



Central Nepal Hotspot Annual Report 2018

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1. Operating Context

2018 was a year of relative political stability and progress in Nepal's young democracy. The country transitioned to a system of federal government in 2017 and the new tiers: provincial, district and municipal levels are beginning to function. This changing political environment is an enormous opportunity for the hotspot, yet it also presents a number of challenges.

In May, the two biggest communist parties merged to form one unified Nepal Communist Party, thereby obtaining a nearly two-thirds majority in Parliament and control over six of the seven provinces in the country. With a commanding majority, the government has been working to complete the process of introducing legislation to protect fundamental human rights enshrined in Nepal's new Constitution, promulgated on 20 September 2015. According to article 47 of the Constitution, the government had 3 years to ensure these fundamental human rights provisions were in place. This resulted in a raft of bills being passed this year as the deadline approached including: The Children's Act (2018), The Victim Protection Act (2018) and enactment of the new Penal Code which are crucial to tackling the commercial sexual exploitation of children (CSEC). However, some human rights groups criticised the process, claiming the rush to pass laws before the deadline reduced the time for consultation with civil society and parliamentary scrutiny.

Provincial level government has been much slower to enact legislation. Very few bills have been passed, despite federal government providing 'Model' Bills to help them adopt new legislation quickly. One reason for this may be ongoing uncertainty about how the different tiers of government will work in practice, sub-national officials are often unsure of their powers and limitations.

This situation presents challenges for Freedom Fund partners as they attempt to hold relevant government departments accountable. For example, it is still unclear which level of government will form an equivalent structure to the previously existing district level Monitoring Action Committee (MAC), a mechanism supported by the program over the past three years, which inspected adult entertainment sector (AES) establishments, and is of strategic importance for the future work of the hotspot.

The role of municipal government has become increasingly important as they are now responsible for managing budgets to deliver services and meeting the needs of their constituencies. Some of our partners have also found it easier to access the new local officials and have even received funding from them to conduct research into CSEC in their municipalities.

The manifestations of commercial sexual exploitation of children in Kathmandu continues to evolve and respond to the changing legal and regulatory environment. Some partners have reported a decrease in the number of minors observed in AES venues as a result of increased regulation and monitoring of venues which aligns with the findings of our own prevalence research (see monitoring and evaluation section). However, there is a danger CSEC is being driven further underground, to locations outside of traditional adult entertainment venues. Discos and online platforms are reportedly being used as contact points for CSEC to then place in private apartments. Many of our partners are also increasingly aware of the role of online contact in grooming and facilitating CSEC. Hotspot partners must also adapt to this trend, seeking new ways to access children who are being kept away from public spaces.

2. Progress Towards Systems Change

The Central Nepal Hotspot has led to remarkable impact this year, challenging the structures which allowed CSEC to take place. With intensive technical assistance support, our partners have developed into highly effective advocates. They are working collectively to bring about changes in the law to combat CSEC, holding municipal government to account to implement these laws and challenging the norms and attitudes which drive demand.

Policy/legislative change

Our partners targeted a number of new laws being introduced by the government as part of constitutional reform to significantly strengthen the country's legislative framework to combat CSEC.

