

2021 Trafficking in Persons Report: Nepal (Tier 2)

The Government of Nepal does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. Despite the documented impact of the COVID-19 pandemic on the government's anti-trafficking capacity, the government demonstrated overall increasing efforts compared to the previous reporting period; therefore Nepal remained on Tier 2. These efforts included convicting two former officials of corruption-related activities that contributed to vulnerabilities in overseas worker recruitment, taking steps towards lifting the ban on some female migration overseas, and continuing to raise awareness on trafficking. The government also hired more personnel for the law enforcement unit dedicated to human trafficking—the Anti-Trafficking-in-Persons Bureau (Anti-TIP Bureau)—which is actively investigating cases and took steps towards amending the 2007 Human Trafficking and Transportation Control Act (HTTCA). However, the government did not meet the minimum standards in several key areas. The government's laws do not criminalize all forms of labor trafficking and sex trafficking, and officials' identification of, and protection for, male trafficking victims and transnational labor trafficking victims remained severely inadequate compared to the size of the problem. Official complicity in trafficking offenses remained a serious problem, both direct complicity and negligence. In addition, while the government signed a labor memorandum of understanding (MOU) with Israel, it required Nepali migrant workers to pay recruitment fees and related expenses, inconsistent with international best practice. Furthermore, officials continued to encourage migrant workers exploited abroad to register cases under the 2007 Foreign Employment Act (2007 FEA), which criminalized fraudulent recruitment, rather than refer cases to police for criminal investigation of labor trafficking.

PRIORITIZED RECOMMENDATIONS:

Amend the Human Trafficking and Transportation (Control) Act (HTTCA) to criminalize all forms of sex trafficking and labor trafficking, in line with the 2000 UN TIP Protocol. • Investigate allegations of official complicity in trafficking crimes and hold perpetrators criminally accountable. • Increase identification and referral of trafficking victims to services, especially male labor trafficking victims and females in commercial sex through increased training of front-line responders on standard operating procedures (SOPs). • Establish SOPs for law enforcement to

investigate human trafficking cases, including referrals between agencies. • Increase investigations, prosecutions, and convictions of all trafficking offenses, including criminal investigations into labor recruiters and sub-agents for labor trafficking. • Expand availability and capacity of victim care, including shelter and repatriation, for all victims, especially males and workers exploited overseas. • Increase staff, training, and resources to the Department of Foreign Employment (DFE) to facilitate full implementation and monitoring of the low-cost recruitment policy. • Take steps to eliminate recruitment or placement fees charged to workers by Nepali labor recruiters and ensure any recruitment fees are paid by employers. • Implement the victim-witness protection provisions of the HTTCA. • Significantly increase monitoring of children’s homes and orphanages and hold accountable those that do not meet the government’s minimum standards of care. • Authorize labor inspectors to monitor the adult entertainment sector (AES) establishments for labor violations. • Remove the HTTCA provision that allows the judiciary to fine victims if they fail to appear in court and hold them criminally liable for providing contradictory testimony. • Lift current conditions and restrictions on female migration and engage destination country governments to create rights-based, enforceable agreements that protect Nepali workers from human trafficking. • Provide documentation to stateless individuals, internationally recognized refugees, and asylum-seekers to allow them to work, attend school, and access social services.

PROSECUTION

HTTCA’s definition of trafficking was inconsistent with the international definition of trafficking. It limited the definition of “human trafficking” to the purchase or selling of a person and to causing another person to go into prostitution; did not include a demonstration of force, fraud, or coercion as an essential element of the base offense; and did not explicitly address forced labor. The law separately defined “human transportation” as the taking of a person from their home or place of residence, through force, fraud, or coercion, for the purpose of prostitution or the keeping a person as a slave or bonded labor. The HTTCA prescribed penalties ranging from five to 20 years’ imprisonment and a fine, which were sufficiently stringent and, with respect to sex trafficking, commensurate with those prescribed for other serious crimes, such as rape. The 2017 Labour Act, which is enforced by specialized labor courts, criminalized forced labor and prescribed penalties of up to two years’ imprisonment, a fine of up to 500,000

