

Nepal's Social Protection and Its Policy Alignment with Development Planning and SDGs: Emphasis on the 16th Plan

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ABSTRACT

This study explores the evolving landscape of Nepal's social protection system, with a focus on its alignment with national development planning and the Sustainable Development Goals (SDGs), particularly within the framework of the 16th Periodic Plan (2081/82–2085/86). The primary objective of this paper is to assess how Nepal is institutionalizing social protection as a rights-based instrument for inclusive growth, economic resilience, and social justice—especially in the context of its upcoming graduation from Least Developed Country (LDC) status by 2026.

The findings reveal substantial progress in embedding social protection within the constitutional and planning architecture of Nepal. The 16th Periodic Plan represents a significant milestone in transitioning from fragmented welfare programmes to a coherent, life-cycle-based, and inclusive social protection system. A key innovation is the operationalisation of the INSPF 2023, which integrates over 80 existing schemes under a unified governance and delivery framework and the introduction of the Integrated Information and Management System (IIMS). However, challenges remain, including fiscal constraints, institutional fragmentation, and gaps in coverage—especially for informal workers, women, youth, and migrants.

1. Introduction

Globally, social protection is recognised as a fundamental human right and a cornerstone for inclusive and sustainable development. The International Covenant on Economic, Social and Cultural Rights (ICESCR) guarantees the right to social security. In addition, the 2030 Agenda for Sustainable Development also underscores its importance for eradicating poverty and reducing vulnerabilities. Many countries have adopted comprehensive social protection

frameworks encompassing social assistance, social insurance, and labor market programmes. However, significant gaps in coverage persist, especially in low-income countries and among workers in informal sectors. The COVID-19 pandemic further exposed these gaps and reinforced the need for resilient and inclusive protection systems worldwide.

Social protection has emerged as a foundational instrument in advancing inclusive development, reducing poverty, and

addressing structural inequalities, especially in low- and middle-income countries. Globally, social protection contributes to achieving several Sustainable Development Goals (SDGs), notably SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities) (Lopushniak *et al.*, 2024). Scholars emphasise that to be transformative, social protection must be integrated within the national development strategies and aligned with human rights and life-cycle approaches (Devereux & Sabates-Wheeler, 2004; ILO, 2012).

Alderman and Yemtsov (2012) distinguish social protection's dual role: as a short-term safety net during shocks as well as a long-term investment in human capital and productivity. Similarly, Handayani (2017) and Bastagli *et al.* (2016) demonstrate that when effectively designed and targeted, social assistance enhances health, education, gender equity, and intergenerational mobility. In recent years, the digitalization of social protection has been highlighted as a game-changer. Ncube *et al.* (2023) argue that digital systems improve programme delivery, reduce exclusion and leakage, and ensure real-time responsiveness—an imperative for countries like Nepal that face administrative and logistical challenges.

In the context of Nepal, social protection systems are essential for safeguarding individuals and communities against poverty, inequality, and vulnerability. It has historical roots dating back to ancient times, with early practices of welfare support evident during the Kirat and Lichhavi periods. However, the formal institutionalisation of social protection began in the early 20th century, notably with the establishment of the *Draavyakosh* (monetary fund) in 1934 B.S., followed by the expansion of military and civil service pensions under Juddha Shumsher, the late Rana Prime Minister of Nepal.

The political changes of the 1990s (2046 B.S.) marked a significant turning point, ushering in the introduction of various welfare programmes. Among the most notable was the Old Age Allowance initiated in 1995 (2052 B.S.), which paved the way for a broader system of social protection. Today, Nepal's social protection programmes benefit over one-third of the population and account for approximately 13 per cent of the national budget annually (Phuyal, 2020). Nepal's 2015 Constitution embeds social and economic rights that require the state to furnish tax-funded support to vulnerable groups and to ensure contributory social security coverage for all workers. Various laws and national policies have since been introduced to operationalise these commitments, aiming to expand access and strengthen Nepal's social protection architecture.

Nepal's approach to social protection has evolved considerably, from fragmented welfare provisions to a more rights-based and inclusive framework. The Constitution of Nepal (2015) institutionalised social protection as a fundamental right, reinforcing the state's obligation to deliver tax-financed and contributory support to its citizens (Sarangi, 2021).

Despite policy progress, persistent challenges include programme fragmentation, institutional inefficiencies, and limited coverage among informal workers and vulnerable populations (Scheil-Adlung, 2014; World Bank, 2021). Programmes like the Social Security Allowance (SSA) and Prime Minister's Employment Programme (PMEP) have become flagship initiatives, yet their integration into broader development planning remains partial.

