



# Central Nepal Hotspot

## 2016 Annual Report

## CENTRAL NEPAL HOTSPOT OVERVIEW

### Program goal and objectives:

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#### 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



Throughout the first half of 2016, Nepal continued to suffer from the aftermath effects of the 2015 earthquake, political unrest following the promulgation of a new constitution, and an economic blockade along major roads and import routes bordering India. For Freedom Fund partners, this translated into price inflation and scarcity of essential items such as cooking fuel, petroleum and medications. Many partner organisations were forced to modify implementation of activities due to difficulty travelling and the higher cost of running shelters and drop-in centres. These challenges dissipated in the second half of the year, allowing partner organisations in the central Nepal hotspot to implement program activities with minimal interruption. Although the political unrest has subsided and the blockade was lifted, elevated supply prices continue to cause hardship across the country.

As a result of these economic challenges, partners observed a rise in the prevalence of foreign migration among at-risk populations, including those who are already working or are being exploited in Kathmandu's adult entertainment sector (AES). The AES and other sectors where commercial sexual exploitation of children (CSEC) is present in Kathmandu continue to suffer economically due to customer reductions; thus, owners continued to lower wages and increase exploitation in response to higher costs and lower profitability.



In July, after only nine months in office, Prime Minister KP Oli stepped down, giving way to a new coalition government led by Prachanda – a former Maoist rebel who became prime minister in 2008 and resigned over differences with Nepal's army in 2009. The ceding of power broke a political deadlock and power struggle between the three major political parties in the coalition. This marks the 27th change in government in 25 years. Though the immediate impact of the new government was minimal, changes did occur as newly appointed administrative personnel were posted throughout the Kathmandu Valley. As a result, partner organisations were faced with rebuilding relationships and securing cooperation with new officials.

While progress was made toward harmonising existing laws with the new constitution, political changes and instability in parliament created setbacks for the passage of any new laws or policies. Freedom Fund partners advocated for four important bills that have yet to be passed: the Children's Act, the Labour Act, the Foreign Employment Act and the Human Transportation and Trafficking Control (HTTC) Act.

Following rumours of the misuse of earthquake relief funds, approval processes for NGOs to start new projects with new funding have tightened. For example, NGOs must now inform and receive approval from all levels of local government. Additionally, the Nepal government established stricter accountability for all NGOs, requiring them to participate in District Project Advisory Committee (DPAC) meetings on a biannual basis to review and analyse project progress.

While, these bureaucratic processes have created an administrative burden for partner organisations in their efforts to comply, there have been benefits; for example, government agencies at the district level are better informed about the AES and CSEC. This has enabled better engagement of key government officials, including District Administration Offices, Women and Children's Development Offices, and Monitoring Action Committees. Notably, the Kathmandu District Development Committee has shown keen interest in the sector, and some partners were invited to apply for small grants from the committee.

## 2. HEADLINE RESULTS



### 346 slavery victims liberated with support for recovery

Out of the 346 individuals liberated throughout the year, 268 were minors, of which 35 were boys. This achievement reflects partner organisations' commitment to creating an enabling environment for children to quickly, safely and sustainably withdraw from CSEC. Even partner organisations whose focus is on prevention in source districts participated in the unexpected liberation of 15 minors.

### 3,760 beneficiaries provided with social and/or legal services

Primarily through drop-in centres (DICs) and shelters, central Nepal partner organisations provided social and/or legal services to a total of 3,760 participants in 2016. Such services seek to empower individuals to safely leave the sector on their own terms through the provision of services such as psychosocial support, medical care, legal aid and shelter.

### 270 community freedom groups supported with a total of 8,187 group members

Partner organisations continued to establish and support community freedom groups (CFGs) across the central Nepal hotspot in 2016, including adolescent groups, youth clubs, self-help groups and community vigilance committees. Reaching a total of 8,187 individuals, these CFGs expose communities to key information and trainings regarding individual rights, migration and ways of preventing minors from entering or being recruited into the AES and other sectors where CSEC is present.



