




Constitutional Reform and its Impact on TVET Legislation in Nepal

Third report in support of developing understanding and finding the way forward for federalizing the TVET sector in Nepal

Report

Author(s):

Renold, Ursula ; Caves, Katherine Marie ; McDonald, Patrick 

Publication date:

2021-09

Permanent link:

<https://doi.org/10.3929/ethz-b-000518538>

Rights / license:

In Copyright - Non-Commercial Use Permitted

Originally published in:

CES Studies 21



TVET Federalization Nepal

Constitutional Reform and its Impact on TVET Legislation in Nepal

Third report in support of developing understanding and finding the way forward for federalizing the TVET sector in Nepal

Authors:

Renold, Ursula

Caves, Katherine

McDonald, Patrick

CES Studies No. 21, September 2021

Acknowledgements

This research is funded by the Swiss Development Cooperation (SDC). The authors would like to thank Coralie Blunier and Dr. Usha Bhandari for their support, organization of documents and for facilitating the online interaction with stakeholders from the TVET sector in Nepal. We are very grateful to the many stakeholders, experts, and leaders from Nepal's government and TVET sector who met with us to discuss issues around the TVET legal framework.

Contents

| | |
|--|-----------|
| Motivation and Graphical Abstract | 7 |
| 1 Mandate and Method of Study | 9 |
| 1.1 Goals of the study and criteria for evaluation of legal framework | 11 |
| 1.2 Method | 11 |
| 2 Literature Review | 13 |
| 2.1 Frameworks for governance and oversight | 13 |
| 2.2 TVET finance arrangements | 15 |
| 2.3 Coordinating governance, strategy and financing: the SWAp approach | 17 |
| 2.4 Dimensions and functions related to good governance of a TVET Sector | 18 |
| 2.5 Conclusion for the TVET Sector in Nepal | 21 |
| 3 Nepal's dynamic legal framework relevant for TVET | 22 |
| 3.1 Constitution, Unbundling Report and Government of Nepal | 22 |
| 3.1.1 Constitution | 22 |
| 3.1.2 List of Concurrent Powers | 23 |
| 3.1.3 Unbundling Report (2017) | 23 |
| 3.2 Acts relevant for TVET Sector | 24 |
| 3.2.1 Intergovernmental Relations Act (2020) | 24 |
| 3.2.2 Act Relating to Compulsory and Free Education (2018) | 25 |
| 3.2.3 Labour Act, 2017 | 26 |
| 3.2.4 Industrial Enterprises Act, 2020 | 26 |
| 3.3 Bills relevant for TVET Sector | 27 |
| 3.4 Policies relevant for TVET Sector | 27 |
| 3.4.1 National Education Policy 2019 | 27 |
| 3.4.2 National Youth Policy 2015 (NYP) | 29 |
| 3.5 Ongoing legislation process on the three political levels | 29 |
| 4 Scope to regulate Nepal's TVET Sector | 30 |
| 4.1 Structures follows function | 30 |
| 4.2 Governance Dimensions, Functions and Allocation to the Three Political Levels | 30 |
| 4.3 Conclusion for TVET legislation process in Nepal | 31 |
| 5 Institutional Frameworks | 32 |
| 5.1 Nepal's Intergovernmental Relationships | 32 |
| 5.2 Institutional framework for Nepal's TVET sector | 33 |
| 5.2.1 Inter-institutional cooperation within the three political levels and with social partners | 33 |
| 5.2.2 Federal-level institutions | 34 |
| 5.2.3 Province-level institutions | 36 |
| 5.2.4 Local-level institutions | 37 |
| 5.3 Conclusion and need for discussion | 37 |

| | | |
|-----------|---|-----------|
| 6 | Key Elements for TVET Legislation | 38 |
| 6.1 | Key Elements for Federal TVET Legislation | 38 |
| 6.2 | Limitations and need for discussion | 44 |
| 6.2.1 | Limitations | 44 |
| 6.2.2 | Need for discussion | 44 |
| 6.3 | Key Elements for Provincial TVET Legislation | 46 |
| 6.4 | Limitations and need for discussion | 52 |
| 6.4.1 | Limitations | 52 |
| 6.5 | Conclusions and Recommendations | 52 |
| 7 | Financing TVET | 53 |
| 7.1 | Rationale for Investments in TVET | 53 |
| 7.2 | TVET funds and their challenges | 54 |
| 7.3 | Overarching Legal regulations | 55 |
| 7.4 | Sourcing strategies in the TVET sector | 56 |
| 7.5 | Conclusion for Nepal's TVET sector | 57 |
| 8 | Outlook and Recommendations | 59 |
| 9 | Author Information | 60 |
| 10 | Reference list | 62 |
| 10.1 | Legal documents of Nepal | 62 |
| 10.2 | Other legal documents | 62 |
| 10.3 | Literature | 63 |
| 11 | Appendix | 65 |
| 11.1 | Governance dimensions and allocation of functions to the three political levels | 65 |

List of Abbreviations

| | |
|---------|--|
| BIBB | Federal Institute for Vocational Education and Training, Germany |
| CGCC | Career Guidance and Counselling Centers |
| CNI | Confederation of Nepalese Industry |
| nCTEVT | National Center for Technical Education and Vocational Training |
| ENSSURE | Enhanced Skills for Sustainable and Rewarding Employment |
| FNCCI | Federation of Nepalese Chamber of Commerce and Industry |
| GDP | Gross Domestic Product |
| GoN | Government of Nepal |
| ILO | International Labor Organization |
| KRIVET | Korean Research Institute for Vocational Education and Training |
| MOEST | Ministry of Education Science, Technology, Youth and Sport |
| MoSD | Ministry of Social Development |
| NCVER | National Center for Vocational Education Research |
| NEP | National Education Policy |
| NQF | National Qualification Framework |
| NSTB | National Skills Testing Board |
| NVQF | National Vocational Qualification Framework |
| NVQS | National Vocational Qualification System |
| NYP | Nepal Youth Policy, 2015 |
| NZAid | New Zealand Aid Agency |
| RPL | Recognition of Prior Learning |
| SDC | Swiss Development Cooperation |
| SSC | Sector Skills Council |
| SFIVET | Swiss Federal Institute for Vocational Education and Training |
| SWAp | Sector-wide Approach |
| TITI | Training Institute for Technical Instruction |
| TVET | Technical Vocational Education and Training |

List of Figures

| | |
|----------|--|
| Figure 1 | Graphical abstract of the study TVET federalization in Nepal |
| Figure 2 | TVET modalities as life-long learning continuum |
| Figure 3 | Political institutions according to the Nepal's Inter-Governmental Relationship Act |
| Figure 4 | Institutional framework for Nepal's TVET sector according to the allocation of functions to all three political levels |
| Figure 5 | TVET funding flows before the new Constitution |
| Figure 6 | TVET funding flows in the transition phase following the new Constitution |

List of Tables

| | |
|---------|---|
| Table 1 | Governance dimensions and control functions for a strong TVET sector |
| Table 2 | Governance dimensions, functions and allocation to the three political levels |
| Table 3 | TVET Act Key Elements on federal level |
| Table 4 | TVET Act Key Elements on provincial level |

Motivation and Graphical Abstract

The reorganization of the TVET sector in the context of Nepal's complex reform is a task that requires a great deal of time and an intricate coordination effort. It is extremely important that a new TVET legislation is fully embedded in the overarching existing legal frameworks. This includes, among others, Nepal's Constitution, the Unbundling Report, Inter-Governmental Fiscal Bill, Nepal's Intergovernmental Relations Act, the Act relating to Compulsory and Free Education, and the Labour Act. Further, the TVET Act is intended to implement the 2019 education policy as well as the National Youth Policy.

Coordination on the political and operational level

In a federalist system, coordination among political levels is a prerequisite for the division of tasks. This requires bodies to maintain this coordination, and to clarify which bodies perform which tasks (see table showing the assignment of TVET functions to the three political levels in the Appendix). These regulations also provide the basis for the financial requirements at each level. The current draft of a TVET Act lacks many functions that are necessary for an effective Act. Therefore, in this study we provide a holistic overview for the scope of regulation.

Important principles should be applied, such as the need for separation between a body that **coordinates and makes the necessary decisions between the three political levels** (political body with the involvement of the Business Sector FNCCI, CNI) and **semi-autonomous competence centers** that act on the operational levels (e.g. important decisions that belong to the national authority (standards, law, policies etc.)).

Strong national Center for Technical Education and Vocational Training required

Each country with a strong TVET System needs a national **Center for TVET**. As prescribed in the new National Education Policy, Nepal has foreseen such a center that can devote itself to the development of standards for educational plans, TVET teachers and instructors, training materials, infrastructure and related activities.

Permeability up to TVET Level 8 is the recipe to make the TVET Sector attractive

The current Draft TVET Act regulates **NQF levels 3-5 only**, which is not sufficient to make the sector attractive. As stipulated in Nepal's NVQS (Caves & Renold, 2019), it is imperative that the law also provides TVET programs for levels 6-8 (e.g. regulation of mountain guides, food & beverage managers in hotels). This would allow the national level to run its own TVET programs at levels 6-8.

Regulate formal TVET programs and non-formal Skills Development Courses separately

Furthermore, the TVET Act should make a clear distinction between formal TVET programs and non-formal skills development (different chapters, responsibilities and funding). The two forms of education are managed and financed differently by political authorities. Without this separation, measuring and monitoring the success of the TVET sector will not be possible in the future.

Financing the TVET sector must be in line with the Inter-Governmental Fiscal Bill

The proposed mechanisms for funding the TVET Sector violate the provisions of the Inter-Governmental Fiscal Bill. For example: public education spending will still have to be mapped through the Red Book; the private sector invests its funds directly in education and does not have to pay them into a fund. The TVET Funds could take on the role of coordinating Donor Partner funds.

The report provides a literature review and a chapter on financing the TVET sector. Furthermore, it must be examined for which programs tuition fees may be charged and for which not, so that funding is consistent with "Free Education". Finally, the meaning of "Skills Development Bank" is unclear.

The motivation for writing this study is to provide comprehensive information to the leaders of the TVET sector in Nepal for the legislative process, so that this sector has the best conditions to become an attractive path for the majority of Nepali people and to create a role model that can also gain appeal beyond Nepal.

Therefore, we have structured the report as described in Figure 1. The description of the mission by SDC (1) is followed by a literature review (2) on key findings from academia as well as multinational organizations. In the third chapter (3), we turn to the legal framework that has emerged in Nepal under the new constitution. From this, we derive the scope for TVET legislation in the fourth step (4) and show how important functions are assigned to the three political levels. This enables us to derive the institutional framework (5) for the national and provincial levels in a fifth step. Finally, in a sixth step, (6) we formulate TVET Act Key Element for the national and provincial levels and discuss limitations and challenges. Finally, we devote a separate chapter to financing (7), where special attention must be paid to the private business sector and donor partners.

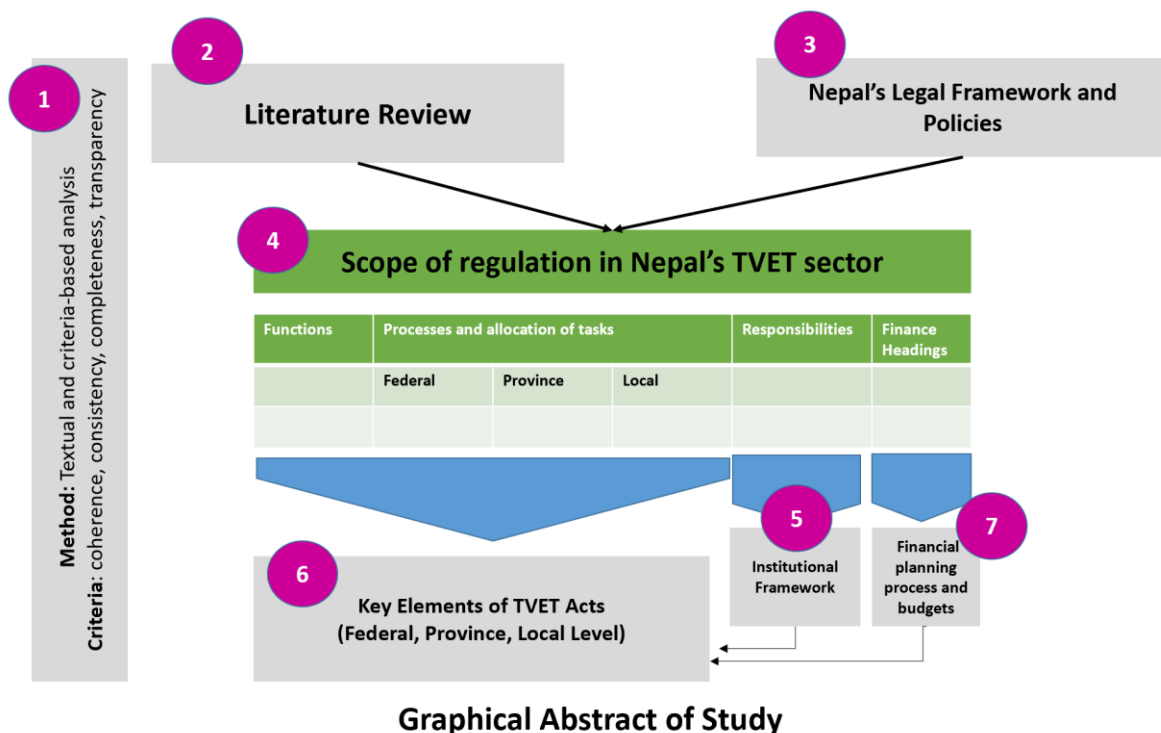


Figure 1: graphical abstract of the study TVET Federalization in Nepal

We conclude the study with key findings and formulate a number of recommendations for TVET legislation moving forward.

1 Mandate and Method of Study

This study was initiated and funded by SDC Nepal. It is one of several studies commissioned in connection with the TVET federalization process to support the implementation of the new constitution of 2015. The excerpt from the following Terms of Reference describe the background of this project.

Background description by SDC (Excerpt Terms of Reference)

“The Unbundling Report of the constitution determines the allocation of functions in a federalized Technical and Vocational Education and Training (TVET) sector in Nepal. In accordance with the unbundling report and the Local Government Operation Act the roles allocated to different tiers of Government in TVET.

At federal level, MoEST is the ministry responsible for providing strategic vision and objectives for the sector; for the coordination of policy/laws between ministries and government institutions; for clarifying financial arrangements for the TVET sector and for the management of formal TVET programs. MoEST is also responsible for managing the implementation of a National Qualification Framework to ensure the permeability of the education system. According to the Constitution, the federal government does not have the mandate to implement TVET courses and programs.

Indeed, provincial governments manage TVET courses offered at secondary level and above (NVQF level 3, 4 & 5) in technical schools and polytechnics (public and private). The Ministry of Social Development (MoSD) is responsible for managing the TVET sector at provincial level. As mandated by the Constitution, provincial governments are to develop and implement TVET policies and acts, in line with the federal TVET Act (currently under approval) as well as relevant guidelines. This includes guidelines for implementing training programs (e.g. apprenticeships), for accrediting training institutions or skill assessment centres, for managing scholarships, and for implementing the Vocational Qualifications Framework etc. Furthermore, local governments can offer TVET courses and programs at secondary level (NVQF level 3) and other short-term training courses, which are assessed against NSTB standards. Similarly, tertiary level programs (NVQF level 6, 7 & 8) can be offered by technical universities at federal or provincial level.

The federal TVET Act, not yet enacted, is expected to shed lights and comprehensively incorporate elements on the roles and functions of the relevant entities at all tiers of the government to further clarify training implementation roles and responsibilities to avoid overlaps as well as funding arrangements for TVET at all tiers. Similarly, some provincial governments have already started drafting Provincial TVET Acts. Provinces are legally allowed to develop their own TVET Act without further waiting for the approval of the federal TVET Act. However, in the absence of the federal TVET act the likelihood of provincial TVET Acts not consistently aligning with the federal TVET act is high, which poses a threat to an effective federalization of the sector and the smooth functioning of a federalised TVET system. In this context, on the one hand, the MoEST will soon initiate the process for developing the national strategic plan for TVET. The national strategic plan for the TVET sector lays out the strategic vision, mission, objectives, financing mechanisms and targets for the sector, to be achieved by the three tiers of government by 2030. Based on this plan the federal, provincial and local governments will be able to allocate funds, according to their role in TVET, in order to achieve targets. On the other hand, there is a lack of uniform understanding among the provinces and the local governments regarding their roles in the TVET sector including the non-existence of the institutions such as office for TVET at province that would enable them to perform their TVET mandate, which is new to them.

The Swiss Agency for Development and Cooperation (SDC) is the Development Agency of Switzerland's Federal Department of Foreign Affairs (FDFA) and responsible for coordinating and implementing Switzerland's international development activities. Under its Cooperation Strategy for Nepal 2018-2021, Switzerland pursues a comprehensive approach, aiming to ensure that "women and men benefit from equitable socioeconomic development and exercise their rights and responsibilities in an inclusive federal state". The Cooperation Strategy has three strategic priorities, namely 1) building a federal system, 2) strengthening economic growth and job creation, and 3) enhancing protection of migrant workers and establishing an effective mechanism for migration management. These three pillars are complementary and mutually reinforcing.

Switzerland is a longstanding and trusted partner of the GoN, which recognizes the Swiss contribution in the TVET sector. With the Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) project, SDC has contributed to establish a Dual-Vocational Education and Training (Dual-VET) apprenticeship system in Nepal, based on a strong collaboration between training institutions and the industries. With the Nepal Vocational Qualifications System (NVQS) project, SDC supported the development of the National Vocational Qualification System through which people can validate and certify the skills and competencies they have gained through training or work experience. These projects although have contributed to establish a sustainable TVET system, there are missing pieces to achieve a complete reform in the sector. The missing pieces is the non-existence of pre-existing structure at Province and Local Governments. For instance, the SDC aims to support to establish legitimate, well-functioning and accountable government institutions, which will ensure that standards are set at Federal level and cascade in the system down to TVET schools, ensuring that the Provincial institutions coaches TVET schools to enable them to improve their performance quality. It will also intensify Inter-Local Governments coordination mechanism as envisioned by the constitution, by which several Local Governments decide together to jointly fund and manage TVET School in a specialized occupation or sector.

Switzerland is also recognized for its well-functioning federalized TVET system—many scholars have labelled it the gold standard¹. SDC's support in the development and implementation of a coherent legal framework and the creation of capacitated political and implementation government bodies to ensure that TVET schools provide quality long-term or short-term training, which are accessible to all is crucial now."

As shown in our previous analyses (Renold & Caves, 2017; Renold et al., 2018; Caves & Renold, 2018), the TVET Federalization process is a very complex reform, which cannot be organized linearly, but rather with a succession of iteration loops. As is usually the case with major constitutional changes, there is little experience among the incumbent actors, especially when a new political level is also to be established and tasks are decentralized from what was originally a central system. Furthermore, the dynamic and sometimes simultaneous legislative process in different areas and at all political levels makes it difficult to maintain an overview and to develop a coherent, consistent, complete and transparent law (Mitchell et al., 1999, p. 1).

¹Nancy Hoffman and Robert Schwartz, "Gold Standard: The Swiss Vocational Education and Training System" (Washington, DC: National Center on Education and the Economy, 2015)

Objectives for investigation

This report provides inputs and suggestions for a coherent, consistent, complete and transparent TVET Sector legislation. At first, we provide inputs on the key guiding elements for TVET legislation in general based on a literature review and on dimensions and functions for good governance in TVET. Furthermore, the experts give an overview about the dynamic development of Nepal's legal framework relevant for the TVET legislation process. Based on these findings, we define the scope for TVET legislation, recommend a solution for the institutional framework and provide key elements for TVET Acts at the federal and provincial levels.

1.1 Goals of the study and criteria for evaluation of legal framework

Creating new legislation for the TVET sector in Nepal is not a simple task. Due to the total revision of the constitution, the introduction of a new political level (provinces) and the decentralization of education, the sector will experience longer-term upheaval. The legislative process must also take place, although not all foundations for this are clear yet.

The education sector, with its many subsystems (compulsory education, TVET, higher education and further education/skills development) and its multiple players, therefore faces a distinct challenge. In the TVET sector, an expansion of the institutional framework so that the business community can also play an active role in the training of TVET graduates (ILO, 2021), and be assigned clear roles and tasks, is critical..

The overarching goals of TVET legislation should be (Mitchell et al., 1999):

- Laws and policies that evolve in a systematic manner
- Laws and policies that provide a rational, coherent and internally consistent framework for stimulating the TVET sector in Nepal
- Laws and TVET policy that provide adequate guidance for those working in the TVET sector.

1.2 Method

At least two influencing factors determine legislation for the TVET sector. Firstly, the historically-, culturally-, socially- and economically-shaped society and its attitude towards the TVET sector (Renold, 2020). Second, the way in which the legal framework is determined in a country.

In a first step, a **literature review** will highlight the key considerations in this sector-specific legislation process. Part of that work is inferring dimensions and functions for good governance in TVET, an important step to check coherence, consistency, completeness and transparency.

In order to develop a coherent and constitutionally compliant legislation for the TVET sector in Nepal, several **legal frameworks** need to be considered. Hence, in a second step we describe the overarching existing framework, which is decisive for TVET regulations in Nepal.

The third step is to identify the **scope for TVET Legislation** from the literature review and existing laws and policies. This is the theoretical approach with which Nepali experts should examine the drafts for TVET legislation at a national and provincial level.

A special focus is placed on the financing of the TVET sector, as this is of utmost importance for the functioning of a TVET system. Finally, we will end the report with conclusions and recommendations.

2 Literature Review

The literature on educational reform originates from academic sources as well as technical and analytical reports from government and international organizations. Here we summarize the key findings and recommendations of these sources as they are relevant to the Nepalese constitutional reform context. We do so for two key topics: the good governance and oversight of TVET systems and the financing of these systems. The underlying message the evidence on both presents is the importance of clear frameworks understood and accepted by all actors in the system. In a third subsection we present the *Sector-wide approach* (SWAp), a policy coordination instrument that combines governance, financing and coordination best-practice

Multinational organizations are at the center of much of the analysis of TVET research and analysis, particularly in developing market contexts. As TVET, work-based training in particular, has gained in importance across countries, analysis and best-practice recommendations for legislation, system implementation and reform have accompanied this development. Ultimately, however, education is organized on a (sub-)national level and it is therefore vital to consider the experiences and lessons from education system implementation and reform from within the countries themselves.

2.1 Frameworks for governance and oversight

Developing and sustaining high-performing TVET systems involves clear, strong governance structures, systems and strategies. Strategy and structure themselves are linked, but distinct and both imperative aspects of governance frameworks. Kavale (2012) underlines the critical distinctions between the two, and why they matter: while strategy refers to the long-term aims, directions and scope of an organization or institution, structure defines the relationships and behavioral patterns between entities. Structure follows strategy, and should be supple enough to be modified in the face of strategic changes. On the other hand, strategic management should be mindful of the fit of strategy, structure and the capabilities of an entity or institution based on its environment and resources. This means active intervention from top levels of a structure or system to ensure the best possible degree of strategy implementation permitted by structure. In TVET systems' reform and oversight, this means the constant involvement of government actors—TVET policy and reform cannot simply be “set-and-forget”.