Drucza (2018) critiques the politicisation of social protection, noting how donor-driven designs and elite capture compromise

inclusive delivery. Sijapati (2017) and Banks (2019) highlight the inadequate coverage of marginalised groups, particularly persons with disabilities and informal workers. Similarly, Sharma and Bhattarai (2013) point to the implementation gaps in legal provisions for elderly care, despite legislative commitment.

The concept of adaptive social protection, which integrates climate resilience into programme design (Arnall *et al.*, 2010), remains underdeveloped in Nepal, despite the country's high vulnerability to climate-related shocks. As the 16th Plan unfolds, this represents a critical opportunity for integration. While the Integrated National Framework on Social Protection (INSPF, 2023) provides a unified vision for the sector, there is a limited empirical research on how Nepal's social protection priorities have evolved across its periodic plans—from the First Plan (1956) to the current 15th Plan—and how these align with both SDG commitments and the emerging priorities of the 16th Plan. This study addresses the critical gap by tracing policy evolution, evaluating alignment with SDGs, and assessing the strategic coherence of the 16th Plan within a life-cycle and rights-based approach.

Nepal's social protection system includes both contributory and non-contributory programmes implemented in over 80 schemes by over 13 ministries and agencies (UNICEF, 2023). Major initiatives include the Social Security Allowance (SSA), providing cash transfers to elderly citizens, single women, persons with disabilities, and endangered ethnic communities, and the Prime Minister's Employment Programme (PMEP), which offers short-term wage employment to the unemployed. Other complementary programmes target maternal and child health, education, and food security through free vaccinations, school meals, scholarships,

and free primary education. These initiatives collectively aim to support life-cycle needs and reduce multidimensional poverty.

Despite these achievements, challenges persist. They include weak coordination among agencies, coverage gaps among marginalised groups, fragmented service delivery, and inadequate preparedness to respond to shocks and disasters. Recognising these gaps, the Government of Nepal has introduced the Integrated National Framework on Social Protection (2023) to enhance coordination, accountability, and policy coherence. In this context, this study seeks to analyse the evolution and alignment of Nepal's social protection policies with national development plans and SDGs, with a particular emphasis on the 16th Plan.

2. Methods and Materials

The Social Protection Floor (SPF), promoted by the International Labor Organisation (ILO), offers a normative and analytical framework to assess social protection systems in terms of adequacy, universality, and institutional coherence (ILO, 2012). The SPF outlines four key guarantees: essential health care, income security for children, protection for working-age persons in distress, and income support for older persons and persons with disabilities. Nepal's current schemes—SSA, Prime Minister Employment Programme (PMEP), health subsidies, and contributory pensions—partially reflect these guarantees. However, a comprehensive evaluation is needed to determine the extent of compliance with SPF principles and their embeddedness in national development priorities.

This study adopts a qualitative research approach, specifically utilising document and policy analysis. Key sources include Nepal's First to 15th Periodic Development Plans, the 16th Plan, the Constitution of Nepal (2015),

relevant national legislation and policy directives, and key publications from the National Planning Commission, and various ministries and agencies of the Government of Nepal. Supplementary data are drawn from reports by international development partners such as United Nations Children's Fund (UNICEF), ILO, Asian Development Bank (ADB), UN Women, and the World Bank etc.

The analytical framework follows a thematic analysis approach, identifying recurring patterns, policy shifts, institutional strategies, and integration of SDG-aligned goals within development plans. Special attention is given to coverage of vulnerable populations, financing mechanisms, institutional coordination, and policy coherence.

By applying the SPF lens, this study assesses how Nepal's social protection architecture responds to domestic constitutional mandates and international obligations under the SDGs. It also evaluates how well the 16th Plan operationalises a coherent, inclusive, and sustainable protection system.

3. Results and Discussion

3.1 Alignment of Nepal's social protection with international commitments

Nepal's obligations in the realm of social protection are rooted in international human rights instruments, labor conventions, and child rights frameworks. These instruments create a normative foundation for domestic laws and policies. Nepal has ratified key global instruments that affirm social protection as a human right, Universal Declaration of Human Rights (UDHR, 1948), Article 22 guarantees the right to social security essential for dignity and development, International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966). Ratified by Nepal in 1991, it legally binds the state to

ensure the right to social security, healthcare, and protection for vulnerable populations (UN OHCHR, 2023). Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW, 1979), ratified in 1991, positions social protection as a tool for achieving gender equality. In addition, Nepal has also Ratified Convention on the Rights of Persons with Disabilities (CRPD, 2006) in 2010, which mandates inclusive protection systems for persons with disabilities. These international commitments align with Nepal's Constitution, particularly Article 43, which guarantees the right to social security for the elderly, disabled, unemployed, sick, and vulnerable (Government of Nepal, 2015). This constitutional guarantee reflects Nepal's alignment with global human rights frameworks (Drucza, 2018).