### 66 people earned a new income or started a microenterprise

To reduce susceptibility to slavery and trafficking resulting from a lack of financial resources, partner organisations have pursued activities that seek to economically empower project participants. They found that short-term and basic skills training approaches aimed at large numbers of program participants were less effective than investment in mastering a more advanced skill by fewer participants. As a result of this modified approach, partner organisations helped 66 individuals successfully earn a new income or start a new microenterprise in 2016.

### 86 legal cases assisted, including the conviction of 10 perpetrators

Life skills and 'know your rights' trainings conducted by partner organisations throughout the central Nepal hotspot have encouraged more participants to seek legal support. Subsequently, partner organisations supported 86 legal cases and convicted 10 perpetrators in 2016.



### 3. ADDRESSING SYSTEMIC DRIVERS OF SLAVERY

#### Engaging government agencies and other actors to improve coordination

Freedom Fund partner organisations reported a significant improvement in their coordination and working relationships with government line agencies. For example, they worked with the Ministry of Women, Children, and Social Welfare and the district level Women and Children's Offices to securing a dedicated budget line of Rs 60,000 (\$563) for recovery services for internally trafficked victims, including CSEC.

Partner organisations also increased collaboration with the criminal justice system. CeLLRd held meetings with public prosecutors, police, judges and lawyers to discuss solutions for barriers that inhibit CSEC victims from accessing justice and participating in prosecutions, such as lack of available witness protection services and insufficient evidence collection. As partner organisations work with the criminal justice system to improve victim-centred approaches and strengthen understanding of CSEC-specific crimes, the hotspot hopes to see an increase in the number of victims willing to report crimes and pursue prosecutions.

Biswas established strong rapport with the Women's Police Cell that has since committed to spearhead anti-CSEC efforts within the police department. Though it is too early to claim any results from this commitment, the support in and of itself is an achievement. To bolster its work engaging owners, Change Nepal began coordinating with local police stations to monitor exploitation and abuse within their jurisdictions. While significant systems change is yet to be realised, the number of CSEC cases reported to authorities increased during this period due to a growing collaborative environment between partner organisations and law enforcement officials.

Perhaps the most significant progress partner organisations made toward improving coordination with government agencies took place with the Kathmandu Monitoring Action Committee (MAC)<sup>1</sup>. One of the major strategies of partner organisations in the hotspot has been to improve MACs' accountability by supporting their active regulation of the AES. Several partner organisations participated in a working group with MAC to create a joint action plan that commits civil society and MAC to monitoring five high-CSEC prevalent neighbourhoods, coordinating efforts to withdraw children from the AES, developing Information Education and Communication materials and engaging with owners to improve working conditions. They also developed a guideline for registering restaurants and massage parlours aimed at improving regulation of the AES.

<sup>1</sup> 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.

## Advocating to improve, implement and enforce laws, policies and regulations

The central Nepal hotspot ramped up its advocacy efforts in 2016. One important achievement was the creation of two common positions around which all partners have agreed to target their advocacy messages. One position focuses on the elimination of child workers within the AES, and the other concentrates on increasing workers' rights and protections for consenting adult workers in the sector. The development of common positions, which were validated and endorsed by NGOs outside of the Freedom Fund partner organisations, allowed organisations with different values and approaches to focus on their areas of agreement versus disagreement. This not only moves the hotspot's advocacy agenda forward, but contributes to greater movement building at the country level.

In 2016, partner organisations actively advocated for four major bills: the Children's Act, the Labour Act, the Foreign Employment Act and the Human Transportation and Trafficking Control (HTTC) Act. In addition, they are contributing to the harmonisation of the civil and penal codes with the new constitution. All advocacy efforts are aimed at ensuring that the legislation and codes employ a rights-based, trauma-informed and victim-centred approach, and increase access to the social and legal services necessary to prevent and respond to CSEC.