- **Child Rights Act 2018:** Our partners successfully advocated for amendments to the Children's Act which now prohibits anyone under the age of 18 from entering AES venues. This provides a legal framework to completely eliminate children being employed in this highly exploitative sector and further, prevent young boys under the age of 18 from entering as customers. Other significant provisions in the Act, as a result of our partners' advocacy, efforts include: criminalising child pornography and forced prostitution of children and introducing child-friendly procedures to help minors testify in court.
- **Victim Protection Act (2018)** Establishing trauma-informed support and protection for victims has been a longstanding demand of our partners. They made recommendations while the Bill was being drafted, sharing the challenges they have experienced in supporting victims to testify and providing adequate victim protection. The new provisions which include compensation, protection of victim's privacy and rehabilitation support, will help to support an increase of the number of prosecutions against the commercial sexual exploitation of children.
- **Human Trafficking and Transportation (Control) Act 2007:** Nepal's trafficking legislation has many gaps and is currently under revision. Our partners have been directly engaging with relevant ministries to influence amendments to the Act. Freedom Fund partner, AATWIN, a network of anti-trafficking organisations in Nepal, facilitated a high-level workshop on the 12th National Day against Human Trafficking. They brought together 41 participants across 12 government ministries including the Office of Prime Minister and Council of Ministers, Ministry of Women, Children and Senior Citizens, the Nepal Police and the Ministry for Law and Justice. Key demands were for the revised Trafficking Act to align with the definition of human trafficking in the UN Palermo Protocol, to ensure the Act is victim and survivor-friendly and includes protection structures in line with the new federal structure of government. The government has been receptive to these demands which our partners will continue to advocate for through the drafting process.
- **Child Labour Master Plan:** One of the biggest advocacy successes this year has been the hotspot partners' work to influence the new Child Labour Master Plan. Following their collective advocacy, the Child Labour Master Plan requires special consideration to be given to 'child labour in entertainment sector including sexual exploitation' through the master plan.

Government Performance

The government in Nepal has made significant efforts to improve its response to trafficking. In addition to the legislative changes listed above, it has also established a new anti-trafficking unit within the Nepal Police. The new bureau will have 50 staff dedicated to preventing and investigating human trafficking. Freedom Fund partners such as Shakti Samuha were active in calling upon the government to establish a specialist unit. Frequent and consistent advocacy from our partners highlighting the issue of internal trafficking has developed traction. The government now recognises internal trafficking in Nepal as a significant problem, widening the debate from cross-border and foreign migration.

Increased regulation of the Adult Entertainment Sector

In addition to the Child Rights Act (2018), new labour laws came into force in Nepal this year which strengthened the regulatory framework governing the Adult Entertainment Sector (AES). All AES venues are now required to be registered with their local municipality office which is a vital first step to ensuring venues can be regularly inspected. Employers are now required to provide all workers, including informal sector workers, with appointment letters, regular salary and festival allowances. Hotspot partners have been liaising directly with the Labour Office to consider how best to hold employers accountable for reporting accurately. As a result, partners have supported workers to register complaints directly with the Labour Office, which has also committed to increasing their monitoring visits of AES venues.

There are early indications that stricter rules banning minors from the sector, increased police monitoring and greater worker protection has improved conditions in the AES. Some partners have reported a reduction in the number of children they have found working in the venues and some have reported success stories where they have helped adult workers to receive salaries owed to them with support from the Labour Office.

Yet despite the multiple mechanisms now in operation to regulate the AES in Nepal, the government lacks a clear structure for doing so. The Monitoring Action Committees (MAC) which previously held this responsible were dissolved during the transition to a federal system. As a result, ad-hoc monitoring takes place in areas where our partners have strong connections with municipal government and police but fails to happen systematically across the board. Hotspot partners are making recommendations to address this gap through the revised Human Trafficking and Transportation Act, building upon the wins they already secured during the revision process.



3. Hotspot Outputs & Outcomes

The Central Nepal Hotspot has led to remarkable impact this year, challenging the structures which allowed CSEC to take place. With intensive technical assistance support, our partners have developed into highly effective advocates. They are working collectively to bring about changes in the law to combat CSEC, holding municipal government to account to implement these laws and challenging the norms and attitudes which drive demand.

3.1 Headline Results

637 slavery victims liberated with support for recovery, including 429 minors

In 2018, the Central Nepal Hotspot partners liberated more people than ever since the hotspot's inception. This demonstrates how the hotspot model has continued to reflect, learn and increase its effectiveness. Through the Community of Practice (CoP) meetings, hotspot partners mapped their geographic coverage and service provision to ensure optimal efficiency. Partners have also incorporated lessons from last year's Paths Out Research which highlighted the importance of alternative livelihoods options to enable a sustainable exit from the AES sector.