Nepal has also committed to several ILO conventions that shape its labor and social security systems. Minimum Wage Fixing Convention (No. 131, 1970)-Ensures a living wage for all workers. Nepal's Labour Act 2017 incorporates these principles but enforcement remains weak in informal sectors (Adhikari & Sapkota, 2020). In response to

Occupational Safety and Health Convention (No. 155, 1981), Nepal adopted the Occupational Safety and Health Policy (2017). Implementation, however, remains inconsistent, particularly in micro-enterprises (Dhakal & Burgess, 2021). The *Social Security (Minimum Standards) Convention (No. 102, 1952)* sets minimum guarantees for healthcare, maternity, old-age benefits, and employment injury.

Nepal's Contribution-Based Social Security Act (2017) institutionalises health insurance, pensions, and maternity benefits for formal sector workers. However, extending coverage to over 80 per cent of the workforce employed in the informal sector remains a critical gap (ILO Nepal, 2017; SPCS,

2021). While legal instruments are in place, enforcement challenges and institutional fragmentation reduce the reach and equity of social protection for all workers.

Nepal ratified the Convention on the Rights of the Child (CRC, 1989) in 1990. Article 26 of the CRC affirms that every child is entitled to social security benefits, encompassing support for nutrition, education, and healthcare. To meet these obligations, Nepal introduced the Child Grant Programme, targeting children under five from poor and marginalised families, primarily in remote districts. It has demonstrated positive impacts on child nutrition and school enrollment (UNICEF Nepal, 2023). Moreover, Article 39 of the Constitution guarantees children's right to protection, education, and development. Nonetheless, systemic inequities persist in rural and disadvantaged communities,

necessitating improved programme delivery and fiscal commitment (Sijapati, 2017).

3.2 Provisions on social protection in the constitution of Nepal

Nepal's national legal framework enshrines social protection as a state obligation, rooted in its Constitution, which provides the overarching mandate for inclusive, rights-based protection. These provisions are complemented by legislative instruments such as the Senior Citizens Act (2006), Disability Rights Act (2017), and Social Security Act (2017). The Integrated National Social Protection Framework (INSPF, 2023) serves as the guiding policy document to harmonise and expand Nepal's social protection coverage under the 16th Plan. The federal structure established by the Constitution further decentralises social protection responsibilities to provincial and

Table 1: Provisions on social protection in the constitution of Nepal

S.N.	Article	Fundamental Right	Description
1	33	Right to Employment	Every citizen shall have the right to employment and the right to choose employment.
2	34	Right to Labor	Every citizen shall have the right to fair labor practices, fair remuneration, facilities, and contribution-based social security.
3	35	Right to Health	Every citizen shall have the right to free basic health services and no one shall be deprived of emergency health services.
4	36	Right to Food	Every citizen shall have the right to food sovereignty.
5	37	Right to Housing	Every citizen shall have the right to appropriate housing.
6	38	Rights of Women	Every woman shall have the right to special opportunities in social security on the basis of positive discrimination.
7	39	Rights of Children	Helpless, orphaned, disabled, conflict-affected, displaced, and at-risk children shall have the right to special protection and facilities from the state.
8	40	Rights of Dalits	Special provisions shall be made by law to provide health and social security to Dalit communities.
9	41	Rights of Senior Citizens	Senior citizens shall have the right to special protection and social security from the state.
10	42	Right to Social Justice	Persons with disabilities and other marginalised communities shall have the right to social justice.
11	43	Right to Social Security	The economically poor, helpless, and indigent, single women, children with disabilities, those unable to take care of themselves, and endangered communities shall have the right to social security as provided by law.

Source: Constitution of Nepal, 2015.

local governments, enabling localised design and delivery of social protection programmes (NPC & UNDP, 2023). The Constitution of Nepal 2015 guarantees social security as a fundamental right, specifically under Articles 33 to 43, within the broader framework of fundamental rights outlined in Articles 16 to 48, as summarized in Table 1.

Under the federal structure established by the Constitution of Nepal (2015), powers and responsibilities are distributed among the federal, provincial, and local governments. In relation to social security and protection, the Constitution—along with its schedules and the functional demarcation report—clearly outlines the respective roles and authorities of each level of government, as summarized below.

Nepal's commitment to social protection is firmly grounded in both international human rights norms and national constitutional mandates. However, legal and policy advances must be accompanied by improved implementation, financing, and inter-governmental coordination to fulfill Nepal's commitments under the SDGs and the 16th Plan. Bridging gaps in informal sector coverage, geographic access, and programme equity remains a pressing policy challenge.

