSEC).

As part of the transition, local elections were held in three phases across Nepal in May, June and September. The elections installed new local authorities, such as mayors and ward presidents, for the first time in 15 years. Hotspot partners took advantage of local elections to meet with candidates in more than ten municipalities in the Kathmandu Valley. Our partners secured commitments from three of the four major political parties for their anti-CSEC and Adult Entertainment Sector (AES)-worker protection platform.

While many believed that the election victory of the left coalition of United Marxist Leninist (UML) and Communist Party of Nepal – Maoist (CPN-Maoists) would create a more stable government, all legislative processes have been delayed, creating a huge backlog of bills. At the federal level, the Secretary of the Ministry of Women, Children and Social Welfare has changed three times in the past five months. Furthermore, it was recently announced that 31 ministries will be collapsed into 18 ministries. In addition, there are still over 260 Acts that need to be harmonised with the new constitution. That said, the Labour Act was passed in September and, if effectively implemented and enforced, will provide important protections for AES workers. However, other bills, such as the Human Trafficking and Transportation Control Act and the Foreign Employment Act, remain stalled.

Aside from the issues associated with the restructuring of government, there is a widespread feeling amongst civil society that the central government has become less supportive of NGOs and is slowly creating increasingly strict regulations and bureaucracy to monitor NGO activities. This is something that the hotspot will continue to closely monitor.

Central Nepal hotspot partners have also reported several disturbing new trends emerging in the AES during 2017. Several snack shops and cabin restaurants are creating 'upstairs rooms' where customers can engage girls in sexual activities without having to leave the premises. It also appears that owners are offering workers accommodation and transportation to and from work as a new workplace 'perk'. However, partners believe that this is a veiled effort to restrict workers' freedom of movement, making them more dependent on the owners and, therefore, more vulnerable to exploitation. Partners also observed that an increasing number of AES workers are residing in high-rise communities; it is suspected that these are becoming fronts for sex work as it is easy to go unnoticed in this type of setting. Finally, a Freedom Fund partner organisation found that *dohori* restaurants¹ in Nuwakot, a source district not typically known for having establishments that offer sexual services, were serving as fronts for commercial sexual exploitation.

¹ An establishment where customers are entertained by Nepali music and dance. Some *dohori* restaurants cater to families wanting food and entertainment; however, some primarily attract male customers seeking music and female companionship.

2. HEADLINE RESULTS



586 slavery victims liberated with support for recovery

Partners made substantial strides to empower AES workers and others vulnerable to commercial sexual exploitation to claim their rights and either leave their situation or fundamentally change their workplace environment. Out of the 586 individuals liberated in 2017, 377 were minors. This achievement reflects partner organisations' ability to create an enabling environment for children to quickly, safely and sustainably withdraw from commercial sexual exploitation.

6,595 project participants received social and/or legal services

Partners provided social and/or legal services to 6,595 participants in 2017, preventing at-risk youth from being exploited, empowering individuals to safely leave the sector on their own terms and working with survivors to recover. Comprehensive services include psychosocial support, group counselling, life skills training, medical care, legal aid and shelter. These services are provided primarily through outreach, mobile camps, drop-in centres and shelters.

305 community freedom groups supported with a total of 5,838 group members

Partners are supporting community freedom groups, such as child clubs and adolescent groups by empowering members with important life skills and providing them with the capacity to actively engage their communities in group discussions and anti-CSEC awareness raising. These life skills aim to decrease risky behaviour and increase positive health and education outcomes, thereby preventing young people from being recruited into work that puts them at risk of commercial sexual exploitation. Partners are also supporting self-help groups which serve as an important platform for community members to earn new income and decrease the likelihood that parents will be forced to send their children into risky situations. In 2017, partners established an additional 121 new groups as part of the hotspot program, bringing the total number of groups supported this year to 305.

226 people earned a new income or started a micro-enterprise

To reduce susceptibility to slavery and trafficking that results from a lack of financial resources, partner organisations seek to economically empower project participants through vocational training, access to lines of credit from financial institutions, small-business start-up support and linkages to suppliers and buyers. In 2017, partner organisations helped 226 individuals to successfully earn a new income or start a new micro-enterprise.

384 previously out-of-school children enrolled in formal or non-formal education

Partners have enrolled 384 children in formal or non-formal education and provided ongoing support to many more, decreasing the likelihood that they will enter work that puts them at risk of commercial sexual exploitation. In addition, partners trained local teachers, school administrators, Parents Teacher Associations and School Management Committees on how to create child-friendly education spaces and to identify children at risk of dropping out.



3. ADDRESSING SYSTEMIC DRIVERS OF SLAVERY

Partner organisations in central Nepal have made considerable progress working with civil society, government agencies and other stakeholders to increase government accountability and strengthen the enabling environment needed to protect workers and disincentivise owners and customers from exploiting children.