## Focusing Nepal's annual Trafficking in Persons Report on CSEC

The National Human Rights Commission (NHRC) organised a consultation meeting with partner organisations in December 2016 to inform Nepal's annual National Trafficking in Persons (TIP) report, which aims to have a special focus on CSEC and internal trafficking. It is a noteworthy accomplishment to have such an exclusive opportunity to highlight a form of trafficking that has garnered little attention to date in Nepal.

## Strengthening community protection mechanisms

Partner organisations formed and revitalised community-level child protection and anti-trafficking mechanisms – such as Village Development Committees (VDCs), Community Vigilance Committees (CVCs), Village Child Protection Committees (VCPCs), and Village Committees to Combat Human trafficking (VCCHTs) – to increase their functionality and commitment to issues of trafficking and CSEC. In Dhading and Nuwakot districts, partner organisations worked with VCPCs to create VDC-level child protection plans, which aim to make their villages child-friendly and establish action steps in pursuit of child labour elimination within two years. Additionally, partners were successful in working with VCPCs to receive allocations from the VDC budget, for the first time, to respond to slavery and trafficking issues.





## 4. ENHANCING CIVIL SOCIETY CAPACITY

The Freedom Fund is committed to supporting local organisations' capacity development, recognizing that strong and healthy organisations lead to strong and healthy 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 identify existing strengths and areas requiring improvement, addressing gaps in a non-punitive way through technical assistance. In some cases, additional funding is earmarked specifically for organisational development. This not only helps to strengthen civil society as a whole, but also gives individual partner organisations the ability to attract additional funding from donors by being able to demonstrate their enhanced capacity.

## Strengthening financial management, accounting practices and internal controls

This year, the Freedom Fund focused on building partner organisations' financial management capacities. All thirteen partner organisations benefitted from assessments completed by the Freedom Fund's technical assistance provider, a reputable accounting firm in Nepal. These assessments included an on-site review of the organisations' financial policies and practices and the development of individualized reports, highlighting the strengths and recommendations for each organisation. Following a review of their individualized assessment report, partners developed action plans to address gaps. In 2017, the technical assistance provider will work to support partner organisations' action plans by providing tailored support and follow-up training.

## Stand-alone training and capacity building to meet common needs

The Freedom Fund facilitated a series of trainings and workshops in 2016, responding to partner organisations' expressed areas of interest. For example, a training on proposal and report writing was conducted in March to provide the partners with basic guidelines and tips to prepare technically sound proposals and reports. The overarching aim of the training was to enable partners to increase their fundraising activities and seek grants from a diverse set of donors.

## Improving referrals and linkages

In May, partner organisations participated in a "wrap-around services" workshop to strengthen linkages and referrals, in an effort to improve the standard of care and increase the service offerings provided to program participants. We then held a follow-up workshop in July to continue strengthening established referral mechanisms and collaboration between organisations. Throughout the year, we saw tangible results from the workshops as partners increasingly shared information and referrals amongst one another.

One partner stated, "It is quite impossible for any organisation to work alone and provide all required services to the target groups, thus it is a must to work together [with others] ... [After participating in the Freedom Fund's workshop], we have been receiving many referral cases for shelter support from the Freedom Fund partners." This increased collaboration between partner organisations is conducive to not only ensuring effective care for program participants but also creates organic opportunities for tangible learning and sharing of best practices across the hotspot.



## 5. LEARNING

### Commercial sexual exploitation of boys and men

Across the globe, organisations preventing and responding to sex trafficking tend to focus specifically on providing services to women and girls. As a result, the sector has very little understanding of how to work with men and boys who have been commercially sexually exploited. Nepal is no different. The Freedom Fund's central Nepal hotspot recognized this gap and sought to respond to the need by funding a new partner organisation, SathSath, whose primary beneficiary group includes street-based youth vulnerable to exploitation, particularly boys and young men. Founded in 1998, SathSath has a rich history of working to support this population. As a result of joining the Freedom Fund central Nepal hotspot partnership, SathSath began to talk to its program participants about their experiences with sex work and were surprised to learn that a majority of its clients were involved in the sex trade and fit the definition of CSEC. In 2016, SathSath worked with almost 400 boys, 350 of whom were identified as victims of CSEC. By taking a CSEC lens, SathSath has a more robust understanding of historically under-reported risk factors and exposure to trauma, and thus, is now able to more holistically address the needs of its program participants.