3.3 Alignment of social protection in Nepal's development planning

Nepal's journey in integrating social protection into its national development

planning reflects an evolving vision—from rudimentary welfare initiatives to a more structured, rights-based, and SDG-aligned framework. The following review traces this evolution across successive periodic plans and examines their alignment with development goals and social equity concerns.

From the First Plan (1956) to the Seventh Plan (1992)

Nepal's early development plans did not explicitly use the term “social protection,” but embedded welfare elements were present even in initial state planning efforts. The First Five-Year Plan (2013–2018 B.S.) prioritised basic human needs—food, clothing, housing, education, and healthcare—as visionary public responsibilities, laying the foundation for future welfare thinking despite limited experience and institutional capacity of the government. The Second Three-Year Plan (2019–2022 B.S.) introduced social services under the Panchayat regime, focusing on health, drinking water, and education as part of national integration. The Third Five-Year Plan (2022–2027 B.S.) emphasised equal access and just distribution of national resources but fell short of implementing a systematic welfare strategy. The Fourth upto the Sixth Plans (2027–2042 B.S.) focused on disease control, housing schemes, agricultural subsidies, and institutional coordination through the Social Service National Coordination Council. These plans progressively introduced targeted support for marginalised populations.

Table 2: Jurisdictional authority on social security and protection

Constitution of Nepal 2015		
Federal	Province	Local
Social Security and Poverty Alleviation (Schedule 5, No. 32)		Senior citizens, persons with disabilities, and helpless (Schedule 8, No. 16)
Social security and employment, trade unions, resolution of industrial disputes, rights and disputes related to labor (Schedule 7, No. 11)		
Social Security and Poverty Alleviation (Schedule 9, No. 10)		

Source: INSPF, 2023

Furthermore, the Seventh Plan (2042–2047 B.S.) reflected a deeper social understanding by including awareness campaigns against regressive practices and extending welfare services through state and non-state actors.

From the Eighth Plan (1992) to the 13th Plan (2013)

Political transition took place in Nepal in 1990s and restored democracy and gave impetus to a more formal and inclusive approach to social protection. The Eighth Plan (2047–2052 B.S.) institutionalised the Ministry of Labor and Social Welfare and launched the Old Age Allowance in 2052 B.S., signaling a shift toward cash-based assistance for vulnerable populations. The Ninth Plan (2052–2057 B.S.), for the first time, included a separate chapter on social security. Emphasis was placed on educational equity and nutritional support, targeting marginalised groups. The 10th Plan (2059–2064 B.S.) integrated a rights-based narrative for women, children, Dalits, and indigenous peoples, aligning with human rights discourse. Furthermore, the 11th upto 13th Plans (2064–2073 B.S.) designed inclusive strategies for historically marginalised communities (e.g., Madhesi, Muslims, Dalits, persons with disabilities) and envisioned an integrated, bank-based distribution system, though a fully unified social protection framework remained elusive.

From the 14th Plan (2016) to the 15th Plan (2019–2023)

With the promulgation of the 2015 Constitution, Nepal committed to building a welfare state, institutionalising social protection as a constitutional right. The 14th Plan (2073–2076 B.S.) sought to operationalise constitutional mandates through the Social Security Act,

expanding access and defining the legal framework for universal protection, although some components were still under development. The 15th Plan (2076/77–2080/81 B.S.) positioned social protection as a key pillar in achieving the national vision of “Prosperous Nepal, Happy Nepali.” Major reforms included in this plan were the development of an Integrated National Social Security Framework, and approval by the National Planning Commission. It had targeted 60 per cent population coverage for contribution-based social security, and also introduced categorical targeting mechanisms to include groups such as single women, persons with disabilities, those below the minimum income threshold, and endangered ethnicities within the existing budgetary constraints. The 14th and 15th plan reflect an ambitious step toward aligning Nepal’s social protection system with the SDGs, particularly SDGs 1, 3, 4, 5, 8, 10 and 16.

3.4 Social protection and the sustainable development goals

Social protection (SP) is closely linked with the four pillars of SDGs: People, Planet, Prosperity, and Partnership. Seven SDG goals are directly related to SP, while ten others are indirectly connected. Thus, SP serves both as a means and an end in achieving the SDGs in Nepal. Evidences from Nepal and elsewhere, highlights the inclusive and developmental impacts of SP. In Nepal, SP stands at the forefront of the development agenda due to its significant social and economic implications. In Nepal, the government at different levels—federal, provincial, and local—are mandated to provide and manage social protection services. Nepal’s investments and legal frameworks concerning social security and protection, particularly in relation to relevant SDG indicators, are illustrated in Table 3.