With this understanding of structure, strategy and their relationship with TVET systems in mind, it is imperative that all stakeholders understand and accept the governance of the system, and that this governance encourages a long-term view of TVET and of lifelong learning (see Figure 2, Hanni, 2019). Oesch (2010) reviews the Bertelsmann Foundation's book on the governance of TVET across countries and related systems-level challenges. We can draw three central points from this review. First, the importance of a future-forward, sustainable education policy that underpins the TVET system—again, acknowledging the lifelong learning philosophy of education, coupled with an ability to adapt to changing economic and social contexts. Second, while education governance and control may be diffuse, such a structure requires strong direction and active coordination. This is a particularly crucial point for the Nepali context, with the move towards a federalized governance system and devolution of education control to local levels.

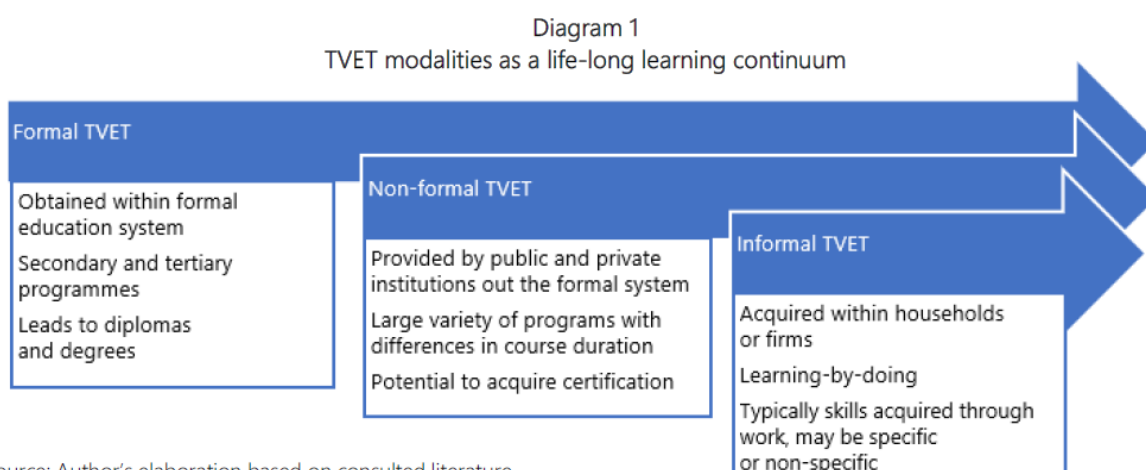


Figure 2: TVET Modalities as Life-long learning continuum (source: Hanni, 2019, S. 12)

Finally, the strategic settings of a TVET system should be geared towards high level of coordination between actors and policy guidance directed towards education “outputs” (results) rather than “inputs” for optimal system performance.

The themes raised by Oesch’s review are mirrored in Renold et al.’s (2019) policy paper on the systemic governance of the TVET system. Oesch notes that high levels of coordination and a focus on output-oriented guidance characterize Switzerland’s TVET landscape. The Swiss law on Vocational and Professional Education and Training (Swiss Confederation, 2002) is a framework law that allows room for the actors within the system to act, to an extent, as they see fit. This freedom is a consequence of the structure of a close collaboration within the system between the federal and cantonal authorities, social partners (employer/employee organizations), vocational schools and the employers themselves. The system is underpinned by academic “leading houses” that support the collection of data to encourage reform.

Renold et al. (2019) investigate this system with a view to encouraging the optimization of governance and partnerships between the actors. To do so the authors measure the level of coordination and satisfaction with the governance structure of each of the actor groups for a set of governance dimensions. While they find that satisfaction and objective assessments of the quality of the system are high, there is some variation between actors and not all dimensions are equally evaluated. Furthermore, while actors are generally happy with their relationships with other actor groups there is room for improvement—in the intensely cooperative relationship between schools and companies/industries, schools report being happy but companies/industries are more ambivalent about the quality of the relationship. Likewise, cantonal authorities are happier with the relationship with schools than the schools are, and labor market institutions report a better relationship with schools than vice versa. The federal authorities, who have an important coordination and steering role, are generally happy with their relationships with other actors, but, aside from the cantons, most other actors do not consider their link to the federal government to be particularly strong. This imbalance in the relationship is the subject of one of the main recommendations of the paper, which suggests that, among others, the relationship between the federal government and employment sector actors should be reflected on and improved. This is an important consideration for Nepal in light of the federalization and related devolution of responsibility for education.

International organizations may act as platforms for discussion and recommendation of best practice in TVET, in some cases providing their own framework for TVET systems' governance. An example of such international organization intervention is the International Labor Organization's (ILO) Framework for Quality Apprenticeships. The ILO's 2019 report on this framework raises a number of considerations for the implementation or reform of TVET systems. A particularly critical point for TVET systems in developing economies is ensuring that the promotion of apprenticeships is in line with the pursuit of decent work. This has implications for TVET more broadly, as the report notes that increases in apprenticeship possibilities and take-up also lead to a surge in other forms of work-based learning in some cases.

On a more general governance level, the report highlights the key components of ensuring quality apprenticeships, as expressed in the ILO framework. Apprenticeships themselves should have a tripartite governance structure, remuneration, written agreements, social security, and clear legal frameworks, curricula, schedules of on- and off-site training, formal assessment and recognized qualifications. The tripartite governance structure should involve a high level of coordination between government, labor and employment partners, which rests on robust regulatory frameworks and meaningful social dialogue, encouraged by public policy and public-private partnerships. Governance and policy should further promote and enable quality in-work learning through high standards, clear chains of command and responsibility, consistent and long term monitoring, and legal protections. Moreover, access and inclusivity should be placed at the forefront and, where possible, extended to training in the informal economy—a particularly important consideration in contexts where informal employment is high. Finally, cooperation at the international level may assist in applying best practices across countries, as would internationally accepted and adhered-to standards.

This last point concerning international cooperation and globally accepted standards is not without its problems. International cooperation on education is difficult to come by and international frameworks and standards, where they exist, do not compel countries' adherence, instead relying on good-faith participation. Wang (2012) illustrates some risks of the international-led approach of developing a TVET system. His analysis focuses on China, where he notes the TVET system has its origins in international arrangements, with TVET seen as a means for sustainable development. However, the translation to a national legislative framework did not reflect the importance of TVET to the education system as a whole. As a result, social norms, especially concerning the stigmatization of TVET, have not been widely addressed. Moreover, with the destigmatization and normalization of TVET as an acceptable career path not brought to the forefront of national TVET policy, human rights issues—poor treatment of trainees, lack of pay or stable working conditions—is also not considered. This further highlights the importance of translating international guidelines and frameworks into robust legislative and institutional framework at the national level, and where responsibilities are devolved to subnational entities, the necessity of a strong coordination strategy and structure from the central government. Finally, TVET legislation should allow for consistent, complete monitoring and feedback to ensure the system functions as it should.

2.2 TVET finance arrangements

Financing TVET systems is an important issue to consider when planning for a TVET system. TVET is, by definition, more complex than a school-based education system as financial flows related to the business sector may play an important factor. Many actors provide financing, even more so in developing contexts where donor partners—both NGOs and foreign government donors—are involved. We first explore the state of TVET financing in some countries comparable to Nepal, before turning to the current

discussions surrounding TVET financing at the international level, and summarizing some of the best-practice recommendations of the literature for financing of TVET systems.

Hanni (2019) provides a comprehensive overview of the funding arrangements of TVET systems in Latin American countries. Though the Latin American context is clearly not fully analogous to that of Nepal, it nevertheless contains some similarities that allow lessons to be drawn from its findings. Principally, it shows how ostensibly similar policy settings, education traditions and modern-day systems hide a myriad of funding arrangements. In some cases, such arrangements permit efficient and effective TVET funding while in others, confusing financial flows and unreliable funding sources hinder development. Hanni summarizes the rationales and provision models for TVET financing, including the social and economic returns to TVET and models ranging from centralized and state-based to a purely market-based model that characterizes TVET as a consumption good. In this representation, we can imagine the TVET “market” as one with a number of externalities and an asymmetry of information that the government should intervene to correct. Moreover, under this TVET-as-market typology, firms who do not train may be considered “freeriders” who benefit from the productivity improvements accompanying TVET systems without having to pay for them. How to define the financial and economic framework of a TVET system and, relatedly, how to deal with the issues that arise with a chosen funding model, are important considerations for developing and implementing the legal framework of a TVET system. Innovative forms of market financing, such as development bonds, and enterprise training funds, should be under consideration.

While education expenditures in Latin American countries are relatively high, at an average of 5% of GDP, they are variable across countries and the sources of these funding are equally variable. With differing tax bases in the countries studied in Hanni’s report, the amount of funding covered directly by public revenue varies, as does the proportion of funding directed to TVET. In some cases, law mandates a small percentage of tax revenue go towards TVET funding, often originating from payroll taxes or other levies. In other cases, institutions may monetize some of their assets and services and in still others, participants contribute to their training, with their contributions sometimes offset by tax breaks. The image that crystallizes from Hanni’s analysis is one of a large deal of complexity. To overcome this possible hindrance to further TVET development, he suggests improved transparency of expenditure to better measure and monitor financial flows, reform and streamlining of tax expenditure and a stronger focus on financing synergies between the diverse TVET actors.

A further point to arise from Hanni’s analysis is the role and positioning in the financial structure of subnational entities—states, provinces and cities—in the provision of TVET. These entities play an important role but have limited, poorly mobilized resources in the Latin American context. Another country-level example of the role of subnational entities and how to overcome their resource limitations comes from Australia, explored in detail in a book by Mitchell et al. (1999). Australia’s economic and social context differs from that of Nepal but its federal structure contains lessons for the Nepali system. The design of the Australian federal system means that while states are responsible for education, including TVET, they have little scope to collect their own taxes and are therefore reliant on federal funds. Moreover, the transferability of skills between states is considered highly important. These two factors mean that a high level of coordination and cooperation between states and federal authorities is necessary for a successful system. The Australian system seeks to achieve this in several ways. A national legal training framework, developed from the 1970s to 1990s, is in place and revised between all the actors frequently, based on the federal framework that sees TVET primarily as a market-based mechanism to respond to the changing needs of the labor market and ensure decent work for youth progressing

through the apprenticeship system in particular. This setup creates tensions, notably those between employment and education actors (TVET is still largely regulated through employment, as well as education, legislation), and a power imbalance that arises through the federal government's ability to influence policy through financial decisions. These issues should be at the forefront of the mind when considering the best structure for TVET governance and financing in a federal environment.

A final pertinent source concerning TVET financing is the UNESCO-UNEVOC's (2017) summary of the discussions from a conference focused on diversifying TVET funding sources. The summary notes that across the world, in developing contexts especially, TVET funding is scarce and priorities are unclear. Moreover, monitoring is difficult and patchy. The report therefore recommends a more efficient use of public funding, and favors an output-oriented funding approach, with trainers and programs assessed on performance indicators. It also calls for mobilization of other sources—including income-generating activity from the trainees, and greater involvement of industry sources perhaps encouraged with levies and tax advantages for participating in TVET funding. Finally, it broaches the question of the contribution of participants, arguing that this may be an important source of income, but should be designed in a way so as to not hinder participation or limit it only to youth from wealthy backgrounds. Contributions based on family incomes, or deferred-payment schemes, are possible solutions to ensure that participant contributions are fair and equitable.

The overall message from the literature on funding arrangements for TVET is that they should be simplified as much as possible, diversified to include possible contributions and funding streams from training companies/industries and participants, and based on an output-oriented scheme. Companies/industries who participate in training may receive tax advantages, to encourage participation in training and discourage freeriding. Where training is embedded in a federal system, how to best mobilize subnational entities and minimize tension between national and subnational bodies needs consideration. And, finally, due to its unavoidable complexity, funding for TVET requires strong, coordinated governance and strategy, which we move to in the next section.

2.3 Coordinating governance, strategy and financing: the SWAp approach

A final section in the review of TVET governance and financing literature concerns the Sector-Wide Approach (SWAp), which merits a separate discussion due to its combination of governance and finance questions. In essence, SWAp promotes stakeholders acting in concert to improve outcomes in a specific area. In the case of education, this means government, education, employment and donor actors crafting a common approach to strategy, oversight and financing.

Two recent studies cover the implementation of SWAps in education systems in countries in developing contexts. A first, from Coxon et al. (2011), reviews the implementation of SWAps in two Pacific island nations—the Solomon Islands and Tonga—following the decision of the New Zealand Aid Agency (NZAid) to use SWAps to improve the efficiency of TVET funding and governance in the region. The most important point this report raises is that SWAps should not be simply seen as a blueprint or an instrument for better financing arrangements. Rather, they need to be understood as a long-term framework that sets the direction for more effective financial management where aid agencies and other external donors are involved. The best-quality SWAps engage most of the most significant stakeholders, define a comprehensive policy and expenditure framework and demonstrate the highest-quality planning and management processes. While these processes and policies are the result of shared responsibility,

the local government takes the lead and SWApS are implemented within the framework of government financial management procedures.

The SWApS in the Solomon Islands and Tonga had some limited successes in improving TVET governance and financing but also illustrate some of the possible issues that may arise and require preemptive consideration when choosing to implement a SWAp. The first is the buy-in of all actors and coordination of newcomers to the sector. In the Solomon Islands, EU donors insisting on continuing to use their own implementation and reporting procedures were a source of discouragement for the SWAp. Similarly, in Tonga, mutual suspicion between the government and donor partners—the donor partners did not trust the government to spend their funds properly and the government perceived donors as meddling in their affairs—squandered somewhat the opportunity to meaningfully implement a coordinated framework for financing and governance. Work needs to be done early to build trust between actors, raise awareness amongst all parties, and gain commitment to a long-term partnership that may challenge accepted wisdom amongst donor partners especially. If preparation work is poor or non-existent, the SWAp implementation is unlikely to be successful. Likewise, SWApS need to consider the relationships of actors beyond those between governments and donor partners. In the Tongan case, while the relationship between the government and individual donor partners was good, between the donor partners themselves it was poor. Building trust not just between actor groups but within them should not be neglected. On the positive side, the SWApS in these two countries led to improved capacities within education ministries, gave the governments more leverage for discussion and negotiation, and provided an opportunity for better alignment with existing (local) systems.

A further study of a SWAp in TVET pertinent for the Nepal case is that of Khan (2019), who reviews the SWAp in the TVET system in Bangladesh. In contrast to the Pacific islands cases, Bangladesh's SWAp had the early buy-in of the government and donor partners, with TVET considered part of Bangladesh's path to income growth and a strategy for managing an influx of a large number of youth into working age. The SWAp was implemented in line with a new National Qualifications Framework, both of which sought to remedy both a lack of awareness and poor implementation of the previous qualifications framework, poor and patchy funding, lack of staffing and low institutional capacity. The SWAp is already showing some signs of success in the primary and secondary education sectors and the health sector, thanks to its facilitation of alignment of financing, strengthening of the role of the government, and improving coordination between actors. Khan's recommendations for ensuing SWApS are successful include keeping their size manageable, providing active support at the design stage including opportunities for study and analysis of the program, strengthening monitoring and moving towards a results-oriented framework, having stringent partnership agreements with a clear leadership chain, and setting up a separate SWAp administrative unit. Finally, there should be special arrangements in place to ensure problems with implementation can be addressed quickly, without jeopardizing the SWAp overall.

These recommendations based on experiences in other countries are of use when considering how to implement such an approach from scratch, and how a SWAp may be anchored in TVET legislation from the start in order that it has the best possible chance of succeeding and bringing about a meaningful impact on the system.

2.4 Dimensions and functions related to good governance of a TVET Sector

In recent years, various scholars (Rauner et al., 2009; Renold & Caves, 2017; Renold et al., 2018; Renold et al., 2019; ILO, 2021) have attempted to capture, describe, and later measure governance and control functions of the TVET system. Multinational organizations such as the ILO, UNESCO, UNEVOC as well as the OECD have also dealt with concepts for a comprehensive description of a TVET system.

Here we present a table that lists general functions that should be fulfilled for good governance in the TVET sector, along governance dimensions.

| No. | Governance dimensions and control functions |
|-----------|---|
| 1. | Nationally coordinated approach |
| 1.1 | Understanding of the roles of all actors involved anchored in the rule of law |
| 1.2 | Coordination of joint action by a leading authority (leadership) |
| 1.3 | Cooperation of institutions and social partners involved is legally defined |
| 1.4 | The legal foundations contain binding purpose statements and targets (standards) for TVET programs (age, duration, type of programs) |
| 1.5 | Integrated (national) procedures for the development of occupational profiles and educational plans exist |
| 1.6 | Efficient and effective TVET infrastructure and delivery of programs on all levels. |
| 2. | Renewal of the system (control and system management) |
| 2.1 | There is a legal mandate for the further development of TVET. |
| 2.2 | Efficiency, effectiveness and equity of the TVET system (procedures) are evaluated periodically. |
| 2.3 | Evaluation of occupational competencies and their development as an early indicator of employment adequacy |
| 2.4 | The achievement of TVET policy goals is systematically reviewed. |
| 2.5 | Results of research on the success of graduates are taken into account in the decision-making process (evidence-based policy) |
| 3. | Information asymmetry with other policy areas and the various political levels |
| 3.1 | The legal regulations provide for a clear separation of standard setting and enforcement |
| 3.2 | The tasks are distributed between the political levels according to the principle of subsidiarity. |
| 3.3 | Development of occupational profiles, educational ordinances and educational plans (standards) takes place at national level. Enforcement is subnational. |
| 3.4 | Learning sites have autonomy in the implementation and design of training within the framework of national standards. |
| 3.5 | Incentives and regulatory frameworks encourage collaboration in building infrastructure for TVET institutions. |
| 3.6 | TVET uses information campaigns to publicize innovations (e.g. new programs) in the system. |
| 3.7 | TVET objectives are supported by relevant other policies (economic /social/labor market/migration policies) |

| | | |
|-----------|---|--|
| | 3.8 | Institutionalized dialogue channels for exchange with actors from other policy areas exist |
| 4. | Interface management between the educational levels | |
| | 4.1 | TVET objectives are supported by relevant other education system policies (elementary school, upper secondary education, higher education). |
| | 4.2 | Complementary formal degrees (university and non-university tertiary level) at the tertiary level secure the labor force qualitatively and quantitatively |
| | 4.3 | Formal programs that enable transfer between TVET programs and academic programs are developed (e.g. University Aptitude Test for TVET diploma holders). |
| 5. | Financing TVET sector | |
| | 5.1 | Equitable funding arrangements are in place. |
| | 5.2 | Companies/industries' willingness to train is promoted by a system of incentives. |
| | 5.3 | Performance-based financing controls competition among actors. |
| | 5.4 | Scholarship grants are developed to improve equal access to all programs for disadvantaged groups. |
| 6. | Anticipation of the effects to be achieved with educational plans | |
| | 6.1 | Cooperation between learning locations (companies/industries, schools, others) is a constitutive element of TVET programs. Duties and responsibilities are legally regulated. |
| | 6.2 | Learning locations complement each other in their training objectives and contents according to the principle of complementarity |
| | 6.3 | Language policy is set uniformly for all at the educational regulation level. |
| | 6.4 | Disadvantaged groups are targeted to participate in TVET programs |
| 7 | Quality | |
| | 7.1 | Occupational profiles and educational plans are aligned with the labor market and are set as standards. There is coherence between defined standards and tested contents. |
| | 7.2 | Quality standards for educational providers (TVET Schools, polytechnics), TVET programs and workplace learning (apprenticeship) are set nationally and implemented sub-nationally. |
| | 7.3 | Education provider receiving public financial support must be accredited according to the national standard. |
| | 7.4 | Quality standards for all other relevant institutions in the TVET sector are set nationally. |
| 8. | TVET Professionals (Teacher, trainer, exam experts, career counselors) | |
| | 8.1 | Minimum standards for all TVET professionals are defined nationally and implemented according to the legal framework of the country. |
| | 8.2 | Continuing education for TVET professionals is offered systematically by designated institutions. |
| 9. | Information for prospective TVET students | |
| | 9.1 | National standards for career guidance and counselors ensure uniform information and are implemented on subnational level. |

| | | |
|------------|---|---|
| | 9.2 | TVET guidance is intended to improve equal opportunities and is offered to all |
| | 9.3 | Career guidance and counseling up to secondary education is free of charge for all |
| 10. | Access and incentives for TEVT students | |
| | 10.1 | TVET stakeholders ensure that supply and demand for TVET program places match |
| | 10.2 | Transparency of degree levels is set at the national level for all formal education degrees and is transparent for all people. |
| | 10.3 | Transparency of qualification levels vis-à-vis foreign countries (National Qualifications Framework NQF) is established at national level for all formal educational qualifications |
| 11. | Permeability (educational pathways, transferability of competencies) | |
| | 11.1 | Transparent admission and qualification standards for formal TVET programs are established to improve permeability. |
| | 11.2 | Standardized procedures or programs are in place for horizontal permeability at the secondary and tertiary levels (e.g. University Aptitude Test) |
| | 11.3 | Recognition of informally and non-formally acquired learning achievements is regulated on national level and implemented on subnational level. |
| | 11.4 | A credit transfer systems facilitates recognition of prior learnings. |

Table 1: Governance dimensions and control functions for a strong TVET sector (Sources: Renold & Caves, forthcoming; Renold et al., 2018; ILO, 2021; Rauner et al., 2009)

2.5 Conclusion for the TVET Sector in Nepal

The table above may be used to assess coherence, consistency and completeness of TVET regulatory and legal frameworks, system structures and strategies, and oversight and reform procedures. Clear guidelines and processes on each of these points are necessary for a high quality TVET system, and it is not enough for only government actors to be well versed—all actors in the system should have the capacity to understand and contribute to its functioning. However, as mentioned by ILO (2021, p. 60) such a TVET regulation must be embedded into an overarching legal framework of the country. Therefore, the following chapter summarizes Nepal's relevant legal framework, which may affect TVET legislation.

3 Nepal's dynamic legal framework relevant for TVET

Since our initial studies (Renold & Caves, 2017; Renold, Bolli & Caves, 2018) on the TVET federalization process, as well as the NVQS system (Caves & Renold, 2019), several newer legal principles and policies have emerged. The initial study compares the current Constitution to the previous one, and also addresses a number of specific acts and policies. These include the CTEVT Act (1988, amendments up to 2010), Education Act (1971, amendments up to 2017), Industrial Trainee Training Act (1982), Industrial Enterprises Act (1993), Labor Act (1992), and Trade Union Act (1992). The policies included the TVET Policy (2012), Youth Policy (2010), Non-Formal Education Policy (2007), School Sector Reform Plan, and Industrial Policy (2011).