Nepali rupees (NPR) (\$4,270), or both. Additionally, the 2002 Bonded Labor (Prohibition) Act abolished bonded labor and prescribed civil penalties of a fine between 15,000 NPR and 25,000 NPR (\$128-\$214). The 2000 Child Labour Act criminalized forced child labor and prescribed penalties of up to one year imprisonment, a fine of 50,000 NPR (\$427), or both. None of these laws prescribed sufficiently stringent penalties. The 2007 FEA criminalized fraudulent and deceptive labor recruitment of Nepalese for work abroad and was often utilized in labor trafficking cases in lieu of the HTTCA. Penalties prescribed under this law were significantly lower than those available under the HTTCA. For the sixth consecutive year, the government's National Committee for Controlling Human Trafficking (NCCHT) continued to work on revisions to the HTTCA by forming a working committee which sought input from civil society stakeholders. The pandemic and political unrest impacted the ability of the NCCHT to finalize the revisions during the reporting period, which in turn impacted the formation of provincial and local level committees for combatting human trafficking. The Government of Nepal amended the Human Trafficking and Transportation Control Rules (HTTCR) to bring it in line with Nepal's federal system during the reporting period.

Due to the pandemic, the government closed the courts for three months of the reporting period, which impacted the prosecution of cases. Once courts reopened, NGOs reported restrictions on transportation and COVID-19 testing requirements made it difficult to obtain victims' statements and testimony. During the Nepali fiscal year, police conducted 97 investigations involving 240 suspects, the Office of the Attorney General (OAG) initiated prosecution in 170 cases against 415 suspects, and district courts convicted 202 traffickers in 88 cases, all under the HTTCA. This is a decrease compared to initiating 258 investigations involving 524 suspects, initiating 407 prosecutions from previous years, and convicting 231 traffickers the previous reporting period. The government did not report the number of ongoing cases or the sentences prescribed to convicted traffickers. District courts acquitted 108 suspects in 48 cases, compared to 243 acquittals in the previous reporting period. Officials did not disaggregate data to distinguish between sex and labor trafficking cases, and some cases might not include evidence of exploitation in forced labor or commercial sex. Some police and prosecutors investigated and prosecuted suspected sex traffickers and facilitators for rape and public offenses.

The government had standard training for labor, immigration, judicial, law enforcement, and foreign employment officials that included general definitions of human trafficking. International donors provided anti-trafficking trainings for the Anti-TIP Bureau. Due to the pandemic, police reported they were unable to conduct trafficking victim identification trainings, although other trafficking awareness trainings were held virtually. Despite these trainings, however, most police lacked sophisticated investigative techniques and resources to interact with trafficking survivors in a victim-centered way. In addition, the dearth of investigators and prosecutors trained to work on trafficking cases, coupled with frequent turnover, further hampered efforts. The Anti-TIP Bureau, a specialized police unit dedicated to trafficking crimes created in 2018, had filled 77 Kathmandu positions as well as 240 regional positions by the end of the reporting period. While the Anti-TIP Bureau will eventually investigate all human trafficking cases, other agencies continued to investigate cases during the reporting period. The Nepal Police Women's Cells (NPWC) had female officers in all 77 districts to investigate crimes against women and girls, including trafficking, but not all district offices had cells that were fully operational. While investigative capacity is improving, law enforcement did not proactively identify trafficking cases and some of the referrals it received, had occurred more than one year prior, which undermined evidence collection and prosecution efforts. Moreover, police and prosecutors remained reliant on victim testimony for successful cases. Victims often did not want to assist in cases against their perpetrators because the perpetrators were family friends or relatives. Traffickers often bribed victims and their parents not to provide testimony in trafficking cases. Neither the Anti-TIP Bureau nor other law enforcement units had the resources to effectively coordinate with NGOs and victims on registering cases against their traffickers, which made it harder for victims to do so. Pandemic related lockdowns and court closures further exacerbated these issues during the reporting period. Police and the judiciary did not always collaborate, which led to police submitting incomplete cases that prosecutors could not pursue in court. Many district courts did not comply with the 2013 Supreme Court directive to adopt a "fast-track" system for human trafficking cases. This was at times due to stipulations of the law that did not allow a fast track court case, delays related to the pandemic, and non-trafficking caseloads. While the National Judiciary Academy publicized SOPs on investigation and prosecution of trafficking cases, whether or not officials employed the SOPs varied by judge. The Nepal police have one liaison officer in New Delhi. Nepal Police coordinated and cooperated on international investigations of trafficking related crimes through

INTERPOL and other Diplomatic Missions. INTERPOL's Tools and Services are being used to apprehend suspects who have absconded in trafficking related cases. Nepali law enforcement agencies also work on an informal basis with their counterparts in other countries—most frequently India—in the investigation and prosecution of trafficking cases. Due to the informal nature of these relationships, data on cooperative efforts were not compiled. The government did not report collaboration with Gulf countries on trafficking cases, despite high numbers of Nepali victims in the region.