257 individuals earned a new income or started a microenterprise

Hotspot partners supported 257 individuals to earn a new income or start a microenterprise this year, an increase of 14% from the previous year. With the help of a technical assistance provider, Global Center, our partners have worked to improve the quality of their alternative livelihoods work. They have strengthened their market research to assess the viability of microenterprises and they are developing links with employers to help former AES workers start new careers. In the source districts, income generation activities are used as a protection mechanism. Our partners work with local communities to identify the most vulnerable families for whom the additional income can prevent a child being sent to work.

7,243 individuals provided with social and or legal services

This year, our partners increased the number of beneficiaries reached through social and legal services by 24%. Many of our partners employ outreach workers to visit venues and engage with AES workers. Through this initial contact, beneficiaries are encouraged to visit Drop In Centres (DICs) or mobile information centres where they learn about the different support services available to them ranging from emergency shelter and protection services, psychosocial counselling, health check-ups, skills training and legal advice.

887 previously out-of-school children attended formal or non-formal education

The hotspot more than doubled the number of children supported to attend formal or non-formal education in 2018, over 80% of whom were girls. Freedom Fund partner, Change Nepal supported 127 girls who were working in massage parlours, cabin restaurants or guest houses to exit exploitative work environments and enter into education. Education is also used as a prevention tool. One of our partners who work in the source districts, GMSP, worked with 45 Community Vigilance Committees (CVCs) throughout 2018. Through supporting regular meetings, the groups learned about the risks of trafficking and child marriage and supported 117 children identified as vulnerable to trafficking to stay or return to school.

3.2 Progress towards hotspot objectives

Hotspot Objective 1: Create the systems and services necessary for minors to speedily, safely, and permanently leave the sector

Increased collaboration between hotspot partners to liberate children from AES: Throughout 2018 our partners made substantial strides in working collaboratively to rescue and rehabilitate children.

The Maxwell Case: In June 2018, our partner GMSP, looking for 10 missing children from its project community, uncovered a company (Maxwell) that for the past three years had been trafficking girls from their home villages to Kathmandu and abroad. Fortunately, the missing children were liberated by the police but required immediate assistance. GMSP contacted the other hotspot partners, who immediately took joint action and were able to find shelter and other types of support for each girl. Once safe, the hotspot's legal provider, CeLRRd, counselled the survivors and was able to, despite initial resistance, mobilise the public prosecutor to take their testimony and register it as a trafficking case. Unfortunately, the victims refused to testify (see challenges below) however, the case represents the first instance of where a source district partner has been able to mobilise partners at destination.

Emergency Response Team created: Freedom Fund partners established an Emergency Response Team (ERT) following their effective coordination during the Maxwell case. The ERT developed terms of reference outlining key objectives and assigning roles and responsibilities. The group has responded to 3 emergency cases since it was created in the second half of 2018.

Increasing Police action in the fight against CSEC

Education and training: Throughout 2018 our partners concentrated their efforts on educating the police about CSEC in the adult entertainment sector and their highlighting role in identifying and responding to trafficking victims. CeLRRd trained 30 high-level police officers from federal and provincial levels to improve the quality of investigations and to understand the new Criminal Code Act 2017 and Criminal Offences (Sentence Determination and Execution Act, 2017). By the end of the year, CeLRRd reported a significant increase in the number of cases being referred to them by the police.

Established partnerships with local police forces: At a community level, Freedom Fund partners such as Change Nepal and Biswas were nominated to sit on newly formed Community Police Partnership Programs. This has helped contribute to increased monitoring of adult entertainment venues by police. Local Police forces supported Biswas Nepal to undertake a mapping exercise of AES venues in their working area. The police presence has ensured owners grant them full access to their premises. In the source districts, partnerships with the police have been equally strong. AAN has been working with local police to monitor for child labour and exploitation in restaurants along the highways.