Advocacy to improve, implement and enforce laws, policies and regulations

Following the creation of common positions in 2016, and with ongoing support from technical assistance provider Swatantrata Abhiyan Nepal (SAN), Freedom Fund partners in central Nepal achieved significant advocacy advances in 2017. Notably, the Labour Act was passed in September and, if effectively implemented and enforced, will provide important protections for AES workers. Newly enacted civil and criminal codes have been harmonised with the new constitution and will provide several important protections to vulnerable populations, including commercially sexually exploited children. In addition, partners continued advocating for strong slavery and trafficking prevention and response components in the Child Rights Act and the Foreign Employment Act.

Partners also influenced the Nepal Government's Sustainable Development Goals (SDG) Roadmap, which includes gradually declining targets set for SDG 8.7, a midterm review of the National Plan of Action Against Trafficking in Persons and a model policy on child protection to guide local governments as they establish their authority. Other positive advancements include the Tourism Board allocating funds to create ethical tourism practices among hotel and travel operators in order to bolster their role against trafficking and forced labour, and the Central Bureau of Statistics including the AES in the Nepal Labour Force Survey for the first time.

More perpetrators face legal trials, but barriers to justice persist

As more cases are entered into court and perpetrators are held accountable, there is less of an incentive to exploit minors and AES workers. In 2017, partners reported several significant advances in legal cases against perpetrators of CSEC and violence against AES workers. Community awareness events and coordination meetings with the criminal justice system have led to an improved understanding of the definition of CSEC, how to identify CSEC cases and to how to register CSEC cases in court. Furthermore, following program-supported coordination meetings, four out of the 26 benches in the Kathmandu District Court and the Bhaktapur District Court instituted victim-friendly court rooms and practices, such as allowing victims to give testimony by camera from a separate room.

Freedom Fund's legal partner, Center for Legal Research and Resource Development (CeLRRd), filed 16 CSEC cases in 2017. Our partner Chhori also reported three cases of AES workers filing claims against venue owners. One of these cases was filed after a minor was rescued during a

Monitoring Action Committee (MAC) monitoring visit. Finally, Freedom Fund partner WOFOWON filed four cases of rape and trafficking of AES workers.

However, even with these recent successes, victims face significant barriers to justice and report negative experiences within the criminal justice system, including in reporting cases to law enforcement and during the subsequent investigative and prosecutorial processes. Some of the primary challenges that victims face include the stigmatization of AES workers which manifests in harassment and unnecessary lines of questioning when providing victim-witness statements; the inability to corroborate testimony; threats from perpetrators; lack of compensation and/or inability to collect compensation even if it is awarded to the victim; and lack of victim-witness protections throughout the process. Despite our partners' efforts, there remains a lack of knowledge about rights, duties, procedures and legal definitions among criminal justice actors.

Increasing Monitoring Action Committee capacity

In 2017, the Home Ministry passed a Procedural Guideline to Eliminate Sexual Violence of Women Workers in the Entertainment Sector (2072/2073), and partners worked to operationalise the guidelines with the Lalitpur and Kathmandu Monitoring Action Committees (MACs)². As a result, the MACs began monitoring and regulating the AES in a more systematic way and conducted at least seven monitoring visits of at least 45 entertainment establishments. During the inspections, the MACs screened for CSEC and other forms of exploitation by ascertaining a range of information, such as whether the venue is registered, if it employs minors, if workers are provided the legal minimum wage, what the hours of operation are, and whether workers are forced to dance, drink and smoke with clients. The MACs, with support from Freedom Fund partner organisations, also organised follow-up meetings with venue owners and managers to orient them on the newly established code of conduct that defines roles and responsibilities of venue management and requires complaint mechanisms to be put in place.

National Committee to Combat Human Trafficking (NCCHT) appoints first AES worker

The NCCHT, an influential body of the Ministry of Women, Children and Social Welfare, appointed Tara Bhandari, founding member of Freedom Fund partner Biswas, to the Committee. Partners, particularly the Alliance Against Trafficking in Women and Children in Nepal (AATWIN), which is already a NCCHT member, actively advocated for Ms. Bhandari's appointment. As a survivor-activist, Ms. Bhandari is the first former AES worker appointed to the Committee, which has traditionally focused on cross-border trafficking. This is an exciting development and another indicator of the hotspot's success in raising awareness of internal trafficking issues, particularly CSEC, and gaining buy-in from government to address the issue.

² A 2008 Nepal Supreme Court decision established MACs to regulate the adult entertainment sector at the district level. Comprised of the Chief District Officer (CDO), District Police Chief, and the Women's and Children's Officer (WCO), they have a responsibility to investigate reports of commercial sexual exploitation, including the exploitation of children.