Below, we review new laws and policies relevant to the TVET sector and highlight key provisions. Specifically, we address the Unbundling Report and Concurrent Powers List related to the Constitution. We include the following new or updated acts: the Intergovernmental Relations Act (2020), the Act Relating to Compulsory and Free Education (2018), the updated Labour Act (2017), and the updated Industrial Enterprises Act (2020). Two bills currently under consideration are relevant, specifically the Inter-Governmental Fiscal Bill and the Local Government Operations Bill. Finally, we add the following policies: the National Education Policy (2019) and the National Youth Policy (2015).

3.1 Constitution, Unbundling Report and Government of Nepal

3.1.1 Constitution

In our previous report (Renold & Caves, 2017), we explored the constitution and its implications for TVET in detail. Although a first amendment of the constitution was made in 2016, the changes do not affect TVET directly. This slightly revised excerpt summarizes our findings for the constitution:

The Constitution is not explicit on TVET, but mentions TVET-related issues and topics at multiple points, usually from the human capital point of view.

The basic economic objectives of Nepal as laid out in the constitution are sustainable economic development and rapid economic growth (Constitution, art. 40.3). This is to be achieved through competent and well-prepared human resources, developed through “scientific, technical, vocational, empirical, employment and people-oriented” (Constitution, art. 40.3.1) education that should make the labor force “competent and professional” (Constitution, art. 51. i.1). The Constitution emphasizes the role of the private sector (Constitution, art. 41. d.2) in economic growth and encourages investment in Nepali labor and skills to promote development (Constitution, art. 51.d.8). These goals relate specifically to the human capital function of TVET.

Every Nepali citizen is guaranteed the right to free basic and secondary education, which includes TVET delivered at the secondary level (Constitution, art. 31.1). Citizens are similarly given the right to employment (Constitution, art. 33.1) and the right to choose that employment (Constitution, art. 33.2). The full implications of the right to employment are not clear, but a TVET system linked to the labor market would certainly be helpful in promoting the right to employment.

In addition to rights for all citizens, the constitution also includes special provisions for certain populations—these are related to the equity function of TVET. Nepal should be a place where the youth can fully enjoy their “political, economic, social, and cultural rights” while participating in national and their own personal development, which refers to the function “individual control ability”. The constitution requires that special opportunities be created for youth in “areas including education, health, and employment” (Constitution, art. 51.j.7). Dalits are to be granted special provisions in “technical and vocational education” (Constitution, art. 40.2) and given the “skills and resources” (Constitution, art. 40.4) necessary to develop traditional

occupations. The provisions for Dalits are most clear, but those for youth can also be interpreted to imply a role for TVET in preparing and empowering young people to enter the labor market, succeed in employment, and participate in Nepal's ongoing development.

Nepali citizens are granted certain freedoms in the constitution, including the “freedom to practice any profession...in any part of Nepal” (Constitution, art. 51.h.1). If that is to be a practical as well as political freedom, Nepalis will need portable credentials that certify their skills in their chosen occupations and are recognized throughout the country. This calls for a strong TVET system as well as for clear RPL procedures and hint at the quality principle that certifications need to be accredited so they are recognized nationwide.

The more specific TVET-related policies are the establishment of community information centers for citizens' development (Constitution, art. 51.h.4) and the carrying out of research studies at least partly to identify and define the traditional skills and occupations of Nepal (Constitution, art. 51.c.2). Both can apply to multiple sectors, and both are particularly relevant for TVET. Information centers could be used as career guidance and counselling centers and can disseminate information on available pathways and opportunities in a permeable system, empowering individuals to chart the courses of their own lives through education, training, and employment. Research on traditional occupations in Nepal and the skills associated with them enables the creation of occupational profiles and eventually training plans and recognized certifications in those occupations, enabling them to meet the principle of quality.

Despite the constitution's non-explicit point of view on TVET, there is a great deal of space for TVET to fill the policy gaps entailed by goals like education and professional freedom, human capital development, youth engagement in national development, and equity among citizens of Nepal. These mirror the functions of individual control ability, human capital, and equality of opportunity. There are few specific policies mentioned in the Constitution, but career guidance, private-sector involvement, and occupational skills research are both components of TVET systems that follow the principles of quality, linkage to the labor market, and permeability.

3.1.2 List of Concurrent Powers

The List of Concurrent Powers of Federation and State is located in Schedules 7-9 of the Constitution, and is particularly relevant for this discussion of provincial TVET acts. According to Schedule 9, education is a concurrent responsibility shared across the federal, provincial, and local levels. We identified some contradictions between this concurrence and the existing legal framework in the last report (Renold & Caves, 2017), for example the CTEVT Act (1989) and making CTEVT responsible for all processes in TVET, although concurrent powers would normally put standards-setting, implementation, and delivery at different levels.

The main challenge with the list of concurrent powers is that it specifies certain functions related to TVET but does not differentiate TVET from general or basic education. For example, contract-related matters are a concurrent federal-province responsibility (Schedule 7), and education is concurrent across all levels (Schedule 9). The list could, at best, create a framework for TVET to have national curricula, standards, and occupational profiles while still having provincial and local implementation and delivery. However, without further legislation it is unclear how TVET should be shared across levels.

3.1.3 Unbundling Report (2017)

The unbundling report goes into detail on how governance functions should be assigned to levels, filling the gaps left by the list of concurrent powers in the Constitution. These powers for the federal, provincial, and local levels will be the foundation for our discussion of provincial TVET acts.

Exclusive federal rights related to TVET include the following: “national policy, curriculum model, qualification, standardization of skill test and regulation of technical education and vocational trainings” (2.1.6). Other education-sector federal functions include general national policies, laws, and standards

related to education, plan formulation, coordination with development partners and volunteers, the national curriculum, conditions for teachers, standards for school operation, permission for various school types to open, determination and management of key examinations, equity assurance, scholarship standards, and research topics.

Provinces are granted specific rights as well. For TVET specifically, provinces are responsible for “provincial policy curriculum and course materials preparation, implementation and regulation of technical education and vocational trainings” (2.1.6). Provinces are also responsible for “provincial policy, standards and regulation relating to technical education and vocational trainings” (2.1.9) and “Scholarship management of technical education and vocational trainings” (2.1.10). Provinces should have their own TVET acts that regulate these topics as well as their implementation of higher directives.

In the education sector generally, provinces are responsible for provincial laws, policies, standards, and regulations. They are also responsible for implementation, provincial human resources and planning, school-level curricula, qualification and working conditions for teachers, management of secondary teachers, certain examinations, certain scholarships, and province-level research. All of these should also inform provincial TVET acts.

The local level has a great deal of responsibility in education, especially primary education. Local-level authorities are granted numerous powers over basic and secondary education, from policy to program delivery. For TVET specifically, the local levels have powers over “plan formulation, operation permission and regulation of technical education and vocational training” (8.2). The provinces are responsible for curriculum and policy, and local levels develop plans based on those to deliver the programs.

3.2 Acts relevant for TVET Sector

3.2.1 Intergovernmental Relations Act (2020)

This act, enacted in 2020, should help improve coordination across governance levels in Nepal. It is based on the “principles of cooperativeness, co-existence, coordination and mutual cooperation.” Chapter 3 of the act articulates how the three governance levels should formulate laws and policies to maintain the rights of each governance levels, ensure legal consistency across levels, assign appropriate and feasible tasks to each level, and ensure continuity without duplication. These principles are very much in line with the requirements of a successful TVET sector, especially given the need for nationally recognized TVET curricula to ensure labor mobility (Mitchell et al., 1999). Effectiveness of service delivery—a key principle of Chapter 3—is also a key principle of how TVET functions are assigned to levels. For TVET, this effectiveness depends on qualifications’ validity throughout the country.

This act also provides helpful guidance related to provincial TVET acts. Provincial laws, policies, and plans must not encroach on federal jurisdiction or conflict with federal laws, according to Chapter 3, 4(2): However, the federal TVET act is not yet enacted. Chapter 3 5(3) states that provinces can legislate and implement on their own if there is no enacted federal law. The GoN can provide guidelines for TVET acts to the provinces (Chapter 3 14(3)) to support formulation, so provinces may be able to work with the federal government even if they are moving faster than that level.

Ideally the federal level would move quickly or both levels could develop acts concurrently, but if the provinces choose to create TVET acts before the federal act is ready—which may be necessary to ensure the continuity of service delivery—they may need to revise those acts once the federal act is

passed. According to Chapter 3 5(2), provinces are required to make their laws compatible with relevant federal laws. However, Chapter 3 11(1) states that the federal government should consult with provinces—especially at the request of multiple provinces—on inter-provincial projects and programs or national plans and policies that require provincial implementation. Both of these apply to TVET, as does the recommendation to collaborate on matters of concurrent jurisdiction in Chapter 3 11(3)a.

The coordination councils and committees (Chapter 4) can be a useful tool for supporting inter-relations, possibly even through a thematic committee (Chapter 4 22(1)).

This act does give specific rights to provincial laws in concurrent jurisdiction cases (Chapter 3 5(1)b and 5(2)). Provinces are responsible for the development of infrastructure, public awareness in the education sector, employment promotion, entrepreneurship development, service delivery, and province-level regulations related to public service delivery. Provincial TVET acts can focus on these areas since they are and will remain under their jurisdiction. Provincial TVET acts should avoid—or plan to remove later—elements related to national-level policy and standards since these topics will belong to the federal level once it enacts a TVET act (Chapter 3, 7(1)).

Implementation especially is a key topic for all three political levels but especially for provincial TVET acts because it falls under provincial jurisdiction which are newly established. In fact, provinces are responsible for planning projects that fall under provincial implementation—like TVET—according to Chapter 3 13(2), although the federal government can choose to take on that planning responsibility (Chapter 3 13(5)). Provinces can work together to operate, implement, or regulate infrastructure (Chapter 3, 9), which is a useful option for pooling infrastructure costs and a good way to ensure federal coordination when the federal TVET act is under consideration.

3.2.2 Act Relating to Compulsory and Free Education (2018)

This act should make education accessible, universal, “useful for life,” competitive, and high quality, among other outcomes. It defines basic education as grades one to eight (2(d)), secondary education as grades 9-12 or equivalent (2(j)), and includes those in formal, non-formal, alternative, and open education programs in the definition of students (2(m)).

The act emphasizes quality and access, so provincial TVET acts should include provisions for the implementation of these rights and requirements. The act specifies that every citizen in Nepal should have access to secondary-level technical education (17(1)) but does not make changes to the prevailing TVET delivery requirements beyond that (17(2)). Importantly, education up to the secondary level—including TVET—must be free and paid for by the State.

Provincial TVET acts will need to consider that most of the educational funding and responsibilities are at the local level. Local levels are responsible for the delivery of basic education and for establishing secondary schools. They are also responsible for ensuring access and operating schools, including schools providing traditional education. The GoN sends funding for textbooks, materials, infrastructure, computers, and scholarships goes straight to the local level (21-22; 30).

This presents two potential challenges, the first is that this mode of delivery is very input-oriented as opposed to the preferred output-oriented governance for TVET (Renold & Caves, 2017), and the second

is that the local levels may not have the necessary size or scope to offer a wide spectrum of TVET occupations. Article 22(3) states that other provisions can be prescribed related to providing educational materials, and this may be a way that provinces can work with their local governments to deliver TVET resources and programs at a regional or even provincial level.

In addition to these considerations, the act requires mother-tongue education for all students and sets out the provisions for monitoring education. Provincial TVET acts can specify the languages relevant for their regions and can articulate how they will implement the mother-tongue requirement in work-based learning. Provincial TVET acts can also specify the collection and delivery of data for system monitoring.

3.2.3 Labour Act, 2017

The Labor Act is relevant to TVET because it lays out working conditions that may also apply to TVET students in work-based learning. Chapter 4 contains the provisions related to **training and apprenticeship**.

Article 16 makes two important definitions: apprentices are employed by companies/industries in cooperation with educational institutions, and apprentices getting training according to approved curricula are not laborers for the purposes of the act.

This is crucially important because it means that apprentices can earn wages that enable training companies/industries to earn returns while earning approved and valuable credentials to compensate for these lower wages.

The act lays out specific requirements for apprentices (16; 17). They must not work more than eight hours a day or 48 hours a week, are still subject to all health and safety requirements set out for laborers, must be treated and compensated for workplace injuries and accidents like laborers, and must have an agreement with the employer and education institution describing the above. Trainees are different from apprentices because they lack the education component and curriculum and have a limited time in which they can maintain trainee status. All provincial TVET acts should align with these requirements.

3.2.4 Industrial Enterprises Act, 2020

This act amends and consolidates previous laws related to industrial enterprises, streamlining the existing processes and policies. It provides important incentives for education and training, specifically an **income tax deduction for industries that provide education and training** (24(3(n))) and allows manufacturing industries to deduct training expenses (as long as 10% or more of its workers are training) and expenses related to developing human resource capacity (24(3(m))). Such a tax deduction for training is an incentive for employers to provide training because it increases their benefit of doing so. However, this kind of benefit can lead to low quality training if companies/industries are training to earn the tax benefits but would not otherwise have trainees. Therefore, provincial TVET acts should lay out very clear quality assurance and monitoring processes to make sure apprentices are not exploited, are doing productive work, and are attaining the competencies they should learn according to their curricula.

3.3 Bills relevant for TVET Sector

We have already referred to the importance of the Inter-Governmental Fiscal Bill, as well as the Bill designed to provide for the operation of Local Government, in detail in the Renold, Bolli & Caves (2018) report. In particular, the Inter-Governmental Fiscal Bill is very relevant to the regulations governing the financing of the TVET sector (see chapter 7 of this report for a discussion of the implications of this bill).

3.4 Policies relevant for TVET Sector

3.4.1 National Education Policy 2019

The National Education Policy 2019 (NEP) identifies objectives for the whole education sector. Like the Act Relating to Compulsory and Free Education (2018), it stresses access and quality, especially in basic and secondary education. The NEP goes into more detail, specifying that quality secondary education should produce skills and productive human resources (8.3) and that TVET opportunities are a key part of these goals and national development (8.4). The NEP also calls for increased access to higher education, including lifelong learning opportunities through a variety of pathways (8.6). Education investments should be made according to national priorities, which emphasize literacy and the development of human resources in Nepal.

In order to achieve the goals it sets out, the NEP calls for highly capable teachers (8.8), increased quality and quality assurance (8.10), and permeability across all levels and types of education through the national qualifications framework (NQF, 8.11). All of these are very important parts of a successful TVET sector, and provincial TVET acts should consider how they can implement these goals and requirements. The implementation of the NQF and permeability across levels and types of education is an area where provinces can design recognition of prior learning (RPL) procedures and deliver remedial and alternative coursework towards formal qualifications (Caves & Renold, 2019).

Part D of the NEP addresses TVET specifically, and we quote extensively because this section is all relevant for provincial TVET acts.

(D) Technical and vocational education and training

Policy 10.11 The Center for Technical Education and Vocational Training established in the federal level shall work in the operation of technical and vocational education, research, innovation and entrepreneurship development and focus on producing skilled technical human resources.

- 10.11.1 There shall be skill mapping on the basis of the labor market demand and technical and vocational education and skill training institutes shall be established in each local level, meeting the prescribed standards. Non-profit organizations, private sectors and cooperatives also shall be involved in this initiative.*
- 10.11.2. Technical and vocational education programs (up to diploma level) in the genres in which the prescribed quality standards can be met shall be operated in the technical institutes and schools, depending on the local context, need and possibilities.*
- 10.11.3. Legal arrangement shall be made in relation to technical and vocational education and training, covering all subjects, sectors and programs related to technical and vocational education and skill development.*
- 10.11.4. Credit transfer and credit banking concept shall be implemented for technical and vocational education and skill development.*

10.11.5. Provincial government shall, consistent with the federal laws, formulate its own laws related to technical and vocational educational and skill development and run the programs in its territories. The programs operated in this way shall be closely managed, monitored and supervised by the local levels.

10.11.6. Collaboration will be made with the universities for the production of human resources required in the field of technical and vocational education and emphasis shall be given on their capacity development.

Policy 10.12. Opportunities for technical and vocational education and skill development shall be provided to everyone interested in skill development, with institutional expansion in the field of technical and vocational education and training.

10.12.1. Institutional mechanisms shall be expanded to provide all the students with technical and vocational education and skill development opportunities as per the interest of the students. For this, human resources shall be produced in the genres needed for the development of the country and the new institutions shall focus on skill development in new genres.

10.12.2. At least one research lab with a practical lab related to technical and vocational education and skill development shall be established in each province.

10.12.3. Study and research opportunities shall, based on the prescribed criteria, be created for the women, youths, minorities, endangered, backward communities, ethnic groups trained with technical and vocational education and skill development and career development programs shall be promoted with high priority.

10.12.4. Free opportunities or loan with low interest rate shall be provided on gradual basis to the students studying technical and vocational education.

10.12.5. Apprenticeship, internship and on-the-job training programs shall be conducted in collaboration with employer organizations in the private sector.

10.12.6. The human resources interested in exploration, conservation and excavation of minerals in the country and those interested in geo-scientific study and research shall be managed to produce from the universities in the country.

10.12.7. Labor market study and research shall be carried out and programs shall be operated to develop new skills and technologies to meet the market demand.

Policy 10.13. Continuous capacity development programs shall be conducted for the human resources in the field of technical and vocational education and training, with the provision of training licenses for the trainers for job entry, the curriculum, learning materials and training methodology shall be modernized.

10.13.1. Capacity standards shall be developed for the trainers of technical and vocational education and training institutions. They shall be evaluated on the basis of the set standards and provided with the training licenses after the evaluation.

10.13.2. Collaboration shall be established with schools, technical institutes and universities for the production of human resources required in the field of technical and vocational education.

10.13.3. The technical stream program run in Grade 9-12 in schools under the Ministry of Education, Science and Technology and the three-year technical diploma program run under the Center for Technical Education and Vocational Training shall be modified into the same structure and a three-year curriculum shall be implemented.

10.13.4. Social competencies in entrepreneurship shall be made mandatory in technical education and vocational training. National vocational standards shall be developed and curriculum, teaching materials, teaching methodology, competent trainers and evaluation techniques shall be developed on this basis.

10.13.5. Necessary legal and structural arrangements shall be made to conduct the technical and vocational education examinations from the National Examination Board.

10.13.6. Educational institutions shall collaborate, and work in cost sharing, with industries, business, organizations, work places and communities to make the technical education activities applied, practical and relevant.

10.13.7. Modern information and communication technologies shall be used in the technical and vocational education programs, and face-to-face and online teaching and training system shall be developed according to the international experiences and national standards.

Those objectives and the detailed policy for TVET (NEP, 2019, Part D) should be reflected in the TVET Legislation. Therefore, we will refer to this policy extensively when discussing how the functions (Chapter 6) of a TVET sector are incorporated into the federal structure.

3.4.2 National Youth Policy 2015 (NYP)

The NYP (2015, p. 4) describes the challenges for TVET prospects as follows:

“Lack of qualitative, timely and employment-oriented education, least access to vocational skills and techniques, unemployment, under employment, youths' flight, weak health, nutrition, mental strength, lack of environment of youth friendly investment and entrepreneurship, gender, religion and caste related inequalities and the negative impacts brought about by globalization and liberalization have remained as the problems and challenges faced by the Nepali youth” (NYP, 2015, p. 4).

“Democratic, federal system of governance and the opportunity of meaningful participation in development, abundance of natural resources including agriculture, tourism and water resources, increase in access to economic means and resources as a result of ever expanding network of banks, Cooperatives and micro-finance, expanding network of formal, vocational education, program relating to education for all, expansion of various programs focused on target groups and geographical areas, expanding network of development partners in awareness expansion, greater number of opportunities for foreign employment and the opportunities for the creation of internal employments by utilizing the skills, experiences and means and resources acquired from that in the productive sectors are the opportunities available in this regard. (NYP, 2015, p5).

Therefore, the policy's action plan recommends three key points:

- 2) *“In order to increase employment for the youth entrepreneurship and skill-oriented and vocational trainings shall be provided.*
- 10) *Increasing the competence of a youth information center, the youth employment programs shall be extended through it to the local level in a coordinated manner.*

And special sectoral priorities include the following:

- 2) *Providing skill oriented and vocation training in accordance with one's competence, necessary arrangements shall be made identifying employment opportunities where the physically challenged persons may accomplish the work.” NYP, p. 17*

Provincial TVET acts should also take up these issues.

3.5 Ongoing legislation process on the three political levels

As previous studies by Renold, Caves (2017) and Renold, Bolli & Caves (2018) show, new overarching pieces of legislation are constantly emerging that could play a role in regulating the TVET sector. This leads to the need for a kind of simultaneous engineering. Before a draft law is discussed in parliament, it is important therefore to examine the extent to which other new relevant legislative enactments need to be taken into account (Mitchell et al., 1999).

4 Scope to regulate Nepal's TVET Sector

4.1 Structures follows function

The current CTEVT Act (1989) cannot be simply amended into a TVET Act because concurrent power and limited exclusive power on federal level does not allow such a Council for Technical Education and Vocational Training (see also NEP 10.11). However, strong VET systems² require a (semi)-autonomous competence center that supports the GoN as well as provinces, local levels and social partners in all relevant TVET issues.

Furthermore, theory suggests that structures derive from the strategy and the functions to be fulfilled and not vice versa as is often practiced (Chandler, 1962; Kavale, 2012). Therefore, we propose the deductive approach suggested in the graphical abstract (Figure 1) by assigning, in a first step, the functions mentioned in chapter 2.4 (and appendix) to the three political levels according to the specifications of the superordinate legal bases (see chapter 3). These functions are supplemented with indications as to who should be responsible for exercising them at the three political levels. Furthermore, we supplement the table with information on the budget heading in which the necessary costs/public expenditures should appear. Finally, we refer to the policies and legal bases in which we found indications for the necessity of such a regulation.

4.2 Governance Dimensions, Functions and Allocation to the Three Political Levels

Functions trigger processes to perform them. They do not yet indicate who has to fulfill them (structure). However, in contrast to the private sector, there is a distinction to be made as to which tasks are sovereign, i.e. which cannot be delegated to a semi-autonomous or autonomous institution if there is no legal basis for this in the constitution.

On the following pages, we suggest a division of the functions into rough process steps and assign them to the three political authorities or to the business sector. The "institutional structure" can then be determined, i.e., which institutions are needed for the TVET sector in Nepal. Likewise, we attempt to designate the various financial headings as they might appear in a Red Book.