Recognition of cybercrime in CSEC: This year, the Nepal Police established a **Cyber Crime Bureau** whose remit includes hacking, identity theft and violations of privacy. Freedom Fund partner Sath Sath led our hotspot's engagement with the police to present the problem of online groomed and how this can lead to the commercial sexual exploitation of children. The Cyber Crime Bureau has referred nine boys who they identified as experiencing online sexual exploitation to Sath Sath for support services.

Challenges

Prosecutions: Despite progress in strengthening legislation, regulation and police action, successful prosecutions remain difficult to achieve. Victims often turn hostile during court proceedings due to threats from venue owners and managers or by offering victims money to change their statements. In one case, shared by our legal partner, police rescued three AES workers and a minor during the raid of a restaurant where commercial sexual exploitation was taking place. The police filed a case against the owner of the restaurant and referred the victims to one of our partners for support services. However, the victims then said the accused were not guilty in their statements and the case was acquitted on the grounds of hostile victim statements. The new Victim Protection Law (2018) has shown some promising signs of reversing this trend. As well as protection measures guarding against intimidation, the courts have been making good use of the increase compensation provisions, particularly in child sexual abuse cases. We hope this will help improve prosecution rates going forward.

Hotspot Objective 2: Reduce the use of children in the industry by influencing, customers and employers to not engage minors

Supporting implementation of the new Labour Law: Freedom Fund partners such as Biswas Nepal and WOFOWON have been engaging with owners to inform them about their obligations under the new labour and child rights legislation. As a result of their intervention, WOFOWON reported that five restaurants have started paying their workers on time and another two establishments have issued contracts to workers for the first time. Partner organisation, Chhori, supported 14 AES venues to register their business with their local municipality office, as required under the new labour law. They also facilitated a meeting with 35 owners to raise awareness about their obligations under the new laws. The meeting participants selected five owners to form an Owner Action Committee, with responsibility for devising an action plan and advising AES businesses on how to meet the new requirements.

Engaging trade unions: Trade unions in Nepal can have significant influence not only over labour related matters but also in the social and political realms. The AES has traditionally been unregulated, and its workers have not been included in unions. Freedom Fund partners Biswas and WOFOWON are working to bring the issue of CSEC to the attention of trade unions and promote union membership amongst AES workers. This should increase oversight of AES venues, reducing the number of children employed and strengthen protection for adult workers. Both of these partners have had some success mobilising their membership base of AES workers to join the NTUC and General Federation of Nepalese Trade Union (GEFONT).

Identifying industry champions: Some owners and managers have been receptive to the new laws and want to highlight their workplaces as decent establishments. Through partner outreach with owners and managers, some Dohari restaurants and dance bars are displaying posters stating they do not employ minors. Chhori produced media content which showed owners holding signs with the message 'I don't employ or engage minors' which was shared through Facebook and YouTube.

Behaviour Change Communications: The Freedom Fund contracted Progress Inc. to train partners on developing messages for behaviour change communications. Partners reported that the technical assistance helped them to tailor messages to specific audiences. One partner, YST produced 5 awareness-raising videos to mark 16 days of activism to end violence against women. Over 5,000 people viewed the videos on social media. YST also produced a film targeting adolescent boys, raising their awareness of their risks of CSEC but also their role in combatting it.

Toward the end of 2018, the Freedom Fund began working with Equal Access to design a behaviour change campaign specifically targeting AES customers. The campaign builds upon the findings of our research last year, which found that customers frequently shifted responsibility for checking the age of workers to the owners and managers and widespread acceptance of minors working in the adult entertainment industry. The campaign will primarily be driven by social media and is scheduled to run from May to October 2019.

Hotspot objective 3: Prevent children from being recruited into jobs that put them at risk of commercial sexual exploitation.

Freedom Fund partners have been engaging with the new municipal government structures to prevent trafficking and commercial sexual exploitation.