Across the planning periods, key priorities, programmes and gaps have been changed. During the initial phase (1956–1980s) basic needs and disease control remained in priority. The 1990s marked the beginning of targeted cash transfers and institutional reform. Similarly, the post-2006 period emphasised on inclusion, rights-based policies, and poverty reduction. Finally, the recent plans (14th and 15th) stress universal access, lifecycle approaches, and integrated digital delivery systems.

As per the changing focus in priority, programmes have also been changed. Among the notable initiatives, SSA (Old Age, Single Women, Child Grants) and PMEP were the major ones followed by scholarships, nutrition, skill training, and community programs from the 9th Plan onward. The Social Security Fund introduced contribution-based protection for formal workers. Finally, the disability allowance, maternal incentives, and emergency relief measures expanded post-earthquake and during the COVID-19 pandemic.

Table 3: SDG indicators on social security and protection

SDG Goal	Indicator	Legal Provisions
Goal 1: End poverty in all forms	1.3. Build capacity of poor and vulnerable groups to face disasters and reduce economic, social, and environmental shocks	<ul style="list-style-type: none"> - Constitutional provisions on fundamental rights and state policies - Disaster Risk Reduction and Management Act, 2017 - Local Government Operation Act, 2017 - Health Insurance Act, 2017 - Right to Housing Act, 2018
Goal 3: Ensure healthy lives and promote well-being		<ul style="list-style-type: none"> - Public Health Services Act, 2018 - Social Security Act, 2018 - Contribution-based Social Security Act, 2017 - Senior Citizens Act, 2006 - Rights of Persons with Disabilities Act, 2017 - Children's Act, 2018 - Consumer Protection Act, 1997 - Pension Fund Act, 2018 - Employee Provident Fund Act, 1962 - Citizen Investment Trust Act, 2018
Goal 4: Inclusive, quality education and lifelong learning		<ul style="list-style-type: none"> - Compulsory and Free Education Act, 2018
Goal 5: Achieve gender equality and empower women and girls		<ul style="list-style-type: none"> - Compulsory and Free Education Act, 2018 - Domestic Violence (Offense and Punishment) Act, 2009 - Human Trafficking and Transportation Control Act, 2007 - Criminal Code, 2017 - National Women Commission Act, 2017 - Safe Motherhood and Reproductive Health Rights Act, 2018 - Public Health Services Act, 2018 - Sexual Harassment at Workplace (Prevention) Act, 2014 - Witchcraft Allegation (Offense and Punishment) Act, 2015
Goal 8: Promote inclusive and sustainable economic growth, employment, and decent work		<ul style="list-style-type: none"> - Labor Act, 2017 - Civil Service Act, 1993 - Right to Employment Act, 2018

Source: National Planning Commission, 2020.

Importantly, different gaps have also been noticed. Fragmentation and lack of coordination among programmes and ministries remains as one of the major gaps. Similarly, inadequate coverage of informal sector workers, limited fiscal space that undermine sustainability, weak monitoring and evaluation systems, particularly at the local level and finally under-representation of climate and disaster risks in programme design, despite Nepal's vulnerability, have been noticed the major gaps..

3.5 Institutional developments and policy reforms

Nepal has seen important institutional and legislative developments aimed at anchoring social protection within a legal and programmatic structure. The major legislative milestones includes the Constitution of Nepal (2015) that recognised social protection as a fundamental right for all citizens. Similarly, the Social Security Act (2018) provided the legal foundation for universal and contribution-based social protection, and National ID and Digital Registration Systems which enabled improved targeting and transparency. At the institutional fronts, a number of initiatives included the establishment of the Social Security Fund for formal sector workers, strengthening of the Department of Civil Registration and Ministry of Women, Children, and Senior Citizens, and formation of inter-ministerial steering committees under the National Planning Commission to coordinate policy reforms and plan implementation. These legislative and institutional reform, have enabled policy changes that marked with the shift from needs-based to rights-based and lifecycle-based approaches, greater focus on digital platforms and banking channels for cash transfers, and introduce integrated frameworks for social protection governance, though practical coherence across sectors remains limited. These reforms demonstrate

an increasing convergence between national development goals and global standards, particularly under the SDGs and ILO's Social Protection Floor framework.

3.6 Strategic alignment of social protection policies in Nepal's 16th periodic plan

3.6.1 Policy Directions and Strategic Goals

The Constitution of Nepal 2015 firmly establishes social protection and the right to work and employment as fundamental rights, recognizing them as essential to ensuring a life of dignity for all citizens. In alignment with this constitutional mandate, the 16th Periodic Plan (2081/82–2085/86) places social protection at the heart of its national development agenda, which is guided by the overarching vision of good governance, social justice, and shared prosperity. The Plan prioritises human capital formation through enhanced labor productivity, decent work opportunities, and the creation of a sustainable and inclusive social protection floor. This approach aims to reduce life-cycle risks, accelerate poverty reduction, and promote inclusive economic growth rooted in equity and justice.