² See for example SFIVET in Switzerland; BiBB in Germany, KRIVET in Korea or NCVER in Australia.

| No. | Functions | Processes to fulfill functions | Responsibility | Finance headings | Citations |
|-----|---|---|--|---|--|
| 1 | Nationally coordinated approach | | | | |
| 1.1 | Understanding of the roles of all actors involved anchored in the rule of law | | | | |
| | Federal Level | Regulate the institutional framework (incl. business sector) necessary for a strong TVET system | GoN Parliament | - | IGRA, Part 16 |
| | Province Level | Regulate the institutional framework (incl. business sector) in-line with federal regulations | Government and Parliament of Province | - | IGRA, Part 16 |
| | Local Level | Regulate the institutional framework (incl. companies) in-line with federal and province regulations | Government and Parliament of Local Level | - | IGRA, Part 16 |
| 1.2 | Coordination of joint action by a leading authority (leadership) | | | | |
| | Federal Level | National Coordination Council and Thematic Committee for Education (New) | GoN | - | IGRA, Part 22 |
| | Province Level | Member of the Inter-Govt. Council and Inter-Govt. Committee Province Coordination Council and sector committee are established | Government of Provinces | -- | IGRA, Part 22 |
| | Local Level | Representative of Local Level are Member of the Inter-Govt. Council, Inter-Govt. Education Committee, the Province Coordination Council and the sector committee | Local Governments | - | IGRA, Part 22 |
| 1.3 | Cooperation of institutions and social partners involved is legally defined | | | | |
| | Federal Level | Regulate principle of coordination between public and private (business) sector Duty and responsibilities of national employer associations and Sector Subject Councils are regulated. | CTEVT Adoption: Thematic Committee for Education (TCE) | GoN Inter-Governmental Committee for Education Employer Association – education committee | NEP 8.9 NEP 10.12.5 |
| | Province Level | Duty and responsibilities of province employer associations are regulated | | Government of Province Inter-Governmental Committee for Education | |
| | Local Level | Duty and responsibilities of province host companies for apprentices are regulated insofar as these are not stipulated by other laws. | | Government of Local Level Inter-Governmental Committee for Education | Labor Act, 2017 IEA 2020 NEP 10.12.5 |
| 1.4 | The legal foundations contain binding purpose statements and standards for TVET programs (age, duration, type of programs) | | | | |
| | Federal Level | Develop and adopt all standards for TVET programs in cooperation with social partners and sub-national levels. | CTEVT Employer Association SSC Adoption: TCE Province Coordination Committee | CTEVT Heading MoESTYS TVET division | NEP8.6, 8.11 NEP 10.11.2/3 NEP 10.11.6 |
| | Province Level | Participate in development of standards | Province Education Providers Local Government | MoSD Education Office Province TVET providers (Level 3-8) | |
| | Local Level | Participate in development of standards | Local Education Providers | Local Education Office Local TVET providers (Level 3) | |

Note: The full table can be found in **Appendix I** of this study. It contains detailed information for all 11 governance dimensions.

Table 2: Governance Dimensions, Functions and Allocation to the Three Political Levels (example)

The compilation of all involved institutions and responsibilities allows, in a next step, to determine the institutional framework on the three levels. Finally, this enables the drafting of the legislation.

4.3 Conclusion for TVET legislation process in Nepal

From the functions and tasks assigned to the national level, a key elements of a federal TVET act can be determined. Likewise, the significant institutions involved can be described and the corresponding tasks assigned to them. In doing so, we preserve the principle of checks-and-balances as much as possible in order to improve the quality in the system. Similarly, a key elements of a provincial TVET act can be created from the list of tasks and responsibilities assigned to the provinces.

5 Institutional Frameworks

5.1 Nepal's Intergovernmental Relationships

Political Institutions (Nepal's Intergovernmental Relations Act)

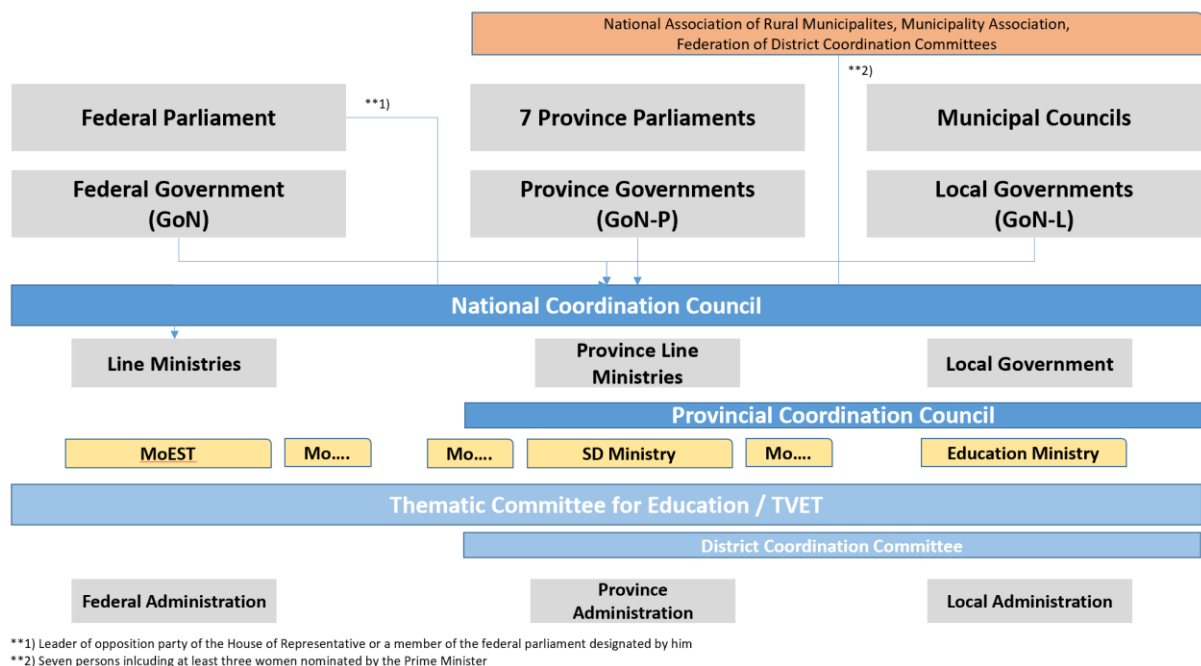


Figure 3: Political institutions according to Nepal's Intergovernmental Relations Act (own depiction)

The federalization process in Nepal has led to different exclusive and concurrent powers for the three political levels. The Intergovernmental Relations Act regulates cooperation, which will also have an impact on the TVET sector and is strongly influenced by concurrent power.

In general, the following ministries are responsible for education:

- **Federal level:** MOEST
- **Province level:** Social Development Ministry
- **Local Level:** Local Government³

Coordination of activities between responsible bodies is vital, and new bodies should be created for this purpose: **All three political levels:** "National Coordination Council" and if necessary "Thematic committees". **Provinces and Local Levels:** Provincial Coordination Council and District Coordination Committees.

³ Due to the different size of the local units, it is not possible to specify here who is responsible for education.

Since many tasks in the TVET area have to be coordinated between federal, province and local levels, it is also advisable to create a **thematic committee for education or especially for TVET**. This committee should approve all standards that affect all subnational levels, because they will have an impact on the TVET management in their region.

In what follows, we now attempt to outline the **Institutional Framework for TVET sector governance** at all three policy levels. In doing so, we respect the provisions of the superordinate laws of Nepal as well as the principles of good governance⁴.

5.2 Institutional framework for Nepal's TVET sector

TVET institutional Framework (Nepal's Intergovernmental Relations Act)

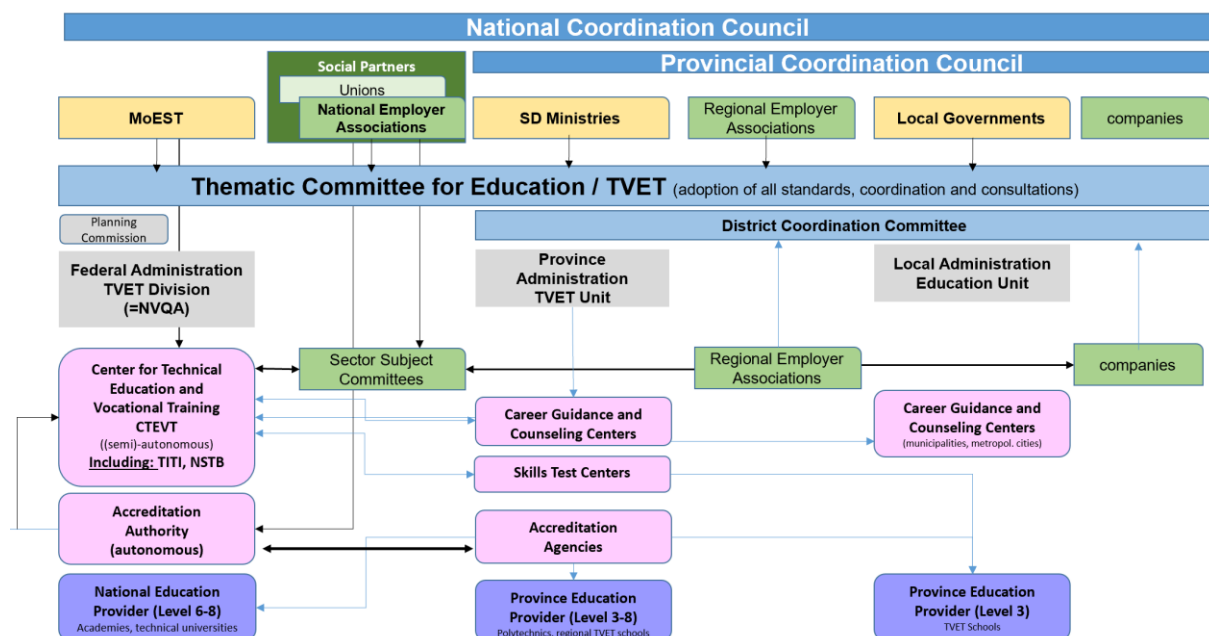


Figure 4: Institutional framework for Nepal's TVET sector according to the allocation of functions to all three political levels (own depiction)

5.2.1 Inter-institutional cooperation within the three political levels and with social partners

Based on the discussion to this point, it should be clear that institutional cooperation is a foundation stone for TVET more than with any other sector in the education system. We have already underlined that the three political authorities in particular must cooperate based on the constitutional provision and the superordinate laws. However, what distinguishes the TVET sector from the other educational sectors is the cooperation with the actors from the business sector. Legal regulation is required for both the tasks and responsibilities of these actors, as well as those of the government and education institution partners.

⁴ See especially Nepal's Intergovernmental Relation Act, 2020, Chapter 2, Art. 3, lit. m

Social partners

The actors in the employment system are commonly referred to as "social partners", meaning that both employer and employee organizations (unions) are involved. However, the distribution of tasks and responsibilities is dependent on country context. Of great importance for all countries is that employer organizations are deeply involved, because their member companies/industries should be motivated to participate in the training of TVET students (e.g. apprenticeship; see Labour Act, 3.2.3). Furthermore, these members are in a much better position than actors from the education system to judge what skills and competencies prospective professionals need. For this reason, as well as the reasons outlined in the literature review, we recommend to regulate in particular the role of employers' organizations and their sub-associations (e.g. Sector skills councils, professional associations) in the law, and also to set corresponding standards regarding rights and obligations. These organizations are independent. They organize themselves and finance their activities from their own funds or—especially in the start-up phase—through third party funding from NGOs or donor partners.

Good governance

In line with principles of checks and balances, good governance, and subsidiarity, we assign specific functions and duties. This means that **standards** for the TVET sector are set at the federal level. This is fully in line with the overarching legislation, particularly the assignment of exclusive and concurrent powers.

The national CTEVT (national Competence Center for TEVT; nCTEVT) has an especially important role to play here. It develops these standards in cooperation with the social partners and the subnational authorities and institutions. It can also consult with these actors before the Thematic Education Committee or the National Coordination Council adopts the standards.

The principle of good governance also implies that the authority that develops the standards cannot implement or control them. Therefore, implementation of the standards takes place at the subnational level. Exceptions are TVET programs at NVQF level 6-8. However, these should not be implemented by the same institutions which define the standards. For this reason, it is recommended to create an **accreditation authority** appointed by a superior body (e.g. MOEST, Thematic Committee for Education, Prime Minister). Such a body monitors the defined quality standards and ensures that periodic reviews are carried out by appropriate agencies.

5.2.2 Federal-level institutions

The institutions at the national level have been defined according to the following criteria:

- a) Institutions that must fulfill and supervise the **sovereign functions** of Nepal.
- b) Institutions that receive a **performance mandate and budget** from the relevant political bodies and have thus **partially autonomous or autonomous status**. They can also carry out orders from third parties.
- c) Institutions that, in the sense of the principle of checks and balances, are to be **independent of the political authorities** and fulfill a specific function for the TVET sector.
- d) Institutions that may carry out **TVET programs (e.g. NQF Level 6-8)**.

Federal Administration: TVET Division at the MOEST

The MOEST has an important role to play. It is responsible for all the tasks assigned to it by the legal bases and must coordinate them with the subnational bodies according to the division of tasks. Due to the great importance of concurrent power in the TVET sector, it is vital that the Ministry has a competent

TVET Division, which can prepare processes and documents for the attention of the higher authorities (Minister, Thematic Committee for Education or National Coordination Council). This division should also manage the **sovereign tasks** that fall to the MOEST and prepare decisions. This includes, in particular, sovereignty over the assignment of TVET programs to the individual levels of the **National Vocational Qualifications Framework**. This is also associated with the approval of the recognition of foreign titles and diplomas, which is carried out based on a recommendation by the new CTEVT.

In addition, the TVET Division maintains regular contact with the (semi)-autonomous institutions, social partners and with subnational administrative representatives and authorities.

National Center for Technical Education and Vocational Training (nCTEVT)

The CTEVT is the competence center for TVET in Nepal. Accordingly, it is to be upgraded and expanded. It should be entrusted with all development work, research and monitoring tasks that enable the TVET sector to be established and expanded. Its status is (semi-)autonomous, i.e. the institution has its own regulations that govern the CTEVT in detail. In coordination with the TVET Division of the MOEST, it **prepares all decisions** (e.g. standards according to the TEVT Act, strategic planning, policies) adopted by the higher authorities. In doing so, it coordinates the activities with the **social partners** on the one hand and with the **subnational institutions** on the other.

The CTEVT develops a monitoring and evaluation framework for the whole TVET sector, and launches initiatives, studies and research projects to continuously strengthen the TVET sector in collaboration with the social partners and the subnational levels.

To strengthen the TVET sector and make the institutional structure more coherent, the current institutions **TITI and the NSTB** should also be subordinated to the CTEVT. These tasks are part of the TVET core business and therefore closely linked to those of the CTEVT.

Accreditation Authority

The accreditation authority verifies the **quality of all institutions** according to the standards provided by a designated institution (e.g. CTEVT) and adopted by the appropriate authorities. Education providers must be accredited according to the national standards, and so do any other institutions that perform development tasks and processes or related educational functions in the TVET sector (e.g. CTEVT, Skills Testing Centers, Career Guidance Centers). In terms of the check-and-balance rule, an institution cannot accredit itself. For example, if CTEVT would be designated as the accrediting authority, but must itself be accredited, then its accreditation must be led by another institution, such as another national authority or an international accrediting agency.

If quality regulations are also to be applied to the social partners and their institutions, representatives of these organizations should also be members of the accreditation authority. This suggests that an independent institution should be responsible for this task rather than the ministry itself. In order to maintain checks and balances, the tasks of the Accreditation Authority should focus on the management of accreditation processes and decisions.

Subnational **accreditation agencies** carry out the actual assessment of programs and educational providers in coordination with subnational authorities. For example, provincial authorities could be responsible for the implementation of accreditation procedures.

National Education Providers

The draft NVQS (Caves & Renold, 2019) includes provisions for TVET programs at Levels 6-8. These non-university tertiary education programs support lifelong learning with formal qualifications (see UNESCO, 2012). The overarching legal framework assigns TVET programs to levels 3-5. These levels are operated by provincial authorities, so national institutions cannot be in charge of these functions. However, it is nevertheless possible to run TVET programs for levels 6-8 at the national level. The **Nathm Academy** already exists for this purpose in the hotel sector. Likewise, one could imagine developing formal TVET programs for mountain guides, as is the case in Switzerland.

Social Partners

In all countries with a strong TVET sector, the role of the social partners is also enshrined in law. The importance of employers' and employees' organizations varies from country to country. In any case, the role of employers, their tasks, rights and obligations, should be regulated, both at national and subnational level.

In most cases, there are national umbrella organizations (e.g. FNCCI, CNI) that unite various industry associations or sector skills councils. The latter are those that deal with the educational profiles and the educational content of TVET programs. Employer associations organize themselves. However, Nepal's authorities should also develop standards on what the requirements are for recognition as a national or regional employer organization or Sector skills councils (SSCs).

5.2.3 Province-level institutions

We define the institutions at the province level according to same criteria as those of the national level.

Province Administration: TVET unit at the Social Development Ministry

The MoSD has an important interface function between the federal level and local governments. In particular, coordination with local entities is important in the TVET sector, not only because it is important to develop a cost-effective and high-quality **TEVT provider infrastructure**, but also because the **labor market need for trained professionals** may vary from province to province. Therefore, it is also important that the MoSD and its administration work closely with the regional employers' associations. Due to the distinct characteristics of the TVET sector, the MoSD should therefore have a competent administrative unit (e.g. TVET unit).

Career Guidance and Counselling Centers (CGCC)

CGCCs are key information brokers who help communicate information and requirements about TVET programs to all interested individuals. These service centers are very important for stimulating interest in the various TVET programs on offer. In addition, they should also provide guidance to youth and adults who need assistance in their educational planning.

CGCCs can also take on tasks in the implementation of the procedures for the recognition of non-formal and informal learning (RPL).

Skills Test Centers

Skills Test Centers coordinate the assessment and testing of TVET programs in the province. They work closely with the CTEVT as well as local level units.

Accreditation Agencies

Accreditation agencies are responsible for conducting accreditation procedures for TVET education providers and/or TVET programs according to the national standards. They work closely with the national accreditation authority. They also coordinate their activities with the province management as well as with local authorities.

Province TVET education providers

Provinces have the task of coordinating the TVET educational institution infrastructure. Due to differing regional labor markets, it is important to create regional TVET centers and polytechnics with quality infrastructure. Provinces can offer TVET programs at levels 3-8.

5.2.4 Local-level institutions

The local level is the most important implementer for TVET program at level 3. They should also lead CGCCs in larger cities in coordination with the provinces.

5.3 Conclusion and need for discussion

The institutional structure governing the TVET sector differs from country to country. This is due in particular to socio-cultural and socio-political framework conditions. In Nepal, there are currently very particular conditions, because the total revision of the constitution has led to a great deal of upheaval, especially in the institutional structure.

Therefore, we propose a systematic approach in which the institutional structure is derived from the allocation of the decisive functions to the three political levels. The institutional structure we propose at the national and provincial levels is a suggestion.

Of course, various other solutions can be discussed. In our proposal, we assumed that Nepal would rather have an "integrated and output-oriented" governance (Renold & Caves, 2017) and that there should therefore not be overlapping institutions. Therefore, we have integrated, for example, the TITI into the Center for TVET.

6 Key Elements for TVET Legislation

The following sections summarize the responsibilities and tasks derived in the preceding sections to produce a set of **key elements** for the national TVET Act. The formulations for individual articles are suggestions and not yet texts adapted to the Nepali legal system. The chapter structure is intended to increase readability and transparency. Furthermore, we have referenced corresponding laws or policies, and indicated the function to which the regulation refers. This allows verification of whether the TVET Act Key Elements proposal is coherent, consistent and complete.

Nepal's Intergovernmental Regulation Act is very important for TVET legislation. In particular, chapters 3-6 and 8 have implications for the TVET sector. In addition, regulations are made with the principle of good governance in mind, which should also be respected. This means for example, adhering to the principle of checks and balances. Although this principle is not explicitly mentioned, Nepal's Intergovernmental Relations Act (Chapter 2, Art. 3, lit. a: Corruption prevention and promotion of good governance) alludes to its foundations.