Thanks to SathSath's participation in the Freedom Fund's central Nepal hotspot, there is now greater recognition and acceptance, by partner organisations and other hotspot stakeholders, that boys and men can be victims of commercial sexual exploitation. However, much work remains to understand the service needs of this population, address public perception and stigma, raise awareness with law enforcement and government officials to protect male victims and advocate for laws and policies to contain provisions that ensure the inclusion of men and boys.

### Supporting survivor-led and worker-led organisations

The Freedom Fund recognizes that survivors understand the challenges of preventing and responding to slavery and trafficking, and are best placed to identify, innovate and advocate for policy and programmatic solutions. However, survivor-led organisations often lack the funding and access to decision-makers that are necessary to increase their impact and promote sustainable change. Given this reality, the Freedom Fund is proud to support three survivor-led and worker-led organisations in the central Nepal hotspot.

Along with this emphasis it is important to understand that survivors are not a homogenous group and often have diverse experiences and perspectives that inform approaches to addressing trafficking. Shakti Samuha, for example, one of the first sex trafficking survivor-led organisations in the world, traditionally focused on cross-border trafficking and worked with Nepali women repatriating to Nepal after their experiences of sex trafficking in India. With time and experience the organisation learned, alongside other partners, how to respond to the specific needs of internally trafficked women and girls, specifically those in Kathmandu's adult entertainment sector.

Biswas and WOFOWON both formed as workers' rights organisations seeking to make the adult entertainment sector safe and exploitation-free for consenting adults. Through their work with the Freedom Fund, they have learned to strategically utilize their unique experience and strength as AES workers. As a result, these organisations are working to champion change by using their networks to identify children working in the sector and to engage owners to not employ children.

### Gradual exit from exploitation promotes autonomy for victims and is difficult for outreach workers

The central Nepal hotspot's partner organisations assist minors to leave the industry primarily through the provision of psychosocial<sup>2</sup> and legal aid services delivered by outreach workers and at drop-in centres (DICs). Organized law enforcement raid and rescue operations are rarely utilized. Locally, this is called a 'soft approach'. A recent Terre de Hommes study in Nepal (bolstered by reports from other contexts that describe the trauma and unintended consequences that result from raid and rescue operations in the sex industry<sup>3</sup>), suggests that enabling victims to receive the comprehensive support they need to safely leave the sector on their own terms is a successful approach.

In response, over the course of 2016, the majority of partner organisations increased the number of outreach workers and expanded services at DICs. However, this approach is often slow and labour intensive. Additionally, partners report that it can often be difficult for frontline workers to "meet program participants where they are at" and watch them continue to stay in exploitative situations until they are ready to take action to leave. Partner organisations' leadership voiced their concerns for staff who interact with victims on a daily basis, reporting that some staff are experiencing vicarious trauma, and that organisations are not equipped with the proper skills to provide a supportive response.

One partner explained: "Working with the children who have survived severe violence and exploitation is not easy for those who are directly involved in providing services like counsellors, psychologists, social workers, field workers and wardens. Each day, they listen to [victims'] problems and deal [with] such sensitive cases. This may affect them personally and emotionally. Similarly, outreach workers work [experience] risks and threats in field."

In response, in 2017, the Freedom Fund is launching a technical assistance program to help organisations develop the skills to better support their staff through clinical supervision and an emphasis on self-care.

<sup>2</sup> Psychosocial support is a continuum of care that addresses the ongoing psychological (mind, thoughts, emotions, feelings, behaviours) and social (interaction with others, environment, culture, traditions, roles and responsibilities) needs of individuals.