Strengthening protection structures: Partners in the source districts worked with municipal governments to establish and strengthen protection mechanisms. Under the new structure, District Committees for Controlling Human Trafficking (DCCHTs) are responsible for supporting Local Committees for Controlling Human Trafficking (LCCHTs) in their jurisdiction. Yet with only \$1,000 allocated to each DCCHT¹, in reality, coordination and support for LCCHTs to operationalise has been limited. Freedom Fund partner GMSP helped form seven LCCHTs, they trained committee members on the risks of trafficking and CSEC and helped to facilitate their regular meetings.

Help for the most vulnerable: Our partners also supported the work of over 100 Ward Child Protection Committees and Community Vigilance Committees: building a network of more than 1800 community members, armed with knowledge about trafficking risks, they are then able to identify the most vulnerable families whose children are at a high risk of dropping out of school and falling into exploitative working conditions. Together, our partners working in the source districts provided scholarships to over 200 children so they could return to school and supported 162² families to start up new micro-enterprises, primarily in the agriculture sector.

Advocating for local government to provide services: While education and livelihoods support has a transformative impact on direct beneficiaries, municipal government must take responsibility to ensure the needs of the many are met. Over the course of the year, partners in the source districts have increased their advocacy efforts with local municipalities. They began by training newly elected local officials on migration flows from their districts to exploitative sectors of work and equipping them with an understanding of trafficking and CSEC. This followed by persuading local elected officials that they have a duty to prevent trafficking and protect their constituents. As a result, one municipality committed to building a shelter for gender-based violence victims and ending child labour and child marriage within its jurisdiction within two years. They have enlisted our partner, GMSP to work on a local level action plan to achieve this. Another source district partner, AAN successfully advocated for a rural municipality to conduct a profiling exercise of local villages to systematically identify the most vulnerable families and maintain a database to help target prevention and protection services.

Awareness-raising activities: Throughout 2018, our partners continued to support 200 Child Clubs and trained teachers to disseminate messages on child rights, safer migration and risks of trafficking and CSEC.

¹ United States Department of State, 2018 Trafficking in Persons Report - Nepal, 28 June 2018

² AAN, GMSP, KCDC, Chhori's work in Nuwakot

This year, Kathmandu based partner YST collaborated with source district partners AAN and GMSP to arrange screenings of their film showing the highly exploitative environment many children find themselves in when they migrate to find work. One YST staff member reported that the reaction to the film was touching as well as being highly effective: “Many of the parents have children who work in Kathmandu or India. They said they never ask if there are problems when their children call them. They didn’t think this kind of abuse could happen but now they think it’s their duty to make sure they are ok and they also understand their children might feel too ashamed to share what is happening to them at first”.

Promoting online safety: Through the Community of Practice meetings, hotspot partners have reported an increase in cases of online grooming. Traffickers use platforms such as Facebook to ‘befriend’ children and then make promises of well-paid work. To tackle this trend, Freedom Fund partners, Sath Sath and Change Nepal created training programs to raise awareness of child sexual abuse and online safety among AES workers and other relevant stakeholders. Partners AAN, YST Nepal and KCDC have incorporated modules on online safety into their child club curriculum and are educating parents to be more aware of their children’s online activities and the risk involved.

At a national level, AATWIN successfully lobbied the government to prepare a national strategy on Child Sexual Abuse and Exploitation including Online Safety. AATWIN then participated in the workshop hosted by The Ministry of Women, Children and Senior Citizens in December 2018 making a recommendation to ensure the strategy tackles issues relating to trafficking and exploitation of AES workers.



4. Supporting a Community of Practice

The Central Nepal Hotspot's maturing Community of Practice has been one of its biggest successes. We have brought together a group of 13 diverse partners each with different strengths: survivor-led, child protection, AES worker led and legal aid specialists. Our first achievement was building trusting relationships between NGOs and united them to work on a shared strategy. We are now seeing much more effective coordinating between partners, collaboration and joint working.