6.1 Key Elements for Federal TVET Legislation

The content of the key elements for a Federal TVET Act is based on the following sources: the overarching legal foundations of Nepal, the functional analysis and the literature review on TVET legislations.

| Scope to be regulated in the law (remarks are colored in blue) | References to other Acts and Bills | Functions (see Table Appendix) |
|--|---|--------------------------------|
| Preamble | | |
| Chapter I: Preliminary (not exhaustive) | | |
| Bill prepared to amend and integrate Technical Education and Vocational Training (year) | | |
| Definitions: | | |
| "TVET" means Technical Vocational Education and Training on Level 3-8 | | |
| "CTEVT" means Center for Technical Vocational Education and Training | NEP 2019, 10.13.3 | |
| "Employer Organization" means the national Organizations of Nepal's business sector, such as FNCCI, CNI | | 1.3 |
| Sector skills council (SSC) are the appropriate unit within a professional or trade association which deals with TVET related topics | | 1.3 |
| "Social partners" are Employer Organizations and Trade Unions | | 1.3 |
| "Local level" means the rural or urban municipality. | | |
| "NVQF" means National Vocational Qualification Framework | | |
| ... more to be discussed according to Nepal's legal standards | | |
| Chapter II: General Provisions | | |
| Principles | | |
| a. TVET for (post)-secondary and higher education level shall be shared by the three tiers (federal, provinces, local level) and the social partners (employer organizations, trade associations). They shall strive to ensure that there is an adequate number of TVET programs available and maintain an institutionalized dialogue. | NEP 10.13-6 NEP 10.34 NEP 10.12.5 | 1.1 1.2 1.3 3.8 |

| | | |
|---|--|--------------------|
| a. Federal, province and Local Level authorities and social partners shall coordinate their activities. | | 1.2 1.3 |
| Scope of TVET (e.g. regulation of the formal TVET and/or non-formal Skills development sector; which NVQF Level will be covered?) | Government of Nepal Bill (SD is competence of Ministry of Labour) | 1.4 4 |
| Objectives: What should the TVET sector accomplish (e.g. equip people with skills and competencies to be successful throughout life; support of economic growth, ...) | | |
| System Development (regulate, the TVET sector should be monitored and that revisions should be evaluated periodically) | NEP 10.13 | 2.1 2.2 |
| Information, textbooks, education material | Act Relating to Compulsory and Free Education (chapter 3 (20-22), NEP 10.13 | 3, 3.6 4 9 |
| Language instruction (what standards should be implemented in the TVET sector for Level 3-8 programs?) | Act Relating to Compulsory and Free Education (chapter 3 (26); Chapter 4; NEP 10.8 NEP 10.9.4 | 6.3 6.5 |
| Special provision for disadvantaged people | NEP 8.7; NEP 10.28 | 6.4 |
| Improving quality (Accreditation standards) | NEP 8.10; NEP 10.43 | 7.1-7.4 |
| Encouraging permeability within education system | NEP 8.11 | 4.1 11.1.-11.4. |
| Promoting Research and Development projects to improve the TVET Sector | NEP 10.12 | 2.1 2.2 |
| Consultation with subnational institutions and social partners on new legislative proposals, policies and standards affecting the TVET sector (participatory governance). | Constitution Art. 232 Intergovernmental Relations Act, Chapter 2, Art. 3, lit. o | 3.7 4.4 |
| Chapter III: TVET on secondary level | | |
| Access to TVET (Level 3-5) | Act Relating to Compulsory and Free Education (Chapter 2, chapter 3 (8, 17), Chapter NEP 10.11.3 NEP 10.13.3 NEP 10.13.6 | 1.5 1.6 |
| Standards for Programs (duration, types, structure, learning locations, etc.) | Reference to Labor Act (2017), Chapter 4; Article 17-18) NEP 10.10 NEP 10.13.6 | 1.4 |
| Content | NEP 10.13.4 | 3.4 |
| Taking individual needs into account | Act Relating to Compulsory and Free Education (Chapter 2, chapter 3 (8, 17), Chapter NEP 10.11 | 5.4 6.4 |
| TVET occupation profiles and curricula standards | NEP 8.5 NEP 10.11.5 | 1.5 3.3 3.4 |
| TVET providers (TVET schools and host companies/industries) | Reference to Labor Act (2017), Chapter 4; Article 17-18) | 1.8 |
| Standards for quality assurance and supervision: | | 7.3 |
| Provinces and local governments regulate the implementation of national legislation and their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; | |

| | | |
|---|--|--------------------|
| | NEP 10.11.5 | |
| Chapter IV: TVET at higher education level (level 6-8) | | |
| Access to non-university higher education | NEP 10.13.6 | |
| Standards for programs (duration, types, structure, learning locations) | NEP 10.13.6 | 1.4 |
| Occupation profiles and curricula standards for Higher TVET | | 1.5 |
| Standards for TVET providers (Colleges, academies, polytechnics) | | 1.8 |
| Standards for quality assurance and supervision | | 7.3 |
| Provinces regulate the implementation of national legislation and their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; NEP 10.11.5 | |
| Chapter V: Access to university higher education (University Aptitude Test) | | |
| Standards for “bridge program” (e.g. vocational baccalaureate) to attain knowledge and skills needed to attend a university degree program | Permeability NEP 10.41 NEP 10.12.3 | 4.1 4.3 11.1 |
| Provinces regulate the implementation of national legislation and their exclusive rights. | | |
| Chapter VI: job-related Skills Development (SD) | | |
| Job-related skills development courses enable learners to refresh, acquire, deepen and broaden existing or new occupational competencies. | Youth Policy 2015; Labour Act 2017, Act Relating to Compulsory and Free Education (Chapter 2 (15)). NEP 10.36 | 11.3 |
| Skills development courses are non-formal, structured by providing a curriculum and transparent information for the learners. | NEP 8.6. | 11.3 |
| Provinces and local authorities shall ensure an adequate supply of courses. | | |
| Other provisions relating to skills development shall be pursuant to the prevailing law | | |
| Provinces and local governments regulate the implementation of national legislation and their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; NEP 10.11.5 | |
| Chapter VII: Qualification Procedures (Exams), Qualifications and Titles | | |
| General provisions | | |
| a. Skills and competencies shall be demonstrated on the basis learning objectives related to occupational qualifications standards | | 10.2 |
| b. The National Skills Testing Board (NSTB) regulates qualification procedures in cooperation with provinces and local authorities | Intergovernmental Relations Act | 1.5 |
| c. The assessment criteria used for qualification procedures must be objective and transparent and ensure equal opportunities. | | 10.2 |
| d. Access to qualification procedures shall not be dependent on attendance of specific courses of programs. The line Ministry shall establish the conditions whereby candidates may be admitted to qualification procedures | RPL | 10.3 11.3 |
| e. Only holders of a (post)-secondary-level TVET qualification or a non-university higher education TVET qualification shall be permitted to use the titles established in the corresponding regulations. | NVQS / NQF | 10.2 |
| Titles of the (post)-secondary TVET | | |
| a) National Skill Certificate (Level 3) | NVQS / NQF | 10.2 |
| b) National Technician Certificate (Level 4) | NVQS / NQF | 10.2 |

| | | |
|--|---|---------------------------------|
| c) National Diploma (Level 5) | NVQS / NQF | 10.2 |
| Titles of the higher education TVET | | |
| a) National TPET certificate (Level 6) | NVQS / NQF | 10.2 |
| b) National TPET Diploma (Level 7) | NVQS / NQF | 10.2 |
| c) Advanced National TPET Diploma (Level 8) | NVQS / NQF | 10.2 |
| Titles of Access to university higher education (exam) | | |
| a) National University Aptitude Test (Level 5) | NVQS / NQF | 10.2 |
| Chapter VIII : Social partners | | |
| General provisions | | |
| a. National Employer Organizations are social partners in the TVET sector and are umbrella organization of several professional or trade associations | NEP 10.34 NEP 10.12.5 | 1.3 |
| b. National Employer Organization are independent units and organize themselves. They are recognized by the Inter-Governmental TVET Committee. | NEP 10.12.5 | 1.3 |
| Functions, duties and rights | | |
| a. Professional or Trade Association advocate for the interests of an industry and are made up of member companies/industries. If they want to be recognized as TVET social partners, they must have a Sector skills council (SSC) that looks after the educational interests of its sector. | | 1.3 |
| b. Employer Associations/SSCs survey the educational needs of industries, take the lead in creating occupational profiles and curriculum frameworks in collaboration with CTEVT. | NEP 10.12.7 | 1.3 3.4 4.2 6.1 6.2 |
| c. Employer Associations/SSCs assist their member companies/industries in implementing TVET programs where part of the training takes place in companies/industries as apprenticeships. | Labor Act, Chapter 4 NEP 10.13.6 | 1.4 1.5 5.2 |
| d. Promote dual TVET Apprenticeships and implement further TVET related tasks. | NEP 10.12.5 NEP 10.13.6 NEP 10.52.2 | 1.6 |
| e. Employer Associations/SSCs coordinate other activities with the CTEVT | | 6.3 7.1 7.2 7.3 7.4 |
| Chapter IX : Training of TVET Professionals | | |
| General provisions | | |
| a. TVET Professionals shall have received training in their technical field as well as in adequate level of training in pedagogical and didactic methods. | NEP 10.30 | 8.1 |
| b. The Ministry shall establish the minimum requirements that must be met by teachers, trainers, exam experts and career guidance and counselors working in the TVET sector. | NEP 10.13 | 8.1 |
| c. Provinces ensure that all TVET professionals receive adequate training as well as continuing education and training | | 8.1 8.2 |
| Chapter X : Career guidance and counselling | | |
| Career guidance and counseling helps people to make the right choices for their individual education pathway. | NEP 10.38 NYP 10 | 9.1 |
| Career guidance consists provision of information and guidance. | NEP 10.12.3 | |
| The provinces are responsible for providing vocational, educational and career guidance. | | |
| Chapter XI : CTEVT—National Competence Center for TVET | | |

| | | |
|---|---------------------------------|---------------------------------|
| General provision | NEP 10.11 | |
| - CTEVT is the National Competence Center for TVET. It is a (semi)-autonomous institution controlled by a performance contract and an annual budget. Details are regulated in a by-law. | | |
| - Make recommendation for national policy for the TVET Sector and Skills Development | NEP 10.11 | |
| - Inform all TVET stakeholders periodically about news, up-dates and improvements of the TVET sector | | 3.6 |
| - CTEVT has to be accredited according to national standards adopted by Thematic Committee for Education (working title) | NEP 8.5 NEP 8.8 NEP, 8.12 | 7.4 |
| - The CEO of the CTEVT is advisory member of the “National Thematic Committee for Education” (working title) | NEP 10.12 | 3.6 |
| - Formulate annual budget | | |
| Minimum standards related to quality standards | | |
| a. Develop minimum standards for recognized National Employer Organization | | 1.3 |
| b. Develop minimum standards for TVET programs (e.g. age, duration, types), and for qualification/exam procedures in collaboration with social partners/SSCs and subnational levels | NEP 8.3 NEP 8.6 NEP 8.11 | 1.4 |
| c. Develop occupational profiles, curricula framework in cooperation with social partners/SSCs and subnational levels | NEP 8.3 NEP 8.6 NEP 8.11 | 1.5 6.2 6.3 6.4 9.2 |
| d. Develop minimal standards for TVET infrastructure and TVET providers | | 1.6 7.2 |
| e. Develop minimal standards for Career Guidance and Counselling Services and Processes | NEP 8.8 NEP 8.11 | 9.1 |
| f. Develop minimal standards for TVET professionals in cooperation with universities and province authorities | NEP 10.11.6 | 8.1 8.2 |
| g. Develop minimal standards for Sector skills councils (SSC) | | |
| h. Recommend equivalence of international diplomas, titles and degrees based comparisons of foreign and national qualification standards | NEP 8.3-8.5 | |
| i. Develop minimal standards for access to scholarships | | 5.4 |
| Research, Monitoring and Evaluation Framework | | 2.1, 2.2 |
| a. Evaluate the provisions of program implementation across the three tiers and make recommendation for improvements | NEP 8.3-8.5 | 2.4 |
| b. Conduct research and development projects to improve the TVET system | NEP 10.13 | 2.1 |
| c. Develop and maintain a monitoring and evaluation framework to measure efficiency, effectiveness and equity in the TVET sector | NEP 10.12.7 | 2.2 5.3 10.1 |
| a. Labor market analysis and workforce projections in cooperation with universities and employer organizations and provinces | NEP 10.12.2 | 6.1 10.1 |
| j. Develop skill mapping and the basis for labor market demand | NEP 10.11 | 6.1 |
| k. Evaluate cost-benefit ratio for training companies/industries and take result into consideration while updating occupational profiles and curricula frameworks | | 5.2 |
| l. Evaluate the need for additional program to enable permeability within the whole education system | | 4.3 |

| | | |
|--|--|-------------|
| m. Develop calculation scheme for TVET sector budgeting in collaboration with social partners, universities and subnational levels | | 5.1 |
| National Skills Testing Board (National Examination Board) | | |
| a. Organize and manage examination activities according to the minimal standards. | NEP 10.13.5 | |
| b. Standards for short-term and non-formal Skills Development (SD) courses | | 11.3 |
| Training Institute for Technical Instruction (TITI) | | |
| a. Develop standards and material for all professionals in the TVET sector that work in TVET education providers and in companies/in- | | |
| b. Train TVET professionals (TVET teachers, trainers, exam experts and career guidance and counselors) according to the mandate given by the Thematic Committee for Education | | 8.1 |
| Chapter XII : National Thematic Committee for Education/TVET | | |
| | Nepal's Intergovernmental Relations Act, 2020 | |
| Functions, duties and rights of the Committee | See Art. 23 of Nepal's Intergovernmental Relations Act, 2020 | |
| a. Approve all standards developed by the CTEVT | | |
| b. Approve annual budget for CTEVT | | |
| c. ... more to be added according to the duties of that committee | | |
| Chapter XIII : National Vocational Qualification Framework (NVQF) | | |
| Approve occupational profiles and curriculum frameworks and allocate them to the 8 NQF Levels | | 4.1 10.2 |
| Approve equivalence of international diplomas, titles and degrees based on recommendation of CTEVT | | 4.2 10.2 |
| Set national standards for the recognition of prior learning (RPL), e.g. non-formal and informal learning | | 11.3 |
| Develop a credit transfer system for the Skills Development sector | | 11.4 |
| Chapter XIV : Accreditation Authority | | |
| An independent Accreditation Authority monitors the quality of TVET providers and TVET educational programs. It establishes standards for good quality of TVET programs and TVET institutions in cooperation with the CTEVT. (There may already be an accreditation authority for the other areas of the education system. In this case, regulation could state that this institution may also manage the accreditation decisions of the TVET sector). | | |
| The Accreditation Authority is appointed by the national Minister of Education (or Prime Minister) and is composed of experts in educational TVET practice and the industry sector. It also has professionals who have experience in accreditation processes. | | |
| Duties and rights: | | |
| Develop accreditation standards for TVET providers and TVET programs. | | |
| Develop accreditation standards for accreditation agencies in the provinces | | |
| Develop accreditation processes which have to be implemented by the accreditation agencies | | |
| Make decisions on whether to accredit an institution or program based on the accrediting agency's report. The Accreditation Authority may impose conditions that an educational institution must meet within a certain period should quality not fully meet the expected standards. | | |
| Chapter XV: Appropriation of budget and grants for the TVET Sector | | |

| | | |
|---|--|-----|
| The Government of Nepal shall appropriate grant amounts for the purpose of TVET every year, out of its budget, to every Province and Local Level authority on the basis of the number of TVET students in levels 3-8. | NEP 10.50 In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| Province governments shall appropriate a certain amount of money as grants every year to every local level , out of its budget, for the purpose of TVET program delivery up to secondary level (3-5) pursuant to the provincial law. | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| The Government of Nepal or provincial government shall appropriate necessary grant amounts pursuant to the federal law or provincial law for the TVET Professional institute (teacher, trainer, exam expert, career guidance training) | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| The local level shall appropriate necessary budget, out of its annual budget, for the purpose of providing education of the TVET sector levels 3-5. | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| While appropriating budgets pursuant to sub-section (4), it shall be arranged so that public schools providing education on TVET levels and every school operated by the Local level may receive the budget. | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| Incentives for coordinating education provider infrastructure | Matching grant | 3.5 |
| Chapter XVI: Provisions Relating to Complaint, Punishment and Appeal | | |
| According to Nepal's legal framework and regulations. | | |
| Chapter XVII : Miscellaneous | | |
| Transitional provisions: | | |
| a. The applicable occupational standards, profiles and curriculum frameworks must be amended or replaced within five years of commencement of this Bill. | | |
| b. Titles that are protected under current legislation shall remain protected. | | |
| Repeal and saving: the following Act has been repealed: - CTEVT Act, 2045 (1989) | | |

Table 3: TVET Act Key Elements on Federal Level according to the overarching legal foundation of Nepal and to the functional analysis (chapter 2.4)

6.2 Limitations and need for discussion

6.2.1 Limitations

Due to complexities and coordination limitations, some existing and in-progress legislative projects may be missing from this report. Newly enacted laws, Acts and Bills should be reviewed to determine if there are additional provisions related to the TVET sector.

6.2.2 Need for discussion

Some provisions that affect the TVET sector have references to other subsystems of education. These include the following instruments:

National Qualification Framework (NQF) versus National Vocational Qualification Framework (NVQS)

A NQF usually regulates the formal education levels for an entire education system. However, in terms of legislation, it is often created only for the TVET sector, because this is where there is the greatest

need for transparency and alignment with foreign educational qualifications, particularly for NQF Level 5-8, can be found.

In the academic higher education sector, academic degrees such as Bachelor, Master and PhD are in most cases assigned to levels 6-8 on the ISCED classification⁵, which is why there is less need for regulation. The same applies to compulsory education. In making the TVET system attractive for everyone, it is imperative that there is an alternative to university education at the tertiary level. This is especially important due to digital transformation and the associated need to constantly upskill.

Higher Education

The Federal Model TVET Legislation contains a separate chapter on higher education in the TVET sector. This is based on the "Act Relating to Compulsory and Free Education": Chapter 2, article 3, No. 6: "Every citizen shall have the right to get higher education according to his or her qualification, capacity and interest, upon fulfilling the conditions and standards referred to in the prevailing law".

If this article of the law is actually to be implemented, then alternative formal degrees to university education are needed, because not all people have the prerequisites to complete a university education. The ISCED classification system already provides for this option, i.e. it is also possible to develop non-university degrees at level 6-8. This has been the practice in some countries with a strong TVET sector for some time (example: Switzerland, Germany, Austria). The OECD has also examined other countries in the study "Skills Beyond School" (OECD, 2014).

This part of the education system is becoming increasingly important in view of the digital transformation, because more and more adults need to retrain or obtain additional formal qualifications. In Nepal, there are already some institutions that could be assigned to this area (e.g. Nathm hospitality academy, mountain guide license), which is why it is advisable to develop a strategy for this.

Skills Development

The non-formal education sector is organized very heterogeneously in all countries, because both private and public actors are active. In the vast majority of countries, several laws regulate this form of education. Governance and funding are also regulated very differently in the vast majority of cases. This poses a great challenge for uniform governance and legislation.

Therefore, the authorities of Nepal should discuss whether to regulate this area in a separate law that contains principles for all ministries and political levels, or whether to integrate a separate chapter with such principles into the TVET Legislation.

In any case, the authors recommend separating the regulation into formal and non-formal education so that both funding and monitoring can be undertaken separately.

⁵ UNESCO Institute for Statistics, *International Standard Classification of Education*. 2012

6.3 Key Elements for Provincial TVET Legislation

The content of the key elements for a provincial TVET Act are—like the previous chapter—derived from the overarching legal foundations of Nepal and based on the table in the appendix.

| Scope to be regulated in the law (remarks are colored in blue) | References to other Acts and Bills | Functions (see Table Appendix) |
|--|---|---|
| Preamble | | Reference to Federal TVET Act (colored in blue) |
| Chapter I: Preliminary (not exhaustive) | | |
| Bill prepared to amend and integrate Technical Education and Vocational Training (year) | | |
| Definitions: | | |
| “Government” means the Government of Province X. | | |
| “Employer Organization” means the national Organizations of Nepal’s business sector, such as FNCCI, CNI | | 1.3 |
| Sector skills councils (SSC) are the appropriate unit within a professional or trade association which deals with TVET related topics | | 1.3 |
| “Regional Employer Organization” means province organization of Nepal’s business sector | | |
| “TVET” means the formal education and training programs according NVQF | | |
| “TVET” means Technical Vocational Education and Training on Level 3-8 | | |
| “Local level” means the rural or urban municipality. | | |
| “NVQF” means National Vocational Qualification Framework | | |
| “TVET Institutions” means an institute, school, college or polytechnic offering TVET courses and programs | | |
| “Skills Development” means non-formal courses | | |
| (... more definitions according to the customs of the province....) | | |
| Chapter II: General Provisions (similar to Federal TVET ACT Key Elements) | | |
| Principles | | |
| b. TVET for (post)-secondary and higher education level shall be shared by the three tiers (federal, provinces, local level) and the social partners (employer organizations, trade associations). They shall strive to ensure that there is an adequate number of TVET programs available and maintain an institutionalized dialogue. | NEP 10.13-6 NEP 10.34 NEP 10.12.5 | Recommendation to repeat this article on Province Level 1.1 1.2 1.3 3.8 |
| b. Federal, province and local level authorities and social partners shall coordinate their activities. | | Recommendation to repeat this article on Province Level 1.2 1.3 |
| Scope of TVET on province level (e.g. regulation of secondary and post-secondary Level 3-5; tertiary level (6-8) and maybe job-related skills development) | | 1.4 4 |

| | | |
|---|--|---|
| Objectives: What should the TVET sector accomplish (e.g. equip people with skills and competencies to be successful throughout life; support of economic growth, ...) | | Recommendation to repeat the objectives on Province Level |
| Information, textbooks, education material | Act Relating to Compulsory and Free Education (chapter 3 (20-22), NEP 10.13 | Recommendation to repeat the objectives on Province Level 3, 3.6 4 9 |
| Language instruction (clarify in what languages the programs are delivered in your province in line with Federal TVET Act standards) | Act Relating to Compulsory and Free Education (chapter 3 (26); Chapter 4; NEP 10.8 NEP 10.9.4 | 6.3 6.5 |
| Special provision for disadvantaged people (clarify in what special provision for disadvantages people need to be implemented your province in line with Federal TVET Act standards) | NEP 8.7; NEP 10.28 | 6.4 |
| Implementation of quality standards enacted on the federal level. | NEP 8.10; NEP 10.43 | Improving quality (Accreditation standards) 7.1-7.4 |
| Promoting Research and Development projects to improve the TVET Sector (research labs) | NEP 10.12.2 | 2.1 2.2 |
| Consultation with district, regional and local institutions and social partners on new proposals, policies and standards affecting the TVET sector (participatory governance). | Constitution Art. 232 Intergovernmental Relations Act, Chapter 2, Art. 3, lit. o | Consultation with subnational institutions and social partners on new legislative proposals, policies and standards affecting the TVET sector (participatory governance). 3.7 4.4 |
| Chapter III: TVET on secondary level 3-5 (implementation) | | |
| Access to TVET (Level 3-5) (Either reference is made to the Federal Act, where this should be regulated for the whole country, or it is regulated by the province. It is important that the regulation is consistent with the NVQF). | Act Relating to Compulsory and Free Education (Chapter 2, chapter 3 (8, 17), Chapter NEP 10.11.3 NEP 10.13.3 NEP 10.13.6 | 1.5 1.6 |
| Delivery of the TVET programs and quality assurance implementation (e.g. which TVET schools/polytechnics deliver which programs; what are quality assurance implementation regulations) | Reference to Labor Act (2017), Chapter 4; Article 17-18) Labor Act, 2017 NEP 10.10 NEP 10.13.6 NEP 10.13.4 | New National TVET Act (Standards for programs (duration, types, structure, learning locations, etc.) Standards for quality assurance and supervision 7.3 1.4 3.4 |
| National TVET occupation profiles and curricula standards are implemented (e.g. who develops syllabus for schools, companies/industries; roles of TVET providers such as TVET schools and host companies/industries) | Reference to Labor Act (2017), Chapter 4; Article 17-18) NEP 8.5 NEP 10.11.5 | TVET occupation profiles and curricula standards; TVET provider regulation standards 1.5 1.8 3.3 3.4 |