Nepali parents give their children to brokers who promise education or work opportunities but instead take them to frequently unregistered children's homes and force them to pretend to be orphans to garner donations from tourists and volunteers and where some force children into manual labor or begging, force them to entertain visitors for donations and sexually abuse them. International organizations and NGOs estimated that 80 to 85 percent of children in "children's homes" and orphanages had at least one living parent at home. NGOs noted that, although there is increased willingness to take action against the operators of children's homes, prosecution remains a challenge. Many of the individuals running these exploitative institutions are politically connected and viewed favorably within their community. NGOs state that even when arrested, they are almost never prosecuted and often use political connections to thwart child protective agencies. Prior to the pandemic-related lockdowns, the government directed children's homes to return children to their families. The government did not report screening the children for trafficking indicators before they were sent home. While 1,500 children were reunited with their families, NGOs reported 11,000 remained in registered homes and orphanages.

The government did not make sufficient efforts to investigate or prosecute suspects for bonded labor. The government continued to misidentify the majority of transnational labor trafficking cases as labor violations and resolved them administratively through the Ministry of Labor, Employment, and Social Security (MoLESS), in lieu of criminal investigation, with inadequate sentences for perpetrators. Legal experts stated prosecutors could pursue a case under both the HTTCA and the 2007 FEA for transnational labor trafficking and foreign employment fraud, respectively; however, prosecutors regularly refused to do so, believing such action would violate the prohibition against double jeopardy. Many migrant workers remained unaware of the process for obtaining redress, including

in cases of trafficking. DFE officials continued to advise abused migrant workers to register complaints under the 2007 FEA rather than notify police. In January 2020 DFE and the police signed an MOU to allow labor trafficking victims to file complaints at local police stations instead of requiring them to travel to Kathmandu. During the reporting period, the DFE investigated five cases reported at local police stations. Many labor trafficking victims preferred to submit claims for restitution through the 2007 FEA in lieu of lengthy criminal prosecutions under the HTTCA, citing the desire to avoid the stigma associated with trafficking, the higher potential for compensation through the 2007 FEA, and the lack of time and funding to access the centralized institutions charged with providing redress.

The government did not investigate any officials for complicity in human trafficking, but corruption and official complicity in trafficking crimes remained significant concerns. The pandemic-related lockdown, a five-month airport closure, and the economic fallout in many destination countries disrupted labor migration for much of the reporting period and may have removed some opportunities for corruption. During previous reporting periods, NGOs reported traffickers bribed government officials to include false information in genuine Nepali passports and provide fraudulent documents to prospective labor migrants or foreign employment agents. NGOs had concerns that because a number of government officials, including parliamentarians, maintained close ties to foreign employment agencies, such officials might have a conflict of interest in approving migrant-friendly practices, such as prosecution of abusive recruitment agencies and increasing protections for migrant workers. In November 2017, the Commission for the Investigation of Abuse of Authority arrested the Director General of DFE and two DFE officials for allegedly attempting to collect a bribe from a foreign employment agency. In December 2020, the former Director General was convicted and sentenced to one and a half years in prison and a one million NPR (\$8,550) fine. One of the DFE officers received the same sentence as the former Director General, and the other was acquitted. NGOs alleged some police and political party leaders were complicit in sex trafficking in conjunction with their financial involvement in the AES. Some traffickers, including owners of AES establishments and exploitative orphanages, enjoyed impunity due to personal connections with politicians and by bribing police to avoid raids or procure fraudulent identity documents.