Increased referrals and collaboration

In 2018 all hotspot partners reported significant increases in referrals. In Kathmandu, this was particularly when searching for shelter spaces, supporting survivors with mental health needs or accessing livelihoods opportunities. The Emergency Response Team is an excellent example of partners working together, recognising the unique contributions they can offer in a rescue situation. Partners have also independently opted to come together to jointly host meetings with government officials, police and training journalist on CSEC and victim-centred reporting.

Improved quality of mental health services

Throughout 2018, the Freedom Fund has been working with a mental health specialist, CORD to improve the quality of care provided by our partners working in Kathmandu. CORD provides direct supervision and facilitates quarterly case conferences for our partners' counselling staff, to support one another and find solutions for difficult cases. This has improved the quality of service and also ensures survivors who need more specialist care are referred to the appropriate clinical level.

CORD has also been working with our partners to strengthen their support for outreach workers whose day to day work can be traumatic and dangerous. Outreach workers reported that the training they received on mental health awareness and coping with stress was one of the most valuable initiatives they participated in through the community of practice.

Joint advocacy

The hotspot partners have shaped legislative changes tackling CSEC in Nepal and have also influenced UN policy reports. AATWIN's contribution to the report for the Convention on the Elimination of All Forms of Discrimination against Woman (CEDAW) led to the issue of exploitation of women and girls in the entertainment industry being included in their recommendation to the Nepal government.

5. Case Study

'Asha' is 16 and lives in Kathmandu with her mother. Her father had two wives and five children.

Asha's family were very poor. Having married for the second time, her father neglected Asha and her mother. He went abroad to find foreign employment but did not provide a single penny to them. Her mother took care of her and three of her brothers. She studied until eighth grade but could not continue due to financial problems. Her mother could not afford to support her education either, so Asha quit her studies and started working at a restaurant and bar as a dancer. At her workplace she faced sexual exploitation and verbal abuse.

Outreach officers from Change Nepal found her during their field visits. After coming into contact with the organisation and getting to know the staff, she visited the organisation regularly. She began to take part in the various services offered by Change Nepal including counselling sessions, health awareness classes, legal classes and life skill training.

She felt motivated and she came up with an idea to start up her own cafeteria during the counselling sessions. She left her job at the restaurant and with support from Change Nepal, started to work towards her dream. Change Nepal supported her with a cart, kitchen utensils and grocery items to start up the cart business. Now she invests \$15 and earns a \$21 profit daily. She has also started saving \$290 per month.

She is happy and her mother also supports her business. She shares "Change Nepal Changed my life."



6. Independent Evaluation & Research

Prevalence study

In early 2018, the Freedom Fund commissioned John Jay University to measure the scale of exploitation of minors in AES venues in Kathmandu. The research aimed to update earlier research conducted by Terre des hommes in 2009 and deepen our understanding of the nature of exploitation taking place.

The researchers developed a statistically robust method, specifically designed to estimate hidden populations. They combined three approaches: respondent-driven sampling (RDS), mark and recapture and venue-based sampling using a probabilistic method. In total, 600 young people (aged 21 and below) working in the AES were surveyed, and 50 in-depth interviews were conducted with identified victims of workplace exploitation and abuse.

The study found a population of nearly 3,700 young women and girls (age 21 & under) working in adult entertainment venues in Kathmandu. Sexual exploitation was found to be commonplace, where 68 percent of the surveyed population have suffered from sexual abuse, such as being made to cuddle or kiss with a client, watch pornography or engage in sexual intercourse.

Among the children found in adult entertainment venues, nearly all of them (99 percent) are considered to be in the worst forms of child labour according to ILO Convention 182. Aside from sexual exploitation, they are often required to work late hours and/or forced to drink alcohol or use drugs.

The study has also highlighted the range of emotional and physical abuse young workers suffer. Forms of violence range from blackmail and threats of violence against family members, to beatings by managers for not doing as guests wanted. Overall, 72 percent of the young women and girls experience at least one form of violence at work.



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