| | | |
|---|--|--|
| Taking individual needs into account <i>(Either reference is made to the Federal Act, where this should be regulated for the whole country, or it is regulated by the province. It is important that the regulation is consistent with the NVQF).</i> | Act Relating to Compulsory and Free Education (Chapter 2, chapter 3 (8, 17), Chapter NEP 10.11 | 5.4 6.4 |
| Provinces and local governments regulate the implementation of national legislation and other aspects related to their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; NEP 10.11.5 Permeability NEP 10.41 NEP 10.12.3 | 4.1 4.3 11.1 |
| Chapter IV: TVET on higher education level (level 6-8) | | |
| Access to non-university higher education <i>(Either reference is made to the Federal Act, where this should be regulated for the whole country, or it is regulated by the province. It is important that the regulation is consistent with the NVQF).</i> | NEP 10.13.6 | |
| Delivery of the TVET programs (Level 6-8) and quality assurance implementation (e.g. which TVET programs are delivered in polytechnics, universities; what are quality assurance implementation regulations) | Reference to Labor Act (2017), Chapter 4; Article 17-18) Labor Act, 2017 NEP 10.10 NEP 10.13.6 NEP 10.13.4 | Standards for programs (duration, types, structure, learning locations) 1.4 Standards for TVET providers (Colleges, academies, polytechnics) Standards for quality assurance and supervision |
| National TVET occupation profiles and curricula standards for Level 6-8 are implemented (e.g. who develops syllabus for polytechnics/universities, companies/industries); roles of TVET providers such as TVET polytechnics/universities and host companies/industries) | | Occupation profiles and curricula standards for Higher TVET 1.5 |
| Provinces and local governments regulate the implementation of national legislation and other aspects related to their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; NEP 10.11.5 | |
| Chapter V: job-related Skills Development (SD) | | |
| Job-related skills development courses enables learners to refresh, acquire, deepen and broaden existing or new occupational competencies. <i>(Either reference is made to the Federal Act, where this should be regulated for the whole country, or it is regulated by the province).</i> | Youth Policy 2015; Labor Act 2017, Act Relating to Compulsory and Free Education (Chapter 2 (15). NEP 1036 | 11.3 |
| Provinces develop periodically a “skills development landscape” and map the needs for re-skilling and up-skilling competencies for adult learners. Authorities can assign an institution/university to carry out this mandate and make proposals. | NEP 8.6. | Skills development courses are non-formal, structured by providing a curriculum and transparent information for the learners. 11.3 Provinces and local authorities shall ensure an adequate supply of courses |
| Regulation of quality assurance implementation for course providers | | Standards for quality assurance and supervision |

| | | |
|--|--|--|
| Provinces and local governments regulate the implementation of national legislation and other aspects related to their exclusive rights. | Act Relating to Compulsory and Free Education NEP 10.11.2; NEP 10.11.5 | |
| Chapter VI: Qualification Procedures (Exams), Qualifications and Titles | | |
| Skill Test Centers implement qualification procedures (exam) in cooperation with local authorities and CTEVT (on national level). | Intergovernmental Relations Act | The National Skills Testing Board (NSTB) regulates qualification procedures in cooperation with provinces and local authorities. (1.5) Skills and competencies shall be demonstrated on the basis learning objectives related to occupational qualifications standards. (10.2) The assessment criteria used for qualification procedures must be objective and transparent and ensure equal opportunities. (10.2) |
| Skill test centers provide support to recognize prior learnings through recognition of prior learning procedures. | RPL | Access to qualification procedures shall not be dependent on attendance of specific courses of programs. The Ministry shall establish the conditions whereby candidates may be admitted to qualification procedures (10.3, 11.3) |
| MoSD issues the certificates and diplomas according to the national standards | NVQS / NQF | Only holders of an (post)-secondary-level TVET qualification or a non-university higher education TVET qualification shall be permitted to use the titles established in the corresponding regulations. (10.2) National Skill Certificate (Level 3-8) |
| Chapter VII : Social partners | | |
| The rights and duties of the regional Employer Association at the provincial level are regulated. They must be consistent with the requirements of the national TVET Act. | NEP 10.34 NEP 10.12.5 | National Employer Organizations are social partners in the TVET sector and are umbrella organization of the several professional or trade association (1.3) National Employer Organizations are independent units and organized themselves. They are recognized by the Inter-Governmental TVET Committee. |
| Functions, duties and rights | | |
| Regional employer organizations participate in national SSC tasks. They help to develop the skills mapping landscape of the province. | | Professional or Trade Association advocate for the interests of an industry and are made up of member companies/industries. If they want to be recognized as TVET social partners, they must have a Sector skills council (SSC) that looks after the educational interests of its sector. (1.3) |
| Regional employer organizations inform members about TVET activities and incentives them to take part in all TVET activities. | NEP 10.12.7 | Employer Associations/SSCs survey the educational needs of industries, take the lead in creating occupational profiles and curriculum frameworks in collaboration with CTEVT. 1.3 3.4 4.2 6.1 6.2 |
| Regional employer organizations coordinate TVET implementation and workplace training activities. They promote dual TEVT-Apprenticeships and implement further TVET related tasks. | Labor Act, Chapter 4 NEP 10.13.6 NEP 10.12.5 NEP 10.52.2 | Employer Associations/SSCs assist their member companies/industries in implementing TVET programs where part of the training takes place in companies/industries as apprenticeships. 1.4 1.6 1.5 |

| | | |
|--|--|--|
| | | 5.2 |
| Chapter VIII : Training of TVET Professionals | | |
| Provinces ensure that all TVET professionals (e.g. teachers, instructors, exam experts, career guidance and counsellors) receive adequate training as well as continuing education and training. They mandate universities or other institutions to implement national standards. | NEP 10.30 NEP 10.13 | TVET Professionals shall have received training in their technical field as well as in adequate level of training in pedagogical and didactic methods. (8.1) The Ministry shall establish the minimum requirements that must be met by teachers, trainers, exam experts and career guidance and counsellors working in the TVET sector. (8.2) |
| Chapter IX : Career guidance and counselling | | |
| The provinces are responsible for providing vocational, educational and career guidance. They mandate institutions to implement national standards and coordinate activities with big cities. | NEP 10.38 NEP 10.12.3 NYP 10 | Career guidance and counseling helps people to make the right choices for their individual education pathway. (9.1) Career guidance consists in the provision of information and guidance. |
| Chapter X : Accreditation Agency | | |
| <p>The provinces are responsible for implementing quality standards according to the federal TVET Act. They can establish an accreditation agency in cooperation with the federal accreditation authority.</p> <p>The agency has a mandate from the SD Minister to evaluate the quality of TVET programs in the province and make a proposal to the federal accrediting agency on whether the education provider should receive national accreditation.</p> <p>Accreditation allows education providers (TVET Schools, Polytechnics, universities) to offer appropriate TVET programs. The MoSD will issue the protected titles and certificates only to those graduates who have completed the program in an accredited educational institution.</p> <p>Since a certain implementation period is needed to ensure this regulation, transitional provisions with deadlines are regulated in the law.</p> <p>The accreditation agency will be periodically reviewed by another institution specialized in quality issues.</p> | NEP 8.5 NEP 8.8 NEP, 8.12 | Develop accreditation standards for Accreditation agencies in the provinces (7.3, 7.4) |
| Chapter XI: District Coordination Committee for Education/TVET | | |
| Provinces should coordinate their tasks with local governments so that TVET infrastructure can be created in each province to meet the needs of the region. For this purpose, a District Coordination Committee for Education/TVET should be established. SD Minister will be the chairperson. | Nepal's Inter-governmental Relations Act, 2020 | |
| Functions, duties and rights of the Committee | | |
| The DCC decides on new strategies, policies and ordinances. | Unbundling Report Nepal's Inter-governmental Relations Act, 2020, Art. 23, 26 | |
| Decision-making on regional TVET infrastructure and participation in the costs of regional centers. | Intergovernmental Relations Act, 2020, Art. 26 | |

| | | |
|--|---|---|
| Regular survey of educational needs in the province for formal programs and non-formal courses. They can mandate a research institution to carry out this task and provide proposals for decision. | | |
| Discussion of consultation drafts of the national authorities for education. | | |
| Monitoring compliance with all standards. They can mandate a research institution for carrying out that task and provide proposal for decision. | | |
| Decide on annual budget for the district committee | | |
| Execution of the tasks assigned by the Provincial Coordination Council. | Intergovernmental Relations Act, 2020 | |
| More TBD | | |
| Formation of the District Committee for Education / TVET TBD | | |
| Chapter XII: Appropriation of budget and grand for the TVET Sector on Province Level | | |
| The Provincial Government shall appropriate a certain amount of money as grants every year to every local level , out of its budget, for the purpose of TVET program delivery up to secondary level (3) pursuant to the provincial law. | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). NEP 10.50 | Regulation to be coordinated with national level. |
| The Government of Nepal or Provincial Government shall appropriate necessary grant amounts pursuant to the federal law or provincial law for the TVET Professional Institute(s) (teacher, trainer, exam expert, career guidance training) | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | Regulation to be coordinated with national level. |
| The local level shall appropriate necessary budget, out of its annual budget, for the purpose of providing education of the TVET sector level 3. | In accordance with Act Relating to Compulsory and Free Education (Chapter 5). | |
| Incentives for coordinating education provider infrastructure | Matching grant | 3.5 |
| Chapter XIII: Provisions Relating to Complaint, Punishment and Appeal | | |
| According to Nepal's legal framework and regulations. | | |
| Chapter XIV : Miscellaneous | | |
| Transitional provisions: | | |
| ... according to the legal standards of Nepal | | |

Table 4: TVET Act Key Elements at provincial level according to the overarching legal foundation of Nepal and to the functional analysis (chapter 2.4)

6.4 Limitations and need for discussion

6.4.1 Limitations

As with the national TVET Act Key Elements, there is a need for discussion at the provincial level. The TVET Act Key Elements here are based on the principle that Nepal wants integrated and output-oriented governance (Renold & Caves, 2017). Therefore, as few new institutions as possible should be created and existing institutions should be charged with additional tasks.

Depending on the conception of the institutional structure at the national level, there may be implications for the provincial level. This concerns, for example, the accreditation agency, the training of TVET professionals (teachers, instructors, exam experts) or the career guidance and counselling services.

Furthermore, some existing and in-progress legislative projects may be missing from this report. Newly enacted laws, Acts and Bills should be reviewed to determine if there are additional provisions related to the TVET sector.

6.5 Conclusions and Recommendations

In order to achieve coherent and consistent legislation for the TVET sector in Nepal, it is important that legislative activities at the federal and province level are coordinated as early as possible. This pays off later, because it avoids complicated harmonization processes.

The key elements for TVET legislation at the federal and provincial levels can serve as a guide as well as a checklist to systematically reconcile relevant matters between the two political levels.

Equally important is the table in the appendix showing the assignment of functions and tasks to the three political levels. If there is agreement that this is the way to assign functions to the three political levels, drafting the corresponding laws will be significantly easier.

Therefore, we recommend the following procedure:

1. Discussion of the allocation of functions and tasks to the individual political levels (see Appendix).
2. Discussion of the institutions needed to manage the system at both the national and provincial levels.
3. Elaboration of the draft laws for the TVET sector according to the decisions made in points 1 and 2.

7 Financing TVET

The literature review in this paper underlines that funding for TVET systems is by nature more demanding and more complex than funding more traditional education systems. Here we return to the subject of funding TVET in more detail, going over the rationale for TVET investment, TVET funds and their challenges, the legal regulations for funding in Nepal and strategies for sourcing funding in the TVET sector.

7.1 Rationale for Investments in TVET

The reasons and rationales for investing in TVET systems are multifaceted and dependent on the interests of the differing actors. Hanni (2019) summarizes the key rationales: first, the social benefit of increasing access to decent employment, and second, the economic benefit of increasing economic returns to individuals who undertake TVET, firms that benefit from more productive workers, and the economy as a whole through improved economic growth. On the former, Mitchell et al. (1999) underline the social benefits of TVET by noting that Australian TVET systems are often regulated through labor law as much as through education law. Moreover, in the Australian context, trade unions are strong supporters of TVET as they perceive it as a pathway to better-quality work for a greater number.

Concerning the latter, Hanni suggests that by viewing TVET through the prism of a consumption good, we can explore the economic rationales for investing in TVET from the different actors. The benefits for TVET “consumers” are clear, in the terms of better employment and income prospects. This may also serve as a rationale for governments to implement participant contribution as a funding source, albeit perhaps on a sliding scale based on family income or under a delayed-repayment scheme linked to work income of graduates. For firms, however, the risk of non-training firms freeriding on the investment of firms who do train is high. The government, who should expect to reap the benefits of a more productive economy overall, may intervene to correct such a market failure by rewarding firms who do train, for instance through tax breaks, or punish those who do not.

Multinational evidence also supports these justifications for investing in TVET, for developing country contexts in particular. Khan’s (2019) overview of the Bangladeshi TVET system shows that TVET is a path to ensuring that demographically fast-growing nations can meet the demand for decent work of an influx of a large number of youth entering working age. The UNESCO-UNEVOC summary on discussions concerning diversifying TVET funding streams underlines the possibility of promoting income generating activities, for instance by selling goods produced by apprentices, as a way of supporting more firm-level investment, as well as mobilizing industry more broadly with tax incentives and implementing some form of participant contribution. Doing so may increase the level of funding of TVET and improve the efficiency of funds, contributing to higher-performing programs.

7.2 TVET funds and their challenges

TVET funds are “dedicated stock[s] or flow[s] of financing outside normal government budgetary channels for the purpose of developing productive skills for work”⁶. The basic idea behind a TVET fund is to pool funding from various sources (government budgets, levies, external funds etc.) and disburse based on needs of the TVET sector identified by clear governance and policy direction. In this way, TVET funds typify a concrete implementation of a sector-wide approach (SWAp). The benefits of such an approach are clear: having a single funding source governed by a single set of clear, agreed-upon regulations should streamline TVET funding and mean all funds are used to maximum efficiency—particularly important where they are already limited. However, implementation of TVET funds must be handled carefully and with consideration of the factors that may hinder their success.

A cautionary tale comes from the implementation of a TVET fund in Bangladesh, as described by Khan (2019). In the context of the TVET SWAp, donor partners pooled their funds with the Ministry of Finance, where they were combined with government funds and managed with standard government financial processes. The benefits of such an approach were that overlapping monitoring and reporting were avoided, and that donor partners were integrated into government-based oversight of funds. However, there were several critical hindrances to the success of the TVET fund as it was originally developed. Poor coordination led to difficulty and delays and feedback on the effect of the fund was limited. The design of the fund further led to a “blurring of roles, responsibilities, expectations, and lack of mutual accountability among [donor partners]” (Khan, 2019, p.75). Rather than creating an environment for improved cooperation and coordination between actors, the TVET fund ultimately led to a certain level of disengagement, due to the centralization of power with the Ministry of Finance and without clear mechanisms for input from other partners built into the governance scheme. In these circumstances, TVET funds are unlikely to be the panacea to inefficient and unnecessarily complex distribution of TVET funds.

TVET funds, however, allow for some latitude in terms of their design and purpose. The Swiss VPET act (Swiss Confederation, 2002), for instance, provides for the creation of TVET funds by the professional organizations in charge of TVET programs. The government may determine such a fund to be mandatory within an economic branch under certain circumstances to avoid free-rider effects and to stimulate participation of training firms as mentioned by Hanni (2019). The legal instrument clearly sets out the relevant conditions for such a mandatory TVET fund within an economic branch. Notably, they require minimum 30% coverage of companies/industries, employees and learners and a training institution run by the organization. Funds may only be used for training with the economic branch and to the benefit of all companies/industries within the branch. Contributions to the fund depend on the amount that organization members contribute to covering costs, with their amount and form established by the government. Companies/industries who already contribute to TVET through their membership fees or can show they provide their own courses are exempt from participating. The government is responsible for supervising such funds. The system, therefore, offers different economic branches to choose their own path, and remains flexible in terms of its structure, while nevertheless being clearly guided by government policy and oversight.

⁶ Definition according to the Asian Development Bank (2009: 44)

7.3 Overarching Legal regulations

Financing of the TVET system in Nepal must be organized within the existing overarching legal regulations. In the Nepali context, of particular importance when considering the national system are the issues that come with the federalization of the system and the governance of revenue-collection powers, spending and transfers between differing levels of government.

The Intergovernmental Fiscal Transfer Act sets out revenue-collecting powers of the different levels of government as well as different kinds of grants that may be awarded, and provisions for foreign assistance and internal borrowing. All levels of government have the power to collect revenue, but not all streams of revenue collection are available to all levels of government. For instance, VAT, corporate and personal income taxes and salary taxes are the sole preserve of the federal government, while a suite of other taxes (property, vehicle, land etc.) may be collected either by state or local governments, in some cases both. Non-tax revenues are distributed in a similar way.

The federal government, therefore, collects the bulk of the revenue, some of which is redistributed to the states through distribution of the VAT revenues (15% each to both state and local levels) and several kinds of grants. Equalization grants ensure a similar standard of services across the country, while conditional grants may be awarded for tasks enforced by the TVET Act. Complementary grants match state or local funding for major infrastructure projects with equivalent federal funds (e.g. school infrastructure), while special grants may be awarded for further special projects as the federal government in certain services. There is, therefore, scope for state and local governments to fund certain TVET projects through such grants. A final important point from the intergovernmental fiscal bill pertaining to TVET is federal authorities must approve foreign aid disbursement to state and local-level entities. Given that foreign partners still fund approximately one-fifth of TVET budgets (see next section), this may cause difficulties for state- or local-run programs. Moreover, despite the implied possibility for specific TVET funding under conditional and special grants for states and local governments, the scope for TVET-specific funds seems limited under the existing legislative framework. The necessity of federal government approval for foreign funds flowing to lower government levels also hampers the creation of subnational SWAPs to fund and oversee TVET systems and programs at the subnational level. Provision for autonomous TVET councils with dedicated funding should be clarified within the scope of the bill and TVET reform more generally.

The National Fiscal Commission has noted that federalization has resulted in some uncertainty surrounding revenue collection and budgeting. The commission has developed indices and guidelines for the awarding of grants in particular, to ensure fair, needs-based funds distribution. There remain, moreover, several practical limitations to the federalization of revenue collection and spending. The level of understanding and capacity to apply the new arrangements varies amongst all levels of government—even at the federal level, capacity constrains the flow of funding. A dedicated commission to oversee funding dynamics between government levels is foreseen but yet to be formed. This should allow a better overview of funding flows and needs of each entity. TVET funding will likely also be a subject of the work of this commission and TVET legislation should reflect the role of the commission in monitoring and improving efficiency in the system's funding, especially at the local level.

7.4 Sourcing strategies in the TVET sector

Parajuli et al. (2020) analyze the funding flows of TVET in Nepal before the implementation of the new constitution and in the current transition phase toward the TVET act. Figure 5 and Figure 6 summarize these funding flows. The clearest lesson from these figures is the complexity of the financial flows into TVET—a complexity that has increased in the transition phase. While complexity may be a necessary byproduct of some funding systems, it may also lead to lost funding and inefficient use of funds that are available.

Beyond the complexity of the financial flows of TVET in Nepal, Parajuli et al. (2020) also document the trends in funding of the TVET sector from 2007/08 to 2016/17. Three important points are to be made here. First, while both the real funding and funding as a percentage of GDP have increased across this time, the government's TVET budget has, at best, held steady, with even a slight decline from a peak of 3% in 2013/14 to 2% in 2016/17. Second, the percentage of funds stemming from international sources has consistently declined across the period measured, from two-thirds of total funding in 2007/08 to one-third in 2016/17. The amount of this foreign funding in grants rather than loans has remained relatively constant across the period, in the region of 80%. Finally, in terms of actual expenditure, between 2012/13 and 2014/15, only between 70 and 80% of allocated funds were being used. In other words, in some years only two-thirds of funds available to TVET are spent within the TVET system. In a context where funds are already limited, this is concerning. Clear guidance within TVET legislation on where and how funds may be spent, and simplifying the flows of finances into the TVET system, may go some way to improving these figures.

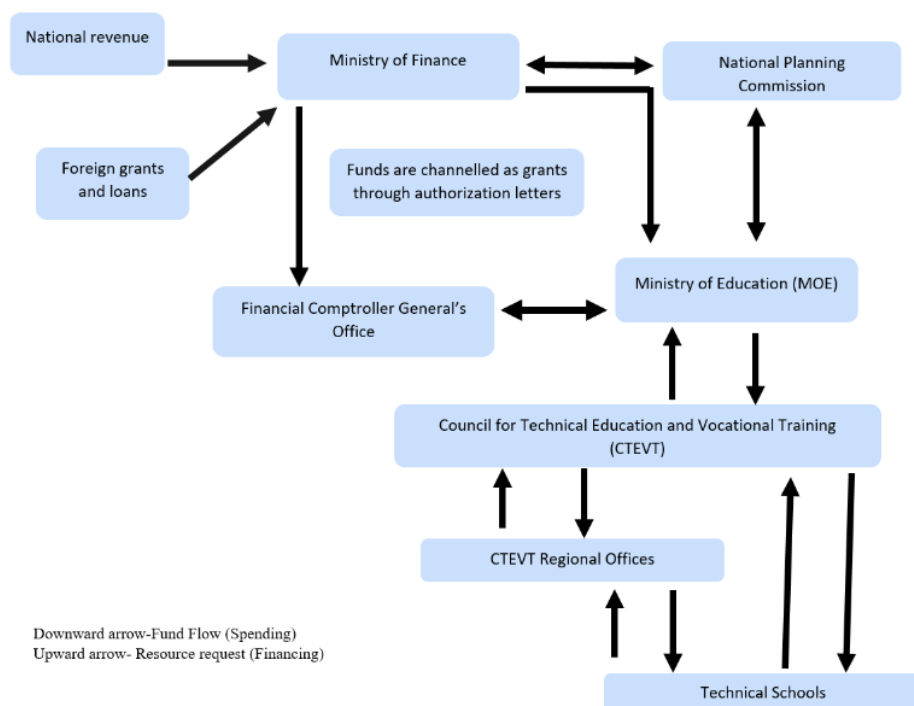


Figure 5: TVET funding flows before the new constitution (source Parajuli et al. 2020)

The picture painted by Parajuli et al. (2020) is therefore one of comparatively little funding flowing into the TVET sector to date, with complex flows probably leading to poor allocation and inefficient use of funds. Moreover, no separation between formal and non-formal education could be made in the Red Book Headings. We must therefore assume that without additional funding, the TVET sector will struggle

to expand. Since the constitutive elements of TVET are the cooperation with the business sector, we recommend expanding cooperation at all levels, and anchoring rights and obligations in law. Initial exploratory studies show that in Nepal—as in countries with a well-functioning TVET system – there is the potential for net-benefit generation for businesses. The first pilot tests are promising in this respect (Bolli et al., 2020a; Bolli et al., 2020b; Bolli et al., 2019). It is important to expand this cooperation and to generate further evidence through research so that the participation of the private sector can be included in the monitoring and evaluation framework.