Nepal's biannual Trafficking in Persons Report includes focus on AES

The National Human Rights Commission (NHRC) released its biannual report on Trafficking in Persons in June 2017. For the first time, the report contained a chapter on the Entertainment Sector and the Nexus of Human Trafficking. Partners anticipate that the report will be a strong advocacy tool to bring attention to CSEC and help build momentum with concerned authorities.

Trade unions support AES workers

Three major trade unions (ANTUF, NTUC, and GEOFONT) each agreed to designate a focal person on AES matters with a commitment to support AES workers to develop complaint mechanisms and engage in peaceful collective bargaining.

4. ENHANCING CIVIL SOCIETY CAPACITY



The Freedom Fund is committed to supporting local organisations' capacity development, recognising that strong organisations lead to strong projects. Acknowledging that the organisations we support have varied levels of capacity across an array of programmatic and operational areas, the Freedom Fund works collaboratively with partner organisations to enhance existing strengths as well as identify areas for improvement through technical assistance.

In 2017, the Freedom Fund coordinated community of practice meetings to share learnings and build trust among partners to work in coalition, supported a workshop on child-centred practices, linked partners to new funding opportunities and assisted them to develop proposals for these funding opportunities. The Freedom Fund also supported three partner organisations to participate in the [NGO Forum for Alliance 8.7 in London](#). Finally, we worked with five technical assistance providers and commissioned two pieces of research to increase partners' capacities.

Economic empowerment

Partners made good progress in 2017 in their efforts to improve project participants' ability to earn a sustainable income. The Freedom Fund connected partners to HECDO, a technical assistance provider, which assessed their current practices and provided tailored training and mentorship. As a result, partners increased their links with training facilities, job placement services, financial institutions offering lines of credit, co-operatives and the private sector in order to expand opportunities for project participants beyond traditional income generation activities and vocational training referrals. In 2017, 290 people graduated from vocation training and 226 were able to earn new income.

Advocacy

Through the technical support provided by Swatantrata Abhiyan Nepal (SAN), partners have transformed into strategic advocates who are able to identify and activate levers needed to advance agendas. SAN has increased partners' ability to carry out evidence-based advocacy, enhanced understanding of legislative processes and cultivated a practice of conducting power maps to identify the allies, opponents and decision-makers necessary to engage each specific advocacy objective. As a result, partners' recommendations were included in the Criminal Code, Civil Code and Labour Act, and they influenced at least eight other important pieces of legislation or policies that impact the prevention of and response to CSEC and exploitation in the AES.

Psychosocial counselling and mental health

Partner organisations have a mix of staff acting as case managers, social workers, counsellors and outreach workers. These frontline staff vary in their backgrounds and formal level of education. For example, many are former AES workers with limited educational background in mental health who have been trained as para-professionals. In 2017, the Freedom Fund launched a project to enhance the quality of mental health services provided by our partner organisations. The project supports leadership to invest in the emotional well-being of partner organisations' frontline staff through the provision of clinical supervision and the promotion of "self-care. Based upon the findings of rapid assessments and input from partner organisations, a technical assistance partner, CORD Nepal, is currently designing a training program on basic counselling skills, therapeutic treatments and psychosocial assessments. CORD Nepal will also lead coaching, case conferencing, peer supervision and clinical supervision, as requested by partners.

Organisational finance and operations

A financial administration workshop, conducted by Kuber & Company, has also had a significant impact on partners. The training focused on the importance of developing and enforcing effective organisational internal controls, not just ticking the box on policies and procedures to appease a funder. Following the training, several organisations made efforts to improve their financial management and internal control practices; for example, a few partners minimised the use of cash transactions, especially for the payment of salaries, and revised their financial policies on competitive bidding, among others.

5. LEARNING



Education vs income generation

Partners have reported that it is particularly challenging, when developing case plans with adolescents, to help them decide to focus on either education or income generation. We know that a girl's ability to complete secondary education has a positive impact on many life factors, such as ability to delay marriage, take control over sexual and reproductive health choices, and earn future income. However, girls who are trying to exit the AES or recover from CSEC often do not have family or other support to cover the cost of living in order to be able to attend school full-time. They are, therefore, faced with the dilemma of earning immediate income or returning to school to complete their education. If the choice is to earn immediate income, even then, they often must spend months completing vocational training to develop an employable skill that has the opportunity to earn as much as they were able to earn in the AES. Once they graduate, they face additional barriers to finding gainful employment, including discrimination and low pay.

In 2017, the Freedom Fund commissioned research to identify what services and systems are needed for girls to speedily, safely and permanently leave the AES. The research found that immediately after exiting, 38 percent of respondents were not in paid work. Of this number, half were looking for work and half were undertaking vocational training and education. Many young women described the challenge of finding decently paid work outside the AES. Respondents who had exited the AES earned, on average, 35 percent less than those still working in the sector. The young women were asked to suggest services that are not currently offered but would help them and others leave the AES. Support for pursuing advanced, formal qualifications – rather than basic education or vocational training – was a clear priority because it leads to better paying jobs. They also highlighted the value of assisted placements into professional/technical sectors based on an individual's qualifications. Small loans to support them during the transition phase, along with financial advice to help them adjust to lower levels of income, will also help them to permanently leave the AES.