During the previous reporting period, the UN Human Rights Committee heard two cases against Nepali military officials who allegedly forced one boy and one girl into labor in 2010 and 2002, respectively. In the first case, a Nepali man alleged that when he was between 12 and 14 years old, a Nepali army officer forced him into domestic work for 18 hours per day without pay from 2010-2012. When he escaped in 2012, he alleged the official filed a fraudulent complaint of theft, police arrested and tortured him, which medical reports substantiated, and the judiciary refused to investigate his claims. The committee ordered the government to compensate the man, but it refused to do so or to criminally investigate the suspects. In the second case, the committee urged the government to support a woman's claim that in 2002, at age 14, the former Royal Nepalese Army and police arrested, detained, forced her into labor at military barracks, and then they forced her to become an informant on the anti-government Maoist forces. The government has yet to initiate any criminal investigations or compensation procedures.

PROTECTION

The government decreased efforts to identify and protect trafficking victims. Authorities did not systematically track the total number of victims identified and did not have uniform SOPs for victim identification and referral to services. NPWC had internal guidelines on the identification and treatment of victims, and during the reporting period the Ministry of Women, Children, and Senior Citizens (MWCSC) finalized and submitted for final approval SOPs on victim identification, referral, and data collection. Officials' poor understanding of trafficking and the lack of SOPs hindered proactive identification, especially among returning male migrant workers exploited abroad. Police did not always recognize that children in commercial sex constituted sex trafficking and sometimes removed girls 16-17 years old from commercial sex, sent them home, and did not refer them to services or file criminal charges against the client. NPWC identified 141 victims in its 97 investigations, a decrease from 387 victims in 258 cases the previous year. Of the 141 victims, traffickers exploited 32 in sex trafficking and two in labor trafficking; reports did not specify the type of trafficking for the other 107 victims. The 141 victims included 62 victims aged 18 or younger and eight males, a decrease from 150 victims 18 or younger and 71 males identified the previous year. The pandemic slowed physical monitoring of children's homes; however, the National Child Rights Council, which continued to

monitor childcare homes remotely and with NGO assistance, removed 48 children from exploitation in abusive and unregistered orphanages during the reporting period. The orphanages had forced some children into labor making handicrafts and begging and had sexually abused other children. The government estimated at least one-third of the total registered orphanages did not meet government standards and did not have regular oversight. Police lacked the staff, resources, and training required to patrol Nepal's nearly 1,100-mile border with India, where significant transnational trafficking occurred; therefore, NGOs conducted checkpoint inspections where possible but focused almost entirely on intercepting female travelers. Police reported NGOs did not always alert them when the NGOs identified potential trafficking victims.

Although the government had national standards for victim care, referral efforts remained ad hoc and inadequate. NPWC typically referred trafficking victims to government-run one-stop emergency centers located within hospitals or to NGOs, both of which could provide shelter, medical, and legal services. The government did not report how many victims it referred to services. NGOs reported that pandemic-related lockdowns restricted the availability of resources that trafficking victims and survivors rely on. The government referred victims to one of the 10 shelters for trafficking victims that NGOs operated, with some MWCSC assistance. The government did not report how much funding it allocated to the 10 shelters and to its embassies abroad to care for victims. While the shelters assisted 1,158 victims of crime generally during the fiscal year, including trafficking victims, the shelters had to restrict or halt several services due to pandemic-related restrictions. While organizations offered some services online, such as mental health counseling, NGOs noted the government's pandemic-related safety lockdown and social distancing requirements created situations similar to those victims faced while under traffickers' control. Moreover, some NGOs were unable to maintain their full operations in support of victims, as funding streams were reduced or diverted to the pandemic. MWCSC and NGOs operated 123 community service centers across 36 districts for female victims of gender-based violence, including trafficking. MWCSC paid for victim's basic needs, including lodging, food, health services, psycho-social counseling, and capacity building, while NGOs cover other administrative and staff costs. NGOs reported MWCSC only disbursed the funding when reimbursement was requested. To ensure implementation of Nepal's 2012 National Minimum Standards of Victim Care and Protection and Standard Operating Procedures on Rehabilitation Centers (SOPRC),

the NCCHT monitored the 10 rehabilitation homes and required NGOs running government-funded rehabilitation homes and shelters to periodically submit details of their operations. Similarly, district anti-trafficking committees are required to conduct at least one monitoring visit to government-funded shelters every six months; the NCCHT can conduct additional inspections as needed. While public hospitals should have provided free medical assistance to trafficking victims, they often charged NGOs for such care. MWCSC maintains it provides the same services to male and female trafficking victims through the Victim Assistance Rehabilitation Fund. Nevertheless, international organizations reported male and labor trafficking victims frequently did not receive services. Victims could obtain restitution from traffickers through criminal proceedings, or if the government was unable to collect the fines imposed on traffickers, the government could provide back wages from a rehabilitation fund. As in prior reporting periods, the government did not report if any victims obtained restitution or if the government provided any compensation from the fund.