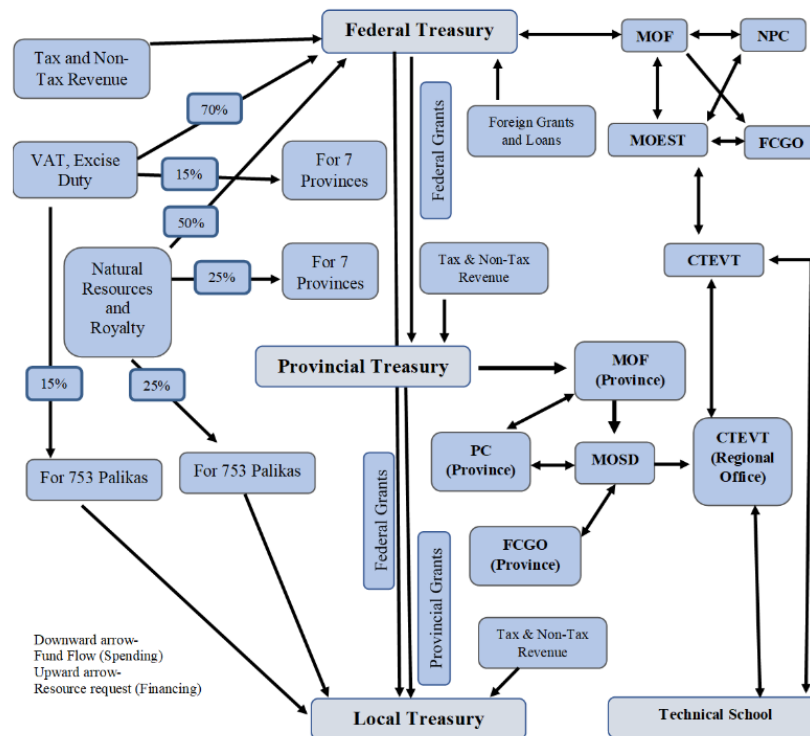


Figure 6: TVET funding flows in the transition phase following the new constitution (source Parajuli et al. 2020)

These recommendations are made in many studies (Palmer, 2017; UNESCO, 2017; Hanni, 2019; ILO, 2021), because business sector participation also allows trainees to be better prepared for the needs of the labor market. Participants can learn in the companies/industries at the cutting edge of technology and can improve their soft skills at the same time by being embedded in teams of experienced employees.

7.5 Conclusion for Nepal's TVET sector

TVET funding flows in Nepal are complex and have become more so since the implementation of the constitution, introduction of the federal system and related principles of subsidiarity, whereby state and local governments may now be important actors in the funding of TVET systems. In recent years, real funding of the sector has increased, but as a proportion of both government budgets and GDP, it has remained stagnant at best. Moreover, a significant portion of the government's annual TVET budget is not spent, suggesting oversight of funding is poor and allocation of funds inefficient. Finally, the inter-governmental fiscal bill sets out how revenue may be collected by each of the levels of government and how the federal government may redistribute funds across state and local levels through various grants.

The capacity of different levels of governments to implement these fiscal regimes is varied and the Fiscal Commission is aiming to increase capacity and monitor financial flows.

The experiences of other countries with similar systems and/or priorities in their TVET programs may be instructive. One way to simplify financial flows and therefore maximize the efficiency of funding is through TVET funds, where funding from various sources can be pooled and oversight and distribution is simplified. However, such funds require the buy-in of all partners, agreement on governance, oversight and reporting mechanisms, and a high level of capacity on the part of the government. The Fiscal Commission's capacity-building activities may be useful for the TVET sector in this regard. It is, however, unsure whether autonomously-managed TVET funds will be possible under the current system. This point should be clarified as a matter of importance in any TVET legislation.

8 Outlook and Recommendations

The creation of a new TVET legislation within the framework of the implementation of Nepal's Constitution of 2015 is a very demanding task, because new superordinate laws are constantly being enacted, which can have an impact on the TVET sector. In this report we have aimed to provide an overview about existing new acts, bills and policies.

Even though this change process contains many challenges, it enables the TVET sector to be designed from scratch, modern and forward-looking. These conditions are present in almost no other country. Therefore, the relevant authorities should take the opportunity to regulate this important TVET sector systematically and in coordination with the representatives of the three political levels.

This report provides an overview of the literature relevant to TVET legislation. It lists all dimensions and functions that are important for a national system and assigns them to the three political levels in the sense of a proposal. The superordinate Nepalese legal documents were taken into account. Key elements for TVET Acts at the national and provincial levels are also available and can serve as guidelines for the authorities in charge with legislation.

Recommendations

1. The **business sector** plays a very crucial role in a high-performance TVET system. Without substantial engagement from these actors, improving the outcome effects in any country is impossible. Therefore, it should be a top priority to **clarify the rights and obligations** of these actors and to regulate them in law. Our report makes corresponding proposals.
2. Currently, both the national and provincial levels are working on TVET draft legislation. It is therefore very important for the national authorities, in the spirit of the Intergovernmental Relations Act, to set up a **committee to coordinate** these legislative processes. This can avoid troublesome harmonization processes. The table in the appendix suggests how all **dimensions and functions relevant for a TVET system** can be distributed among the three political levels. This appendix could therefore be used for coordination.
3. **New relevant laws and policies** will most likely be developed over the next months. Before the TVET draft laws are passed by the parliaments, a coherence check should be carried out.
4. Financing the TVET sector is a particular challenge for Nepal. On the one hand, the situation can be improved if the **business sector** can play a substantial role as an actor. Initial attempts to implement dual TVET programs with a substantial engagement of the business sector show positive effects.
5. Furthermore, according to the literature, **donor partners** also play an important role. These donor partners should be taken into account accordingly in the financing mechanism. The TVET strategy jointly developed by Nepal's DPs could be the basis for the development of a DP TVET Fund. However, according to previous experiences in other countries (see chapter 7), some negotiations may still be necessary for this project to be a success (see chapter 2.3 SWAp).

9 Author Information



Ursula Renold is *Professor of Education Systems* at the Swiss Federal Institute of Technology (ETH) Zurich. She is also Director of the Center on the Economics and Management of Education and Training Systems (CEMETS). In addition, she is Chairman of the University Board of the University of Applied Sciences and Arts, Northwestern Switzerland. She is a member of the Research Advisory Council of the German Economic Institute in Cologne (Germany), the International Advisory Group at the Center on International Education Benchmarking (USA), the Pearson International Expert Panel (UK), Board of Trustees Committee member, swisscontact, Zurich, and member of the Commission for the Dual Education Law (Serbia). She holds an honorary Professorship at the University of Applied Labor Studies in Mannheim (Germany). She is a visiting faculty member at the Kathmandu University School of Education (Nepal). She was a Visiting Fellow at the Harvard Graduate

School of Education (USA). Prior to this, Renold was Director General (equal to Secretary of State in other countries) of the Federal Office for Professional Education and Technology (OPET) in the Department of Economic Affairs, Bern. In this position she led Switzerland's competence centre for professional education, universities of applied sciences, and innovation. Before becoming Director General, she was head of OPET's Vocational and Professional Education and Training (VPET) Division and Director of the Swiss Federal Institute of Vocational Education and Training. Renold has launched numerous key initiatives, which have had great impact on the VPET system in Switzerland. In her research, Ursula Renold applies empirical methods, statistics, and theoretical concepts to the areas of comparative education and translational research with a specific focus on labour-market-oriented education and training. Ursula Renold has been accompanying the federalization process for TVET in Nepal with research and consulting since 2017.



Katherine Caves is a postdoctoral researcher at the Chair of Education Systems and Lab Director of CEMETS at the Swiss Federal Institute of Technology (ETH) in Zurich. She has a bachelor's degree from the University of California at Berkeley and earned her master's degree in the field of Education. Her PhD research was on the economics of education at the University of Zurich. Her research interests center around the economic, institutional, and infrastructure foundations of strong vocational education and training (VET) systems all over the world, especially what those foundations are in successful VET systems and how they can be developed in nascent VET systems. In addition to this project, she is currently working on identifying the success factors and barriers to labor market-oriented education systems reforms with the Center for the Economics and Management of Education and Training Systems (CEMETS).



Patrick McDonald is a postdoctoral researcher at the Chair of Education Systems at the Swiss Federal Institute of Technology (ETH) Zurich. He is coordinator of the LELAM-TVET4Income project, a Swiss National Science Foundation (SNSF)/SDC project that seeks to understand the conditions under which technical vocational education and training (TVET) can improve youth labor market outcomes in developing countries. Patrick McDonald obtained his PhD in economic sociology from the University of Lausanne, Switzerland, following education at the University of Melbourne (Australia) and the University of Geneva. His research encompasses labor market inequalities and employer discrimination and transitions from education to employment, with a focus on experimental and quasi-experimental methods and theoretically-driven empirical analysis.

Contacts

Renold Ursula, Prof. Dr.
Chair of Education Systems, ETH Zurich
Leonhardstrasse 21
8092 Zurich
ursula.renold@mtec.ethz.ch

Caves, Katherine, Dr.
Chair of Education Systems, ETH Zurich
Lab Director of CEMETS
Leonhardstrasse 21
8092 Zurich
katie.caves@mtec.ethz.ch

McDonald, Patrick, Dr.
Chair of Education Systems, ETH Zurich
Coordinator LELAM-TVET4INCOME project
Leonhardstrasse 21
8092 Zurich
patrick.mcdonald@mtec.ethz.ch

10 Reference list

10.1 Legal documents of Nepal

- The Constitution of Nepal (First Amendment), 2016 (2072)
- NEPAL'S INTERGOVERNMENTAL RELATIONS ACT, Unofficial Translation by the Forum of Federations 9/1/2020
- Government of Nepal, Office of Prime Minister and council of Ministers; Government of Nepal (work Division) Regulation, 2074
- The Act Relating to Compulsory and Free Education, 2075 (2018)
- The Industrial Enterprises Act, 2076 (2020)
- Labour Act, 2017 (2074)
- Council for Technical Education and Vocational Training Act, 2045 (1989)
- Inter-Governmental Fiscal Management Bill
- Bill designed to provide for the operation of Local Government

10.2 Other legal documents

- National Education Policy (NEP) of Nepal, 2019
- National Youth Policy 2072(2015)
- Unbundling/Detailing of List of Exclusive and Concurrent Powers of Federation, the State and the Local Level Provisioned in the Schedule 5,6,7,8,9 of the Constitution of Nepal. Federalism Implemetation and Administration Restructuring, Coordination Committee, Magh, 2073

10.3 Literature

- Asian Development Bank (2009). *Good Practice in Technical and Vocational Education and Training*. Mandaluyong City, Philippines: Asian Development Bank.
- Bolli, T., Kemper, J. Parajuli, M.N., Renold, U., and Thapa, B.K. (2020a). Projection of Net Benefits for Companies/industries in the Dual VET-Apprenticeship Programme in Nepal. *LELAM-Working Paper* No. 12,
- Bolli, T., Kemper, J. Parajuli, M.N., Renold, U., and Thapa, B.K. (2020b). Drivers and Barriers of Scaling-Up the Dual VET-Apprenticeship Programme in Nepal. *LELAM-Working Paper* No. 11.
- Bolli, T., Kemper, J., Parajuli, M.N., Renold, U., and Thapa, B. (2019). First Report on the new Dual Vet-Apprenticeship Programme in Nepal: Formative Assessment of first Cohort, *KOF Studies* No. 135.
- Caves, K.M, and Renold, U. (forthcoming). VET Law Development and Reform: A conceptual framework to develop VET legislation.
- Caves, K.M., and Renold, U. (2018). Goal-Setting for TVET Reform: A Framework for identifying the Ideal System in Nepal. *Journal of Education and Research*, 8:1, 6-28.
- Caves, K.M., und Renold, U. (2019) External Evaluation: National Vocational Qualifications System Project Nepal. *KOF Studies* No. 126.
- Chandler, Alfred (1962), *Strategy and Structure: Chapters in the history of industrial enterprise*. New York: Doubleday
- Coxon, E., Tolley, H., Fua, S.J., and Nabobo-Baba, U. (2011). *Researching SWAps in Pacific Education: A study of experiences in Solomon Islands and Tonga*. Auckland: University of Auckland Research Unit for Pacific and International Education (RUPIE).
- Hanni, M. (2019). Financing of education and technical and vocational education and training (TVET) in Latin America and the Caribbean. *Series Macroeconomics of Development*, 200. ISSN 1660-8851.
- ILO (2021). *A framework for quality apprenticeship*. Report IV (1). International Labour Conference, 110th Session, 2021. ILC.110/IV/1
- Kavale, S. (2012). The Connection between Strategy and Structure. *International Journal of Business and Commerce*, 1:6, 60-70.
- Khan, M.A. (2019). Situation Analysis of Bangladesh TVET Sector: A background work for a TVET SWAp. *Skills21 Study*.
- Mitchell, R, Robertson, I & Shorten, A. (1999), *Law and policy in vocational education and training: a contemporary survey*. Adelaide: NCVER.
- OECD (2014). Skills Beyond School: Synthesis Report. *OECD Reviews of Vocational Education and Training*. Paris: OECD Publishing. <http://dx.doi.org/10.1787/9789264214682en>
- Oesch, D. (2010). Bertelsmann Stiftung (Hrsg.): Steuerung der beruflichen Bildung im internationalen Vergleich. Gütersloh: Bertelsmann Stiftung 2009 (506 S.) [Rezension]. *Erziehungswissenschaftliche Revue (EWR)*, 9:2.
- Palmer, R. (2017). Financing TVET in the East Asia and Pacific Region: Current Status, Challenges and Opportunities. Washington, D.C.: World Bank

- Parajuli, M.N., Renold, U., Bhandari, U., and Lamsal, H.P. (2020). Financial Flow in TVET in Nepal: Transiting from the Old to the New Constitution, *LELAM-Working Paper* No. 10.
- Rauner, F., Wittig, W., Barabasch, A., Deitmer, L., Clematide, B., Kurz, S., Scharnhorst, U., Schlögl, P., and Zhao, Z. (2009). *Steuerung der beruflichen Bildung im internationalen Vergleich*. Gütersloh: Bertelsmann Stiftung.
- Renold, U., Caves, M. and Oswald-Egg, M. (2019). Governance im Berufsbildungssystem Schweiz: Systemische Steuerung des schweizerischen Berufsbildungssystems. *KOF Studies* No. 127.
- Renold, U., Bolli, T., and Caves, K.M. (2018). Constitutional Reform and its Impact on TVET Governance in Nepal. Second report in support of developing understanding and finding the way forward for federalising the TVET sector in Nepal. *KOF Studies*, No. 114.
- Renold, U., and Caves, K.M. (2017). Constitutional Reform and its Impact on TVET Governance in Nepal. A report in support of developing understanding and finding the way forward for federalizing the TVET sector in Nepal. *KOF Studies*. No. 89.
- Renold, U. (2020) Socially Constructed Concepts—Methodological Problems in Comparing VET Programs. In: Uschi Backers-Gellner, Renold, Ursula, Stefan C Wolter (eds.). *Economics and Governance of Vocational and Professional Education and Training (including Apprenticeship). Theoretical and Empirical Results for Researchers and Educational Policy Leaders*. Bern: Hep Verlag AG. p. 21-51.
- Swiss Confederation (2002). Federal Act of 13 December 2002 on Vocational and Professional Education and Training (Vocational and Professional Education and Training Act, VPETA), SR 412.10—Federal Act of 13 December 2002 on Vocational and Professional Education and Training (Vocational and Professional Education and Training Act, VPETA) (admin.ch)
- UNESCO (2017). Diversifying the funding sources for TVET. *Report of the UNESCO-UNEVOC virtual conference 16 to 22 January 2017*. Bonn
- UNESCO (2012). *International Standard Classification of Education ISCED 2011*. Montreal: UNESCO Institute for Statistics.
- Wang, S. (2012). *The Legal Frameworks of Technical and Vocational Education and Training (TVET) from International Level to National Level of China*. Master Thesis. Lund: Lund University Faculty of Law

11 Appendix

11.1 Governance dimensions and allocation of functions to the three political levels

| No. | Functions | Processes to fulfill functions | Responsibility | Finance headings | Citations |
|-----|--|---|---|---|--|
| 1 | Nationally coordinated approach | | | | |
| 1.1 | Understanding of the roles of all actors involved anchored in the rule of law | | | | |
| | Federal Level | Regulate the institutional framework (incl. business sector) necessary for a strong TVET system | GoN Parliament | - | IGRA, Part 16 |
| | Province Level | Regulate the institutional framework (incl. business sector) in line with federal regulations | Government and Parliament of Province | - | IGRA, Part 16 |
| | Local Level | Regulate the institutional framework (incl. companies/industries) in line with federal and province regulations | Government and Parliament of Local Level | - | IGRA, Part 16 |
| 1.2 | Coordination of joint action by a leading authority (leadership) | | | | |
| | Federal Level | National Coordination Council and Thematic Committee for Education (New) | GoN | - | IGRA, Part 22 |
| | Province Level | Member of the Inter-Govt. Council and Inter-Govt. Committee Province Coordination Council and sector committee are established | Government of Provinces | -- | IGRA, Part 22 |
| | Local Level | Representative of Local Level are Member of the Inter-Govt. Council, Inter-Govt. Education Committee, the Province Coordination Council and the sector committee | Local Governments | - | IGRA, Part 22 |
| 1.3 | Cooperation of institutions and social partners involved is legally defined | | | | |
| | Federal Level | Regulate principle of coordination between public and private (business) sector Duty and responsibilities of national employer associations and Sector Subject Councils are regulated. | CTEVT Adoption: Thematic Committee for Education (TCE) | GoN Inter-Governmental Committee for Education Employer Association – education committee | NEP 8.9 NEP 10.12.5 |
| | Province Level | Duty and responsibilities of province employer associations are regulated | | Government of Province Inter-Governmental Committee for Education | |
| | Local Level | Duty and responsibilities of province host companies/industries for apprentices are regulated insofar as these are not stipulated by other laws. | | Government of Local Level Inter-Governmental Committee for Education | Labor Act, 2017 IEA 2020 NEP 10.12.5 |
| 1.4 | The legal foundations contain binding purpose statements and standards for TVET programs (age, duration, type of programs) | | | | |
| | Federal Level | Develop and adopt all standards for TVET programs in cooperation with social partners and sub-national levels. | CTEVT Employer Association SSC Adoption: TCE | CTEVT Heading MOEST TVET division | NEP8.6, 8.11 NEP 10.11.2/3 NEP 10.11.6 |
| | Province Level | Participate in development of standards | Province Coordination Committee Province Education Providers | MoSD Education Office Province TVET providers (Level 3-8) | |
| | Local Level | Participate in development of standards | Local Government Local Education Providers | Local Education Office Local TVET providers (Level 3) | |

| | | | | |
|---|--|--|--|----------------------------|
| 1.5 Integrated (national) procedures for the development of occupational profiles and educational plans exist | | | | |
| Federal Level | Develop and adopt all standards for TVET occupational profiles and educational plans (curriculum) Implement standards for TVET programs (NVQ Level 6-8) NSTB implement qualification procedures | CTEVT Employer Assn/SSC Adoption: TCE National Education Providers NSTB | CTEVT Heading MOEST TVET division TVET Program (Level 6-8) | NEP 10.11.3 NEP 10.13.3 |
| Province Level | Implement all standards for TVET occupational profiles and educational plans (curriculum), Level 3-8. Implement all standards for TVET programs (NVQ Level 3-8) | TCE Province Education Providers | MoSD Education Office Province TVET providers (Level 3-8) | NEP 10.13.3 |
| Local Level | Implement all standards for TVET occupational profiles and educational plans (curriculum); level 3. Implement standards for TVET programs (Level 3) | TCE Local Education Providers | Local Education Office Local TVET providers (Level 3) | |
| 1.6 Efficient and effective TVET infrastructure and delivery of programs on all levels. | | | | |
| Federal Level | Develop and adopt all standards for TVET infrastructure (TVET schools, polytechnics, technical university of applied sciences); Implement standards for TVET infrastructure (technical university of applied sciences); Level 6-8 | CTEVT Adoption: TCE National Education Providers | CTEVT Heading MOEST TVET division TVET Program (Level 6-8) | NEP 10.12 NEP 10.13 |
| Province Level | Implement standards for TVET infrastructure (TVET schools, polytechnics, technical university of applied sciences); Level 3-8 | Province Coordination Committee Province Education Providers | MoSD Education Office Province TVET providers (Level 3-8) | |
| Local Level | Implement standards for TVET infrastructure (TVET schools); Level 3 | Local Government Local Education Providers | Local Education Office Local TVET providers (Level 3) | |
| 2 Renewal of the system (control and system management) | | | | |
| 2.1 There is a legal mandate for the further development of the TVET sector. | | | | |
| Federal Level | Federal Ministry lend support studies, pilot projects, TVET research in new TVET areas and coordinate with sub-national levels to further develop the TVET sector. | CTEVT TVET Division Educational Providers Universities | Research Development studies (pilot, initiatives, tests) | NEP 10.12.2-7 |
| Province Level | MoSD can support studies, pilot projects, TVET research in new TVET areas and coordinate with national and local tiers to further develop the TVET sector. | Social Development Ministry Educational Providers Universities | Research Development studies (pilot, initiatives, tests) | |
| Local Level | Local Level support studies, pilot projects, and TVET research in new TVET areas and coordinate with superior levels to further develop the TVET sector. | Local Level education providers | Research Development studies (pilot, initiatives, tests) | |
| 2.2 Efficiency, effectiveness and equity of the TVET system (procedures) are evaluated periodically. | | | | |
| Federal Level | Establish a monitoring and evaluation frame-work that provides data, indicators and a periodical report on the effectiveness, efficiency and equity regarding the TVET sector | CTEVT TVET Division Planning Commission Social Development Minister TVET Unit Government of Local Level | Research, evaluation and Monitoring CTEVT | NEP 10.13.1 |
| Province Level | Delivery of data to national CTEVT | | | |
| Local Level | Delivery of data to national CTEVT | | | |
| 2.3 Evaluation of occupational competencies and their development as an early indicator of employment adequacy | | | | |
| Federal Level | Periodical evaluation of outcomes according to monitoring and evaluation framework. Report to federal authorities | CTEVT Acknowledgement of the report TCE | Research, evaluation and Monitoring CTEVT | NEP 10.13.1 |

| | | | | | | |
|-----|--|---|--|---|--|--------------------------|
| | Province Level | Data delivery | | Staff MoSD TVET Unit | | |
| | Local Level | Data delivery | | Staff education unit | | |
| 2.4 | The achievement of TVET policy goals is systematically reviewed. | | | | | |
| | Federal Level | Periodical evaluation TVET policy according to monitoring and evaluation framework Report to federal authorities | | CTEVT Employer Assn. Acknowledgement of the report: TCE Staff MoSD TVET Unit | Research, evaluation and Monitoring CTEVT | NEP 10.13 |
| | Province Level | Data delivery | | | | |
| | | Participation in surveys | | | | |
| | Local Level | Data delivery | | Staff education unit | | |
| | | Participation in surveys | | | | |
| 2.5 | Results of research on the success of graduates are taken into account in the decision-making process (evidence-based policy) | | | | | |
| | Federal Level | CTEVT inform periodically about new findings | | CTEVT | CTEVT Communication | NEP 10.13 |
| | Province Level | - | | - | | |
| | Local Level | - | | - | | |
| 3 | Information asymmetry with other policy areas and the various political levels | | | | | |
| 3.1 | The legal regulations provide for a clear separation of standard setting and enforcement | | | | | |
| | Federal Level | Federal exclusive power according to unbundling report Concurrent power federal, province and local level | | National Coordination Council TCE | -- | UR IGRA |
| | Province Level | Province exclusive power according to UR; Concurrent power federal, province and local level | | National Coordination Council TCE | - | UR IGRA |
| | Local Level | Local exclusive power according to UR; Concurrent power federal, province and local level | | National Coordination Council TCE | - | UR IGRA |
| 3.2 | The tasks are distributed between the political levels according to the principle of the superior legal framework. | | | | | |
| | Federal Level | Federal exclusive power according to UR Concurrent power federal, province and local level | | National Coordination Council TCE | -- | UR GoN |
| | Province Level | Province exclusive power according to UR; Concurrent power federal, province and local level | | National Coordination Council TCE | - | UR GoN |
| | Local Level | Local exclusive power according to UR; Concurrent power federal, province and local level | | National Coordination Council TCE | - | UR GoN |
| 3.3 | Development of occupational profiles, educational ordinances and educational plans (standards) takes place at national level, enforcement is sub-national. | | | | | |
| | Federal Level | Development and adoption of occupational standards, curricula and related matters for Level 3-8 in cooperation with Employer Associations/SSCs and sub-national Levels Implementation of Level 6-8 | | CTEVT development Employer Ass/SSC Adoption: TCE adoption Nation education providers implement level 6-8 | CTEVT TVET programs Level 6-8 | NEP 10.11 (5) NEP 8.5 |
| | Province Level | Implementation of occupational standards, curricula and related matters for Level 3-8 | | Province education providers | TVET programs level 3-8 | |
| | Local Level | Implementation of occupational standards, curricula and related matters for Level 3 | | Local educational providers | TVET programs level 3 | |
| 3.4 | Learning sites have autonomy in the implementation and design of training within the framework of national standards. | | | | | |