Restrictions on freedom decreases access to services

The same study revealed that restrictions imposed by employers were the most significant barrier to accessing support services. Nearly half of all respondents reported that their employer restricts where they can go during non-work hours and one in seven said that they cannot freely communicate with their friends and family. Further, outreach workers report difficulty accessing AES workers following inspection visits by MACs. Although drop-in centres and mobile camps are viewed extremely favourably by those who are able to access them, the Freedom Fund would like to support partners to bolster their outreach work and increase peer education programs in order to better reach workers with restricted movement.

Increased regulation can decrease access

While it is generally seen as a success that MACs began monitoring and regulating the AES in a more systematic way in 2017, there have been negative consequences. Partners reported strained relationships with owners following the monitoring visits. Some outreach workers experienced increased intimidation and threats by owners, and workers reported increased restriction of movement, making it more difficult for them to access services. As a result, over the course of 2018, partners hope to hand over full inspection and monitoring responsibilities to MAC members. It is recommended that NGOs continue to train MAC members to conduct trauma-informed, victim-centred, and rights-based inspections, and actively coordinate and plan monitoring visits alongside the MACs, and to be available for post-inspection follow-up and support. However, it is recommended that NGOs are no longer physically present during the actual monitoring visits. This helps to create a clear distinction of roles and responsibilities, allowing the government to play the law enforcement and labour inspection role, and for NGOs to play the victim services role.

6. LOOKING AHEAD

Understanding barriers to justice

Victims face significant barriers to justice and report negative experiences within the criminal justice system. The Freedom Fund will support partner organisation CeLRRd to analyse at least 50 CSEC cases, examining why the case was, or was not, investigated and/or prosecuted as a CSEC case and the reason for the decision. It will look for trends in investigative and prosecutorial processes and make recommendations for improvements. The findings will provide an evidence-base for advocacy aimed at improving victim experiences with the criminal justice system and increasing the number of perpetrators investigated, prosecuted and convicted to the full extent of the law.

Developing a case management system

In 2018, the Freedom Fund will launch a pilot to explore the potential for a standardised digital case management system. Currently a large amount of information on program participants is being collected manually on paper or semi-manually via text documents and spreadsheets. This information can vary in quality and often needs to be checked, re-entered and standardised before it can be used for reporting and planning services. A case management system could allow frontline staff to better develop case plans and will reduce staff time by improving the quality and timeliness of information collected.

Collection and analysis of more consistent information and better data will also allow organisations to detect service trends, improve organisational planning and allocation of resources, and increase collaboration across different teams by showing the demand for and use of different services by project participants. Better data can also be used to inform government services about issues that matter to project participants.

Changing a culture of acceptance

In 2017, the Freedom Fund commissioned a study looking at why customers, owners and managers justify and excuse the use of minors in the entertainment sector. In 2018, the Freedom Fund will use the findings of this research to develop a behaviour change communications strategy to positively influence social norms, strengthen community response and influence decision-makers to end the practice of CSEC.

Updating prevalence numbers

The sector currently relies on estimates from a 2010 Terre des hommes study to understand the prevalence of CSEC in Nepal. The Freedom Fund has commissioned a prevalence study to provide an updated estimate of the number of minors engaged in CSEC in Kathmandu and document emerging trends. The study will also provide a detailed picture of the situation of AES workers and workers in other sectors where CSEC exists, which the Freedom Fund and partners will use to inform future program design and which will be made available to other organisations working in this area.

7. CASE STUDY



Maya's story

Maya was 16 when her parents asked her to leave their home in search of work in Kathmandu. Her village in Sindhupalchowk was destroyed by the 2015 earthquake and her family was desperate to earn income. She arrived in Kathmandu and found it easy to get work in the guesthouses of Gongabu. Maya worked as an “all-rounder”: cooking, dish-washing, cleaning and providing room services. After some time, she found work in a new guesthouse where the expectations were different. The owner forced her to have sex with customers and work 10-hour shifts. Maya felt that she was unable to quit and that she had no other options.

Freedom Fund partner Shakti Samuha’s outreach workers began to notice Maya and started to form a relationship with her. Upon learning about her situation, they tried to intervene with the guesthouse owner. He denied that he had forced her to do anything, claiming that she should be grateful that he had given her work. Shakti Samuha also tried to involve the police, but they were non-responsive. Slowly, Shakti Samuha outreach workers continued to provide counselling and support to Maya. She eventually found the strength to leave the guesthouse and Shakti Samuha assisted her to return to her parents and her home village.



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