A key strategy of the Plan is to institutionalise a universal and sustainable social protection system by balancing three dimensions: needs, rights, and contributions. Although the 15th Plan had targeted to bring 60 per cent of the population under social protection coverage, actual inclusion stood at just around 32 per cent, with approximately 14 per cent of the federal budget spent across 87 fragmented schemes. In response, the Government of Nepal introduced the Integrated National Social Protection Framework (INSPF), 2023, to streamline programmes, increase efficiency, and expand contributory schemes.

3.6.2 Expanding the scope of social security

Expanding and sustaining social protection coverage is a key priority of the 16th Plan. The focus is on integrating fragmented systems, minimising duplication, and bringing more citizens—especially the poor, unemployed, women and informal sector workers—within the scope of protection. Emphasis are placed on i) enhancing employment opportunities and skills development for indigent and unemployed groups; ii) objectively identifying and targeting beneficiaries; iii) scaling up contribution-based schemes to include all categories of workers; iv) promoting a productive and fiscally sustainable social protection model, in part by fully implementing the INSPF, 2023; and v) reducing sole public financing dependency.

3.6.3 Making social security effective as a transformative strategy

The Plan envisions social security not just as a safety net, but as a transformative mechanism for structural change and empowerment. This requires: timely reforms to laws and regulations governing social protection; institutional integration of existing structures and systems; skills development aligned with labor market demand for disadvantaged and unemployed citizens; ensuring basic social security for all, including migrant workers during both their active employment years and after retirement.

To ensure long-term inclusion and sustainability, the 16th Plan calls for: A shift from fragmented to integrated and lifecycle-based social security systems, particularly focusing on health, education, employment, housing, and care works; voluntary opt-out provisions for financially self-sufficient individuals from non-contributory schemes, promoting fiscal sustainability; expanding contributory models and building risk-sharing

mechanisms that increase self-reliance and dignity; implementation of a National Care Policy to address caregiving needs across all life stages; developing a National Roadmap for the Global Accelerator on Jobs and Social Protection for Just Transitions, to align national policies with global commitments and green transition imperatives; and strategic implementation of INSPF, 2023 to align services with demographic and labor market needs.

3.6.4 Priority Social Protection Actions in 16th Plan

Mainstreaming care economy: A pathway to sustainable social protection

Nepal, with technical support from the United Nations—particularly ILO and UN Women—has made notable progress in advancing decent work, labor rights, and gender equality. At the policy level, the National Planning Commission, as the apex planning body, has institutionalised the Care Working Group (CWG)—an evolution of the former tripartite steering committee under the project “Promoting Decent Employment for Women through Inclusive Growth Policies and Investments in the Care Economy”. The CWG plays a pivotal role in integrating care, gender, and decent employment into national policy, offering strategic guidance in areas such as: Developing a National Policy on Care Economy and an Integrated Care Law, guided by the 5R Framework for decent care work; Promoting gender-responsive investments in care, education, and health systems aligned with SDG targets; Enhancing sectoral policies to improve working conditions and the welfare of care workers.

Nepal’s 16th Periodic Plan takes a significant step by mainstreaming care economy considerations within four of its foundational chapters: Productive

Employment, Decent Work, and Sustainable Social Security; Healthy, Educated, and Skilled Human Capital; and Gender Equality, Social Justice, and Inclusive Society. These commitments are reflected across the following three key areas:

Policy and institutional reforms

Structuring and formalising the care economy to address gender-based inequalities in the labor market (pp. 94, 97); developing a National Care Policy to record, regulate, and manage care work (pp. 97, 111); and establishing systems to recognize unpaid care and domestic work in national accounts (pp. 166, 171, 180).

Investment and infrastructure

Expanding Early Childhood Development (ECD) programmes to all local governments (p. 117); strengthening the health system based on international standards, geography, and disease burden (p. 109); supporting the establishment of elderly care homes, encouraging private sector investment (p. 127); creating international-level elderly care hubs and establishing free provincial care centers; and increasing day service centers from 225 to 753 (p. 175).

Capacity building and participation

Providing local-level care training to enhance women's participation in income-generating activities (p. 97); increasing women's labor force participation from 26.3 per cent to 35 per cent within five years (p. 176),

Through these integrated measures, Nepal's 16th Plan lays a transformative foundation for a sustainable care economy—positioning care work not just as a social necessity, but as a driver of inclusive growth

and resilient social protection.