Overall victim-witness protection mechanisms and the practices of police and justice officials remained insufficient. In civil suits against their traffickers, most victims remained unaware of the HTTCA provision granting the right to private representation. Even in cases where victims had private representation, the attorneys often could not build strong cases because law enforcement and the judiciary denied them access to critical case files and the dates of hearings. Police continued efforts to pay for some victim and witness transportation and lodging during judicial hearings; authorities did not report whether they provided these services to any trafficking victims. Victims can provide testimony via video or written statement; however, most courts do not have facilities for video conferences and even when they do, officials have not often made victims aware of the option. Victims continued to report challenges in providing testimony, including threats from perpetrators, and the lack of compensation and lack of ability to collect compensation when awarded. Notably, resource limitations impeded authorities' provision of a victim's right to police protection, and observers stated victims were reluctant to file criminal complaints under HTTCA in part because of personal or family safety concerns. The HTTCA authorized the judiciary to fine victims who failed to appear in court and hold victims criminally liable for providing testimony contradicting their previous statements. Some police arrested, detained, and fined adult and child sex trafficking victims for crimes their traffickers compelled them to commit. The government did not have legal

alternatives to the deportation of foreign victims. The Department of Immigration continued to deport foreign nationals who had overstayed their visas; the government did not report whether the department screened for trafficking among those deported.

Government services for its nationals exploited abroad remained inadequate. The 2007 FEA required the government to appoint labor attachés in countries with more than 5,000 registered Nepali migrant workers to facilitate claims of abuse, exploitation, and repatriation. Due to the cost of the attachés, however, they were not present in all required countries. While some embassies could provide temporary shelter and repatriate trafficking victims, officials acknowledged inadequate staffing and resources created large delays in provision of assistance, and the quality of the government-run shelters was poor. Nepali embassies in Bahrain, Kuwait, Malaysia, Oman, Qatar, Saudi Arabia, South Korea, and UAE could provide emergency shelter for approximately 25 female migrant workers each, some of whom were trafficking victims; embassies did not report the number of workers assisted. The Foreign Employment Board (FEB) acknowledged shelters lacked sufficient space, staff, and resources to meet the high demand for assistance. FEB collected fees from departing registered migrant workers for a welfare fund to provide repatriation and one year of financial support to families of injured or deceased workers, which could include trafficking victims. During the fiscal year, the fund repatriated 1,398 migrant workers, an increase from 84 the previous year and largely the result of pandemic-related repatriation policies of destination countries. Additionally, 413 bodies of Nepalis who had died while employed abroad were repatriated, an increase from repatriation of 391 bodies the previous year. The government did not report identifying any trafficking victims among those repatriated or initiating any criminal investigations into their exploitation. MWCSC funded Nepali embassies to repatriate an additional 53 Nepali trafficking victims from India and Sri Lanka, as well as united 471 internal trafficking victims with their families during the reporting period. FEB could also repatriate undocumented migrant workers, including trafficking victims, by requesting funds through the finance ministry on an ad hoc basis, but it could not provide any other financial support or services. Other government agencies repeatedly rejected FEB's proposal to create a welfare fund for undocumented migrant workers exploited abroad, including trafficking victims. NGOs bore the primary cost of repatriating Nepali trafficking victims from India and noted that due to the lack of formal repatriation procedures between countries, repatriation could take up to two

years. DFE maintained an online migrant worker portal that allowed migrant workers facing abusive or untenable situations overseas, or someone on the migrant worker's behalf, to file a request for repatriation. NGOs reported many migrants lacked the requisite computer access or skills to use the site. NGOs reported coordination between the labor ministry and MWCSC remained weak, and labor officials did not routinely inform labor trafficking victims about the services MWCSC and NGOs could provide.