| | | | | |
|----------------|--|---|----------------------------------|---|
| Federal Level | Standards are output-oriented for TVET Level 3-8 | CTEVT Employer Association/SSC Adoption: TCE | - | Renold & Caves, 2017 Caves & Renold, 2019 NEP 10.13.7 |
| Province Level | Way of delivery (full-time, part-time, dual TVET, online) can be decided by the education providers for TVET level 3-8 | Education Providers | - | NEP 10.13.7 |
| Local Level | Way of delivery (full-time, part-time, dual TVET, online) can be decided by the education providers for TVET level 3 | Education Providers | - | NEP 10.13.7 |
| 3.5 | Incentives and regulatory frameworks encourage collaboration in building infrastructure for TVET institutions. | | | |
| Federal Level | Investment contributions for education provider infrastructure are granted if the project: a. based on a need assessment; b. is economically viable; c. Meets the requirements of task sharing and cooperation among institutions of local level and provinces; d. Is designed to be handicapped accessible. | IGC TCE CTEVT in collaboration with provinces and local Levels | Complementary Matching Grants | Intergovernmen- tal Fiscal Bill Budget 3 tiers NEP 8.12 |
| Province Level | Need assessment of the province education provider infrastructure in line with the need of the labor market and in collaboration with local level | IGC TCE TVET office | | |
| Local Level | Need assessment of the province education provider infrastructure in line with the need of the labor market and in collaboration with local level | IGC TCE Education Unit | | |
| 3.6 | TVET uses information campaigns to publicize innovations (e.g. new programs) in the system. | | | |
| Federal Level | Develop communication plan and channels to inform periodically about TVET sector news | CTEVT Adoption by TCE | CTEVT budget | NEP 10.12 |
| Province Level | Use material and information developed by CTEVT to inform stakeholder in the province | TVET Unit in MoSD | MoSD budget | |
| Local Level | Use material and information developed by CTEVT to inform stakeholder in the province | Education Unit in Local Gov- ernment | MoSD budget | |
| 3.7 | TVET objectives are supported by relevant other policies (economic /social/labor market/migration policies) | | | |
| Federal Level | Consult TVET Policy, Act, Strategy with other political partners on the federal, province and local level | IGC TCE | MOEST | Constitution 232 IGRA |
| Province Level | Participate in consultation processes | IGC TCE | MoSD | Constitution 232 IGRA |
| Local Level | Participate in consultation processes | IGC TCE | Local Government | Constitution 232 IGRA |
| 3.8 | Institutionalized dialogue channels for exchange with actors from other policy areas exist | | | |
| Federal Level | Create an agenda to institutionalize dialogue and discuss issues (such as standard to be adopted) of the TVET sector | National Coordination Coun- cil and a sectoral Committee | | IGRA |
| Province Level | Create an agenda to discuss issues (e.g. school infrastructure, skills mapping) of the TVET sector | Provincial Coordination Council and a sectoral Com- mittee | | |
| Local Level | Create an agenda to discuss issues (e.g. school infrastructure, skills mapping) of the TVET sector | Provincial Coordination Council and a sectoral Com- mittee | | |
| 4 | Interface management between the educational levels | | | |
| 4.1 | TVET objectives are supported by the relevant other policies of the education system (elementary school, upper secondary education, higher education). | | | |
| Federal Level | Develop and adopt solution for interface management between education levels (e.g. access condi- tions to higher education, career guidance standards, allocation of program levels to NQF) | TCE | | IGRA NEP 8.6 |

| | | | | | |
|-----|-----------------------|--|---|---|-------------------------|
| | Province Level | Evaluate the needs and issues in the interface management between education levels and make proposals to the federal level authorities | TCE Provincial Coordination Council and a sectoral Committee Local Government | | |
| | Local Level | Evaluate the needs and issues in the interface management between education levels and make proposals to the federal level authorities | | | |
| 4.2 | Complementary | formal degrees (university and non-university tertiary level) at the tertiary level secure the labor force qualitatively and quantitatively | | | |
| | Federal Level | Develop and organize consultation for occupational profiles and qualification standards on Level 6-8 in cooperation with Employer Association, SSCs and sub-national partners | Development CTEVT Employer Association SSCs Approval TCE Regional Employer Associations Provincial Coordination Council and a sectoral Committee | CTEVT Employer Association education committee TVET Division Regional Employer Association education committee MoSD | NEP 8.11 NEP 8.5 |
| | Province Level | Evaluate needs for TVET level 6-8 occupational profiles and coordinate development with national partners | | | |
| | Local Level | Evaluate needs for TVET level 6-8 occupational profiles and coordinate development with national partners | District Employer Association Local Government | District Employer Association education committee Local Government | |
| 4.3 | Formal programs | that enable transfer between TVET programs and academic programs are developed (e.g. University Aptitude Test for TVET diploma holders). | | | |
| | Federal Level | Evaluate the need for additional formal programs to enable permeability across the education system. Develop appropriate programs in cooperation with social partners. | CTEVT evaluate and develop Employer Association evaluate and develop Adoption TCE Regional Employer Associations Provincial Coordination Council and a sectoral Committee | | NEP 8.11 |
| | Province Level | Evaluate the need for additional formal programs to enable permeability across the education system and coordinate development with national level. | | | |
| | Local Level | Evaluate the need for additional formal programs to enable permeability across the education system and coordinate development with national level. | District Employer Association Local Government | | |
| 5 | Financing TVET sector | | | | |
| 5.1 | Equitable funding | arrangements are in place. (see Chapter 7 in this report) | | | |
| | Federal Level | Financial flow analysis for TVET funding and expenditure on the federal level are prepared. Calculation schemes for general government funds, private sector contributions and foreign aid grants are developed in coordination with universities, social partners and sub-national level. Calculation scheme will be adopted. | CTEVT develop calculation scheme TCE National Coordination Council | | NEP 8.12 NEP 10.13.6 |
| | Province Level | Financial flow analysis for TVET funding and expenditure on the province level are prepared in coordination with federal level. | Provincial Coordination Council and a sectoral Committee | | |
| | Local Level | Financial flow analysis for TVET funding and expenditure on the local level are prepared in coordination with province and federal level. | Local Government | | |
| 5.2 | Companies/industries' | willingness to train is promoted by a system of incentives. | | | |
| | Federal Level | Periodic research on cost-benefit analysis (CBA) for host companies/industries are undertaken in collaboration with Employer Association /SSC. | CTEVT in collaboration with universities | CTEVT heading | NEP 8.9 NEP 10.11.1 |

| | | | | |
|-----|---|---|---|---|
| | Research results on CBA are taken into account while developing new occupational profiles and curricula. | Employer Associations, SSCs | | NEP 10.12.5 NEP 10.13.6 Labor Act 2017 |
| | Province Level - | | | |
| | Local Level - | | | |
| 5.3 | Performance-based financing controls competition among actors. | | | |
| | Federal Level | Develop monitoring and evaluation framework to measure TVET expansion (number of TVET students and graduates) in all provinces in collaboration with sub-national levels. Prepare a formula to distribute federal funds per capita of students in formal TVET programs. | CTEVT in cooperation with universities. Adoption: TCE National Coordination Council Provincial Coordination Council and a sectoral Committee Local Government | NEP 8.10 |
| | Province Level | Develop a database to support establishment of monitoring and evaluation framework. | | |
| | Local Level | Develop a database to support establishment of monitoring and evaluation framework. | | |
| 5.4 | Scholarship grants are developed to improve equal access to all programs for disadvantaged groups. | | | |
| | Federal Level | Develop, organize consultation and adopt standards to get access to scholarships and loans. | CTEVT develops standards. Adoption: TCE National Coordination Council Provincial Coordination Council and a sectoral Committee Local Government | CTEVT Scholarship heading Scholarship heading NEP 10.12.4 NEP 8.3 |
| | Province Level | Calculate funds necessary to support prospective TVET students according to standards. Participate in consultation processes | | |
| | Local Level | Calculate funds necessary to support prospective TVET students according to standards. Participate in consultation processes | | |
| 6 | Anticipation of the effects to be achieved with educational plans | | | |
| 6.1 | Cooperation between learning locations (companies/industries, schools, others) is a constitutive element of TVET programs. Duties and responsibilities are legally regulated. | | | |
| | Federal Level | Labor Market need assessment in collaboration with Employer Associations, SSC and sub-national levels. Evaluate scope and willingness of companies/industries to train TVET students on Level 3-8. | CTEVT Universities Employer Associations SSCs Regional Employer Associations Provincial Coordination Council and a sectoral Committee District Employer Association Local Government | NEP 8.9 NEP 8.12 NEP 10.11.1 NEP 10.12.7 |
| | Province Level | Participate in labor market need assessment and in research that evaluates willingness to train TVET students | | |
| | Local Level | Participate in labor market need assessment and in research that evaluates willingness to train TVET students | | |
| 6.2 | Learning locations complement each other in their training objectives and contents according to the principle of complementarity | | | |
| | Federal Level | Occupational profiles and qualification standards (curricula) are developed in coordination with Employer Associations, SSCs and sub-national stakeholders. Adoption by federal level. Willingness to train among companies/industries and CBA are taken into consideration by developing standards. | CTEVT Employer Associations SSCs Adoption: TCE SD TVET Unit Regional Employer Associations and regional SSC | NEP 8.9 NEP 10.12.5 |
| | Province Level | Participate in standard development. | | |

| | | | | |
|-----|--|---|--|---|
| | Local Level | Participate in standard development. | Local Government District Employer Associations | |
| 6.3 | Language policy is set uniformly for all at the educational regulation level. | | | |
| | Federal Level | Standards for languages in occupational profiles on all TVET levels are developed and adopt in collaboration with social partners and sub-national Government levels. | CTEVT Employer Associations SSCs Adoption: TCE SD TVET Unit Regional Employer Associations and regional SSC Local Government District Employer Associations | IGRA NEP 10.8 NEP 10.9.4 |
| | Province Level | Participate in standard development. | | |
| | Local Level | Participate in standard development. | | |
| 6.4 | Disadvantaged groups are targeted to participate in TVET programs | | | |
| | Federal Level | Standards for disadvantaged groups in getting access to TVET programs are developed and adopt in cooperation with social partners and sub-national levels. | CTEVT Employer Associations SSCs Adoption: TCE SD TVET Unit Regional Employer Associations and regional SSC Local Government District Employer Associations | IGRA NEP 8.7 NEP 10.28 |
| | Province Level | Participate in standard development. | | |
| | Local Level | Participate in standard development. | | |
| 7 | Quality | | | |
| 7.1 | Occupational profiles and educational plans are aligned with the labor market and are set as standards. There is coherence between defined standards and tested contents. | | | |
| | Federal Level | Evaluate success of TVET graduates in entering the labor market. Identify skills mismatch. Evaluate coherence between learning objectives and assessment/exams. Inform periodically authorities on all political levels and social partners. | CTEVT Universities | CTEVT Research funds NEP 8.3, 8.5, 8.7, 8.8, 8.10 NEP 10.11.2 NEP 10.12.1 NEP 10.43 |
| | Province Level | Participate in evaluations | MoSD | |
| | Local Level | Participate in evaluations | Local Government | |
| 7.2 | Quality standards for educational providers (TVET Schools, polytechnics), TVET programs and workplace learning (apprenticeship) are set nationally and implemented sub-nationally. | | | |
| | Federal Level | Develop and adopt quality standards for TVET providers (school, polytechnics, technical universities and host companies/industries) in cooperation with social partners and sub-national levels. Develop and adopt quality standards for TVET program delivery (in education providers and host companies/industries) in line with related legal regulations in cooperation with social partners and sub-national levels. Develop and adopt criteria for Agencies, which evaluate quality of TEVT education providers and programs. Run an autonomous agency that evaluates quality standards on the federal and province level. | CTEVT Employer Associations SSCs Adoption: TCE Agency for Quality Evaluation | Labor Act 2017 IEA 2020 NEP 8.4 NEP 10.13.1 |
| | Province Level | Participate in development and adoption of quality standards. Run an agency that evaluates quality standards on the local level in the province. | MoSD TVET Unit Regional Employer Associations and SSCs MoSD Agency for Quality Evaluation | |

| | | | | | |
|-----|--|--|--|---------------------------------|--------------------------------------|
| | Local Level | Participate in development and adoption of quality standards. | Local Government | | |
| 7.3 | Education provider receiving public financial support must be accredited according to the national standards. | | | | |
| | Federal Level | Develop and adopt accreditation standards for TVET education providers. | CTEVT Employer Associations Adoption: TCE MoSD | CTEVT | NEP 8.5 NEP 8.8 NEP 8.12 |
| | Province Level | Participate in development and adoption of standards. | | | |
| | Local Level | Participate in development and adoption of standards. | Local Government | | |
| 7.4 | Quality standards for all other relevant institutions in the TVET sector are set nationally. | | | | |
| | Federal Level | Develop and adopt accreditation standards for other relevant institutions in the TVET sector (e.g. CTEVT, TITI, TVET professional training institutes, NSTB, Accreditation agencies, career guidance and counselling centers) | International Accreditation Agency (mandate) Employer Associations Adoption: TCE MoSD | | NEP 8.8 NEP 10.13.1 |
| | Province Level | Participate in development and adoption of standards | | | |
| | Local Level | Participate in development and adoption of standards | Local Government | | |
| 8 | TVET Professionals (Teacher, trainer, exam experts, career counselors) | | | | |
| 8.1 | Minimum standards for all TVET professionals are defined nationally and implemented according to the legal framework of the country. | | | | |
| | Federal Level | Develop and adopt standards for all TVET professional groups (TVET teachers, trainer/instructors in companies/industries, exam experts, career guidance and counselors) in cooperation with social partners and sub-national levels. Designate relevant institutions on federal and province level that will execute standards. | CTEVT Employer Associations Adoption: TCE Designated institutions (e.g. TITI, Universities) MoSD | CTEVT TITI Universities | NEP 8.8 NEP 10.13.1 |
| | Province Level | Participate in development and adoption of standards Designate relevant institutions on province level that will execute standards. | Universities | Universities | |
| | Local Level | Participate in development and adoption of standards | Local Government | Agency - | |
| 8.2 | Designated institutions offer continuing education for TVET professionals systematically. | | | | |
| | Federal Level | Develop and adopt standards for periodic continuing education for all TVET professionals in collaboration with social partners and sub-national levels. Execute standards for TVET professionals active in federal TVET providers. | CTEVT Employer Associations Adoption: TCE Designated institutions (e.g. TITI, universities) MoSD | CTEVT TITI universities | NEP 10.13.1 NEP 10.13.4 |
| | Province Level | Participate in development and adoption of standards. Execute standards for TVET professionals active in province TVET providers. | Universities | Universities | |
| | Local Level | Participate in development and adoption of standards | Local Government | Agencies | |
| 9 | Information for prospective TVET students | | | | |
| 9.1 | National standards for career guidance and counselors ensure uniform information | | | | |
| | Federal Level | Develop and adopt standards for career guidance and counselling process (e.g. density of locations in provinces, equipment in locations, information material for occupations, online platforms) in collaboration with social partners and sub-national levels. | CTEVT Employer Associations Adoption: TCE MoSD | CTEVT | NEP 8.8 NEP 8.11 NYP 2015 (10) |
| | Province Level | Participate in development and adoption of standards. Establish or designate institutions for career guidance and counselling in coordination with local governments and social partners in the Province | Province Employer Associations Designated institutions | Career Guidance and Counselling | |

| | | | | | |
|------|---|--|---|---------------------------------|---|
| | Local Level | Participate in development and adoption of standards Establish or designate institutions for career guidance and counselling in coordination Province if necessary. | Local Government Designated institutions | | |
| 9.2 | TVET guidance is intended to improve equal opportunities and is offered to all. | | | | |
| | Federal Level | Develop and adopt standards for equal opportunities to get access (pricing, free of charge for special target groups, etc.) to formal TVET programs and non-formal Skills Development courses in collaboration with social partners and sub-national levels. Develop and adopt calculation scheme for a career guidance center in collaboration with social partners and sub-national levels. | CTEVT Employer Associations Adoption: TCE | CTEVT | NEP 8.3 NEP 8.6 NEP 8.11 NEP 10.12.1 |
| | Province Level | Participate in development and adoption of standards and calculation scheme. Plan budget for career guidance and counselling | MoSD Province Employer Associations | Career Guidance and Counselling | |
| | Local Level | Participate in development and adoption of standards and calculation scheme | Local Government | | |
| 10 | Access and incentives for TEVT students | | | | |
| 10.1 | TVET stakeholders ensure that supply and demand in for TVET program places match | | | | |
| | Federal Level | Develop and adopt skills mapping across the country in collaboration with social partners and sub-national levels to prepare TVET planning. Develop indicators to measure companies/industries' willingness to participate in formal TVET programs (apprenticeships) and to understand apprenticeship market in collaboration with social partners and sub-national levels Monitor supply and demand of prospective and ongoing TVET students in collaboration with social partners and sub-national levels. | CTEVT Universities Employer Associations Planning Commission | CTEVT Research | NEP 10.11.1 NEP 10.12.2 |
| | Province Level | Participate in development and adoption of skill mapping activities and in the monitoring activities. | Adoption: TCE MoSD Province Employer Associations | | |
| | Local Level | Participate in development and adoption of skill mapping activities and in the monitoring activities. | Local Government | | |
| 10.2 | Transparency of degree levels is set at the national level for all formal education degrees and is transparent for all people. | | | | |
| | Federal Level | Establish a National (Vocational) Qualification Framework regulation that allows allocating all formal TVET programs to the qualification levels. Make the N(V)QF public and prepare accessible information (e.g. career guidance centers, websites) in cooperation with social partners and sub-national levels. | MOEST Adoption: TCE IGC MoSD | | Sovereign task NEP 8.11 |
| | Province Level | Participate in consultation processes. | | | |
| | Local Level | Participate in consultation processes | Local Government | | |
| 10.3 | Transparency of qualification levels vis-à-vis foreign countries (National Qualifications Framework NQF) is established at national level for all formal educational qualifications | | | | |
| | Federal Level | Develop and adopt criteria to check equivalent diploma, degrees of immigrants in collaboration with employer associations and sub-national level authorities. | MOEST Adoption: TCE IGC MoSD | | |
| | Province Level | Participate in consultation processes | | | |
| | Local Level | Participate in consultation processes | Local Government | | |
| 11 | Permeability (educational pathways, transferability of competencies) | | | | |
| 11.1 | Transparent admission and qualification standards for formal TVET programs are established to improve permeability. (see also function 4.3) | | | | |
| | Federal Level | Develop exit[1] and access standards[2] for all possible transition path within the education system in collaboration with social partners and sub-national levels. | MOEST Adoption: TCE IGC MoSD | | NEP 8.11 |
| | Province Level | Participate in consultation processes | | | |

| | | | | | |
|------|---|--|--|--------------------------------------|-------------|
| | Local Level | Participate in consultation processes | Local Government | | |
| 11.2 | Standardized procedures or programs are in place for horizontal permeability at the secondary and tertiary levels (e.g. University Aptitude Test) | | | | |
| | Federal Level | Develop and adopt standardized procedures or programs to improve permeability within the whole education system in cooperation with social partners and sub-national levels. | CTEVT MOEST Adoption: TCE IGC MoSD | TVET Division Planning Commission | NEP 8.11 |
| | Province Level | Participate in consultation processes | | | |
| | Local Level | Participate in consultation processes | Local Government | | |
| 11.3 | Recognition of informally and non-formally acquired learning achievements is regulated on national level and implemented on sub-national level. | | | | |
| | Federal Level | Develop and adopt standard procedures that allow non-formal and informal competencies to be credited to formal (TVET)-education programs (RPL procedures) in cooperation with social partners and sub-national levels. | MOEST Adoption: TCE IGC MoSD | | NEP 8.11 |
| | Province Level | Implement procedures in appropriate institutions (e.g. career guidance centers). | | | |
| | Local Level | Implement procedures in appropriate institutions (e.g. career guidance centers). | Local Government | | |
| 11.4 | A credit transfer systems facilitates recognition of prior learnings. | | | | |
| | Federal Level | Develop and adopt a credit transfer systems based on competences to be achieved in collaboration with social partners and sub-national levels. | MOEST Adoption: TCE IGC MoSD | | NEP 10.11.4 |
| | Province Level | Apply credit transfer systems in RPL procedures. | | | |
| | Local Level | Apply credit transfer systems in RPL procedures. | Local Government | | |

[1] For example: A nationally recognized TVET Diploma level 3 allows free access to TVET level 4 programs at all TVET schools or polytechnics in Nepal. A TEVT level five program allows free access to technical universities in the relevant professional field.

[2] Access standards examples: Where there is no free, access to further educational institutions, admission criteria must be defined. For example, if a student has successfully completed a TVET Level 5 program and wishes to enroll in a program at a technical university that is not in line with his or her occupational background, it may be necessary to specify how many credits and what kind of credits must be made up.

Abbreviations: TCE (Thematic Committee for Education), MOEST (Ministry of Education, Science, Technology, Youth and Sport), MoSD (Ministry of Social Development), IGC (Inter-Governmental Council), UR (Unbundling Report), IGRA (Inter-Governmental Relations Act), IEA 2020 (Industrial Enterprise Act, 2020), GoN (GoN)

Contact

ETH Zurich
Department MTEC
Chair of Education Systems
Leonhardstrasse 21
8092 Zürich

www.ces.ethz.ch →

Publisher: Department MTEC
Text: Authors
Layout: Authors
Photos: shutterstock

© ETH Zurich, August 2021