3.7 Global accelerator: Nepal as a pathfinder country

Nepal was officially recognized as a pathfinder country for the Global Accelerator on Jobs and Social Protection for Just Transitions in February 2024. The country confirmed the high-level commitment with an official expression of interest approved by Rt. Hon'ble Prime Minister Pushpa Kamal Dahal 'Prachanda', Chair of the National Planning Commission of the Government of Nepal. The country's commitment aims to collaborate for investments in critical sectors of the economy to generate employment, improve working conditions, and promote just transitions. The Global Accelerator could be an important mechanism to support the implementation of Nepal's 16th National Development Plan, which has decent jobs, social protection, productivity, and competitiveness at the heart of its priorities towards economic growth, the realisation of human rights, and the achievement of the 2030 Agenda for Sustainable Development. The Global Accelerator offers a vital platform to support the implementation of Nepal's 16th Periodic Plan, which prioritises decent jobs, universal social protection, productivity, and economic competitiveness. These priorities are central to achieving inclusive economic growth, advancing human rights, and fostering environmental sustainability.

Nepal's engagement with the Global Accelerator was formally initiated in 2023 through the establishment of a National Steering Committee, led by the National Planning Commission. The Committee brings together key government institutions—including the Ministry of Labour, Employment and Social Security, and the Ministry of Industry, Commerce and Supplies—as well as representatives from employers' and

workers' organisations, the private sector, and UN agencies such as ILO, UNICEF, United Nations Development Programme (UNDP), and UN Women.

Nepal further demonstrated leadership by participating in two High-Level Dialogues on the Global Accelerator held on 18 April and 18 September 2023 in New York. During these events, the Government reaffirmed its commitment to accelerate the creation of decent, quality jobs and expand social protection coverage through integrated, coordinated, and gender-sensitive strategies.

As a Pathfinder Country, Nepal is positioned to lead by example—integrating social justice, inclusion, and sustainability into national development. The Global Accelerator serves not only as a tool for transformation but also as a mechanism to embed these values within the core of Nepal's 16th Plan.

3.8 Implementation of integrated national social protection framework

The National Planning Commission of Nepal developed the Integrated National Social Protection Framework (INSPF), 2023 over a period of three years. Endorsed and implemented by the Government of Nepal in 2023, the framework marks a transformative step towards establishing an inclusive, rights-based, and efficient social protection system in the period of 16th plan. It responds not only to the constitutional commitment of being a socialism-oriented welfare state, but also addresses long-standing practical challenges in the existing system—such as fragmentation, duplication, inclusion/exclusion errors, and unsustainable expenditure growth.

By bringing together over 87 social protection programmes and schemes under

a coherent and integrated framework, the INSPF 2023 sets the foundation for a unified and transparent governance structure. This integration will ensure that services are more accessible to the people who need them most—especially the poor, vulnerable, and disaster-affected populations—while also minimising administrative redundancies and improving cost-efficiency. The framework also aligns Nepal's national efforts with global and regional commitments, including SDGs, the Sendai Framework for Disaster Risk Reduction, and the Universal Declaration of Human Rights.

Importantly, the framework promotes inter-governmental coordination by clarifying the roles and responsibilities of federal, provincial, and local governments. This enables harmonised service delivery and ensures that social protection is embedded in the broader process of federal governance and fiscal decentralisation. The creation of a governance mechanism for social protection, with integrated digital infrastructure and beneficiary registries, is a strategic innovation that improves targeting, transparency, and disaster responsiveness.

The INSPF 2023 is more than a policy document—it is a strategic roadmap for promoting inclusive growth, reducing poverty and vulnerability, and consolidating the social bond between the state and its citizens. As Nepal prepares for LDC graduation in 2026 and advances its long-term development goals, the framework plays a crucial role in ensuring that no one is left behind.

Social protection spending in Nepal has increased significantly—from merely 0.78 per cent of the national budget in 2009 to approximately 13 per cent in 2025—now reaching about one-third of the population. However, achieving the 16th Plan target of covering 60 per cent of the population

remains a major challenge, underscoring the urgent need for sustainable financing. The INSPF 2023 provides a strategic roadmap to address this, including the establishment of an Integrated Information and Management System (IIMS) to reduce leakages, promotion of contributory schemes, improved coordination among government tiers, a shift toward needs-based targeting, and expansion of the social security tax base. Together, these measures aim to build a more inclusive, efficient, and fiscally resilient social protection system in Nepal.

4. Conclusion and Recommendations

Nepal has made notable progress in institutionalising social protection as a fundamental right and integrating it into national development planning and global development agendas, particularly the SDGs. The Constitution of Nepal (2015) enshrines rights to employment, education, health, and social justice, forming a rights-based foundation for inclusive development. Over time, Nepal's social protection system has evolved from fragmented welfare provisions to a more structured and integrated policy framework. However, challenges persist—particularly in ensuring equitable coverage, financing sustainability, intergovernmental coordination, and effective service delivery for informal sector workers, women, and other marginalized groups.