<sup>3</sup> [The Use of Raids to Fight Trafficking In Persons](#), Sex Workers Project, 2009; [What India's Sex Workers Want: Power not Rescue](#), Sangram, 2013.





## 6. LOOKING AHEAD

### Capacity analyses and capacity building support

Starting in early 2017, partner organisations may participate in the Freedom Fund's Organisational Capacity Analysis to identify their strengths and areas for growth. Following the analysis, the Freedom Fund will help partners develop individualised capacity building plans to enhance the quality of their systems, policies and/or efforts to support local communities.

### Increasing workers' organising and collective bargaining skills

The Freedom Fund has commissioned a technical assistance provider to equip partners with the skills needed to organise workers, as well as mobilise unions and workers to advocate for fair labour standards and end child exploitation, including commercial sexual exploitation. Additionally, the project aims to support trade union representatives to become mentors to partner organisations. Union representatives will help the partners organise, take collective action against cases of exploitation and rights violations, and build partnerships with mainstream trade union movements. This includes the recognition of AES workers as union members and the incorporation of AES workers' demands into trade union agendas.

## **Strengthening economic empowerment opportunities to reduce CSEC**

In 2017, the Freedom Fund will also focus on increasing the capacity of partner organisations to deliver impactful economic empowerment projects or create the necessary linkages to refer program participants to such projects. Starting with support to partner organisations working on prevention efforts in source districts, the technical assistance provider will assist partners to design projects based on the identification of high-market demand opportunities in traditional and non-traditional markets, whether they be employer or self-entrepreneurial based, that have the highest likelihood of enhancing or earning new income. The provider will also help to establish linkages with vendors, suppliers and buyers in related supply chains. Further, technical assistance will be provided to establish or enhance savings and credit groups. Later in 2017, the Freedom Fund will initiate a similar program with partner organisations in Kathmandu that is geared toward the unique needs of and opportunities in urban settings.

## **Prevention partners to work with local governments to take advantage of the devolution process**

The newly promulgated constitution will devolve political and economic decision-making and management of several key development sectors to the provincial level, giving local communities more control over resources and decisions about service delivery. As the devolution process begins, partner organisations plan to take advantage of the important opportunity to work alongside local government officials to advocate for the increased allocation of resources to essential government programs and services aimed at preventing and responding to trafficking and slavery.





## 7. CASE STUDY

### Banjara's story

SathSath, a Freedom Fund partner, provides comprehensive support for the withdrawal of boys engaged in commercial sexual exploitation. Through peer outreach and drop-in centres, they provide life skills training, male reproductive health and hygiene support, and vocational training. SathSath also engages in advocacy to address the gaps in the laws related to commercial sexual exploitation of children, especially regarding the sexual abuse of boys, online exploitation, sex tourism and paedophilia.

At the age of 18, Banjara took on the responsibility of supporting his family due to the unexpected death of his father. As a result, he dropped out of school and moved to Kathmandu to look for work. However, unable to find a stable job, a few friends engaged in sex work convinced him to get involved in the industry to earn money.

At cruising sites, SathSath's outreach team began interacting with Banjara and encouraged him to visit their drop-in-centre. Following health and legal orientation classes, as well as psychosocial counselling, Banjara shared his dream of operating a small clothing business. With SathSath's support, Banjara was able to start his street clothing business and successfully leave his work in the commercial sex industry.

"SathSath approached me at the right time to get me out of a vulnerable situation," Banjara said. "Otherwise, I would be in the same place. Thank you for all the help."



**Pauline Aaron**

Program Officer

The Freedom Fund

London

+44 203 077 2206

paaron@freedomfund.org

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**The Freedom Fund (UK)**

Lighterman House  
26-36 Wharfdale Road,  
London, N1 9RY  
United Kingdom  
+ 44 203 077 2222

**The Freedom Fund (U.S.)**

33 Irving Place  
New York, NY 10003  
USA  
+1 (929) 244-9722

[freedomfund.org](https://freedomfund.org)