PREVENTION

The government maintained overall efforts to prevent human trafficking. The NCCHT continued to lead interagency efforts on human trafficking. While it coordinated anti-trafficking action within the government and with civil society, observers noted frequent turnover among members continued to hamper efficacy. Additionally, the government operated and funded local anti-trafficking committees (LCCHTs) and district anti-trafficking committees (DCCHTs), but as the government reorganized these structures over past years, several became inactive and had not yet been reinstated. NGOs reported the lack of resourced LCCHTs and DCCHTs limited key anti-trafficking efforts to the national level, which caused delays. MWCSC did not report how much funding it allocated to these committees for prevention and protection activities. While the NCCHT continued to meet with and train officials from the DCCHTs, observers noted the need for improved coordination between the NCCHT, DCCHTs, and LCCHTs. MWCSC began amending legislation to redefine each committee's role. A January 2018 MWCSC-led review of the 2012-2022 anti-trafficking national action plan (NAP) revealed the government had implemented less than one-third of the plan's prosecution and capacity-building objectives. During the reporting period, the MWCSC formed a task force to revise the NAP in line with the government's new federal structure and issued its eighth annual report on the government's anti-trafficking efforts. However, the National Human Rights Commission's Office of the Special Rapporteur on Trafficking in Women and Children did not issue its report due to the pandemic. The government continued to conduct public awareness campaigns throughout the country, sometimes in partnership with NGOs or international organizations. During the reporting period, MWCSC produced a radio program to raise awareness and disseminate information about trafficking.

Existing laws did not permit labor inspectors to monitor AES establishments for labor violations, which NGOs reported allowed many establishments to use children and adult trafficking victims with impunity. While the government had special committees to monitor the AES to mitigate this regulatory gap, they, too, remained highly dependent on individual officers and did not have a comprehensive regulatory framework to use when monitoring such establishments. Observers estimated only half of AES establishments had valid registration. NGOs raised concerns that victims may have had even less chance of being identified when, due to the government's pandemic-related restrictions, the AES shut down for most of the reporting period and may have moved to unmonitored private residences.

The DFE maintained offices in all seven provinces to increase prospective migrant workers' access to foreign employment-related services. In addition, the FEB operated approximately 41 Migrant Resource/Information Centers at the district level, which provided information on authorized recruitment agencies, maximum fees that the agencies can charge workers, and information on the risks and challenges of working abroad and potential ways to minimize the risks. However, lengthy pandemic-related lockdowns, as well as closures of the national airport and border with India, limited the ability of Nepalis to travel and subsequently limited the government's trafficking prevention screening efforts designed around cross-border movement. With the support of an international organization, the FEB revised the two-day pre-departure orientation curriculum for migrant workers. Some NGOs also provided training to migrant workers, based on the revised curriculum. However, since the course was not mandatory, its implementation remained ad hoc. The government offered free skill tests for returned migrant workers and provided certifications for skills obtained abroad; it did not report how many workers utilized these services. During the reporting period, Nepal signed a labor recruitment MOU with the Government of Israel to provide employment for migrant workers in the fields of agriculture, construction, and hospitality. Inconsistent with the international best practice of employer-paid fees, the agreement required the migrant worker to pay recruitment fees and related migration costs.

The government's labor migration policies remained lengthy, costly, and sometimes discriminatory against women. The Parliamentary Committee for Industry, Commerce, Labour and Consumer Welfare issued recommendations to

lift the outright ban on migration of female domestic workers younger than age 24 to Gulf States and mothers with children younger than two, if certain pre-conditions were met. Observers had noted such outright bans on migration increased the likelihood such women would migrate illegally. These pre-conditions stated destination countries should have: a strong and separate law for ensuring services, conditions, and the protection of migrant domestic workers; a bilateral labor agreement with Nepal that ensures workers' basic rights like wages and weekly and annual leave; social security mechanisms that include the migrant worker; provisions on occupational safety and health; provisions on working hours and additional benefits for extra work; and 24-hour insurance coverage. The government did not report how it was implementing this recommendation or whether it intended to lift the ban outright. Migrant rights activists expressed concern the government continued to send Nepali female domestic workers abroad to countries without bilateral agreements to protect workers' rights.