The 16th Periodic Plan (FY 2081/82–2085/86) represents a transformative milestone in aligning social protection with constitutional mandates, national development goals, and international commitments. It emphasises human capital formation, labor market integration, and poverty reduction through a life-cycle-based approach to social protection. Social protection is no longer viewed merely as a safety net but is conceptualised more as a strategic tool for economic empowerment and

structural transformation. The Plan focuses on increasing labor productivity, creating decent work opportunities, and ensuring a sustainable and inclusive social protection floor.

A major advancement under the 16th Plan is the implementation of the INSPF, 2023, which addresses long-standing issues of duplication, inefficiency, and exclusion. The INSPF consolidates more than 87 schemes into a coherent structure that aims to enhance coordination across sectors and levels of government. It promotes digital transformation through the establishment of an IIMS, which is expected to improve targeting, reduce leakages, and enhance transparency in benefit delivery.

Another important pillar of the 16th Plan is the mainstreaming of the care economy. Institutional reforms, capacity-building, and investments in health, education, and elderly care reflect a gender-responsive shift in social protection thinking. The Plan emphasises on formalising care work, recognising unpaid labor, and expanding public and private investment in caregiving infrastructure—thus addressing both gender inequality and employment generation.

Nepal's selection as a Pathfinder Country under the Global Accelerator on Jobs and Social Protection for Just Transitions in 2024 marks a critical opportunity to harmonise domestic policies with global efforts to achieve a just, green, and inclusive transition. The Government of Nepal, in collaboration with the United Nations agencies and national stakeholders, has committed to advancing decent work, expanding contributory schemes, and promoting climate-resilient employment. This engagement amplifies Nepal's leadership role in the region and provides both technical and financial leverage for long-term reform.

Despite these positive developments, Nepal must address several structural and operational constraints to realise the full potential of its social protection system. Key among these are: (i) enhancing fiscal sustainability through diversified financing sources, particularly by expanding the social security tax base; (ii) strengthening institutional capacity at federal, provincial, and local levels; and (iii) promoting inter-sectoral policy coherence and innovation to respond to demographic and labor market shifts.

As Nepal is soon graduating from Least Developed Country (LDC) status in 2026, the social protection agenda must be central to its smooth and sustainable transition strategy. An inclusive, employment-centric, and rights-based social protection system will not only reduce poverty and vulnerability but also reinforce the social contract between the state and citizens—thereby contributing to national stability, economic resilience, and human development.

In conclusion, Nepal's 16th Plan lays a solid foundation for transforming social protection into a dynamic instrument of social justice, economic growth, and sustainable development. The challenge now lies in effective implementation, strategic partnerships, and adaptive governance to ensure that no one is left behind.

The followings are the major policy recommendations:

- Urgently operationalise the INSPF 2023 across all governance levels and implement the Integrated National Social Protection Framework (INSPF) without delay, ensuring inter-governmental alignment.
- Deploy the IIMS to unify over 80

schemes, improve beneficiary targeting, and eliminate duplication.

- Ensure fiscal sustainability through inclusive financing models. Broaden the contributory base by formalising informal workers and incentivising enrollment from small enterprises. Introduce co-financing mechanisms and social security taxes to reduce reliance on the general budget, while enabling opt-outs for affluent beneficiaries.
- Recognise and invest in the care economy: Implement the National Care Policy and Integrated Care Law, guided by the 5R Framework—Recognize, Reduce, Redistribute, Reward, Re-present—to formalize care work. Develop care infrastructure across provinces to create jobs and support women's workforce participation.
- Expand coverage through rights-based, lifecycle approaches: Prioritize vulnerable groups—women, informal workers, unemployed youth, and migrants—by scaling up universal, lifecycle-based protections such as pensions, health insurance, and employment guarantees. Ensure portability of benefits for migrant workers through bilateral agreements.
- Improve multilevel governance and coordination mechanisms: Clearly delineate social protection mandates among federal, provincial, and local governments. Strengthen the Social Protection Coordination Council and sectoral steering committees to drive integration, monitoring, and accountability.
- Leverage global partnerships for just

transitions: Utilise Nepal's Pathfinder Country status to attract technical and financial assistance. Align policies with the SDGs, Sendai Framework, and green transition goals to build resilience and inclusive growth.

- Advance digital transformation and evidence-based decision making: Develop a unified social registry linked to the National ID and digital payment platforms. Use real-time data analytics to inform policies, reduce leakages, and track inclusion outcomes.

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