The government's 2015 labor migration guidelines included a policy requiring foreign employers to pay visa and transportation costs for Nepali migrant workers bound for Malaysia and the Gulf and restricted agency-charged recruitment fees to 10,000 NPR (\$85). Among the 854 licensed manpower agencies in Nepal, only 15 had authorization to recruit domestic workers (down from 24). The government did not report if it initiated any civil or criminal investigations into the agents or agencies. Both NGOs and government officials noted the government's monitoring mechanism of employment agencies was ineffective to address non-compliance; agencies regularly charged migrant workers fees above the 10,000 NPR (\$85) limit. An international organization reported DFE continued regular monitoring and inspection of recruitment agencies suspected to be conducting irregular activities during the pandemic; however, FEB did not report if it identified or referred any non-compliance cases during the reporting period. Observers reported DFE settled the vast majority of labor complaints administratively and neither referred violators to the FET for civil penalties nor to police for criminal investigation. DFE officials stated employment agencies continued to regularly charge Nepali workers during the reporting period for visas, airplane tickets, and/or service fees above the cap, and added that they believed bilateral labor agreements with destination countries would be essential for enforcing labor rights.

While the informal sector employed more than 70 percent of workers in the country, including nearly all child laborers, inspectors did not regularly inspect the

informal sector for violations, including forced labor. The government continued to fund and conduct inspections focused specifically on child labor. However, NGOs reported the Department of Labor (DOL) did not take meaningful action against perpetrators of child and forced child labor and did not undertake many unannounced inspections. DOL did not report how many child laborers it identified or removed from exploitative conditions during the reporting period, and it typically only removed children whom employers physically or sexually abused. While civil society reported forced and bonded labor at carpet factories, labor inspectors did not regularly monitor the factories, and police did not report investigations into allegedly exploitative employers. DOL did not report referring any employers for criminal investigation or issuing assessed administrative penalties. Furthermore, NGOs reported DOL encouraged mediation over prosecution, including in cases of forced child labor. During the reporting period, as NGOs reported the pandemic led to an increased number of children working in agriculture, domestic service, and on the streets, DOL passed a guideline to declare child labor-free municipalities, which set criteria for all local governments to maintain a child labor-free environment. The government set a target to declare at least 25 municipalities child labor-free by July 2021 and sent more than 30 million subscribers text messages to raise awareness. The government organized media campaigns and workshops to hold discussions on child labor; however, these were limited due to pandemic restrictions. The government did not make efforts to reduce the demand for commercial sex acts. Despite multiple cases of child sex tourism, the government did not make efforts to prevent child sex tourism. The government did not provide anti-trafficking training to its diplomatic personnel. The government officially acceded to 2000 UN TIP Protocol in June 2020.

TRAFFICKING PROFILE

As reported over the past five years, human traffickers exploit domestic and foreign victims in Nepal, and traffickers exploit Nepali victims abroad. Sex traffickers exploit Nepali women and girls in Nepal, India, the Middle East, Malaysia, and—to a lesser extent—other Asian countries and Sub-Saharan Africa. Traffickers use Nepal's open border with India to transport Nepali women and children to India for sex trafficking. Labor traffickers exploit Nepali men, women, and children in Nepal, India, and the Middle East, especially men in the construction sector and women in domestic work. The government estimates approximately 1.5 million Nepalis work in the Middle East, with the vast majority

of men in construction in Saudi Arabia, Qatar, and UAE. Nepalis work under oppressive conditions, which include forced labor, and there are continuing reports that employers retain their passports and sometimes do not pay them for months at a time. Due to the Government of Nepal's previous ban on female domestic workers to Gulf countries, many Nepali domestic workers in Iraq, Kuwait, and Saudi Arabia do not have valid work permits, which increases their vulnerability to traffickers. Labor traffickers exploit Nepali men, women, and children in East Asia—including in China, Japan, and Malaysia, and Europe—including Portugal, on farms and in construction, factories, mines, begging, and the adult entertainment industry. Traffickers bring Nepali victims to Europe and Australia on tourist, student, marriage, and work visas. Some recruitment agencies and agents engage in fraudulent recruitment practices and impose high fees to facilitate forced labor. Traffickers target unregistered migrants, including the large number of young Nepali women who transit India or men and women who rely on unregistered recruitment agents. Some Nepali women who agree to arranged marriages through Nepali companies to men in China and South Korea are forced into domestic servitude. Traffickers subject some migrants who transit Nepal en route to the Middle East to human trafficking, including Bangladeshis and Sri Lankans who use falsified Nepali travel documents. Some government officials accept bribes to include false information in Nepali identity documents or provide fraudulent documents to prospective labor migrants, which allows recruiters to evade recruitment regulations. Traffickers reportedly take advantage of more relaxed pre-departure screenings at Kolkata and Chennai airports or bribe Indian officials in New Delhi and Mumbai to fly Nepali migrant workers to third countries without proper documentation, which increases the workers' vulnerability to trafficking. Labor traffickers also transport Nepali victims through Sri Lanka and Burma en route to destination countries. Traffickers increasingly used social media and mobile technologies to lure and deceive victims during the government's pandemic-related lockdown.

Within Nepal, forced labor, including through debt-based bondage, of adults and children exists in agriculture, brick kilns, the stone-breaking industry, and domestic work. For example, traffickers use debt to coerce a community of landless Dalit known as Haruwa-Charuwa into forced labor in the agricultural sector in certain districts of the eastern Terai region of Nepal. A government study documented more than 61,000 Nepalis—including approximately 10,000 children—in forced labor over the past five years, especially in agriculture, forestry, and construction.

NGOs continued to report some children worked in brick kilns, including carrying loads, preparing bricks, and performing other tasks at kilns for extended periods. A 2021 international organization report estimated 17,000 children worked in brick kilns. Traffickers subject Nepali and Indian children to forced labor in the embroidered textile, or zari industry, as well as in carpet factories and stone quarrying. According to the government's 2017-2018 labor survey, traffickers force children younger than 15 into labor in agriculture, forestry, and construction. Some Nepali brick kilns employ Indian migrant laborers, including children, who take out large advances that require them to work for subsequent seasons. Traffickers exploit debts to compel adults and children into labor in carpet factories. Parents sometimes force their children to work in carpet factories to repay family debts. Recruitment agents promise Bangladeshi workers well-paying jobs in Nepali carpet factories but exploit them, including by obtaining tourist visas for them instead of work visas and pay less than the agreed wages. Traffickers use children to transport drugs across the Indian-Nepali border.

Traffickers subject Nepali girls, boys, and transgender persons to sex trafficking in Nepal on the streets and in the AES, including dance bars, massage parlors, and cabin "restaurants," a type of brothel. Sex traffickers increasingly use private apartments, rented rooms, guesthouses, and restaurants as locations for sex trafficking. A study focused on the Kathmandu Valley determined approximately 17 percent of workers in the AES are minors and 62 percent of adult women in the AES had commenced work while a minor, including as young as seven years old. Many women reported a family or friend had connected them to the establishment, where they voluntarily agreed to waitress-like positions. Their employers then exploited them in forced labor or sex trafficking. The study estimated nearly 30 percent of all minor workers in AES establishments are victims of forced labor, usually as restaurant staff, and employers later subject many to sex trafficking. Police report an increasing trend of AES businesses recruiting Nepali female employees for work abroad in the same sector, which increases vulnerability to sex trafficking abroad. NGOs alleged some police and political party leaders are complicit in sex trafficking because of their financial involvement in the AES. NGOs reported girls in early and forced marriages, especially in the Terai region among Dalit and Madhesi communities, were vulnerable to sex traffickers.

Under false promises of education and work opportunities, some Nepali parents give their children to brokers who instead take them to frequently unregistered

children's homes and force them to pretend to be orphans to garner donations from tourists and volunteers. The government instructed childcare homes to return children to their families prior to the government's pandemic-related lockdown; however, NGOs estimate more than 11,000 children remain in registered children's homes and "orphanages," and international organizations and NGOs approximate 80 to 85 percent have at least one living parent. Seventy-five percent of registered Nepali orphanages and children's homes are located in the country's five main tourist districts, out of 77 national districts. Some of the orphanages and homes force children into manual labor or begging, force them to entertain visitors for donations, and sexually abuse them. Since 2016, police have identified and arrested at least 12 tourists or international volunteers, all men older than 50 mostly from Western countries (Austria, Canada, Denmark, France, Germany, India, Netherlands, United Kingdom, and United States), for sexual abuse of Nepali children, including child sex trafficking. NGOs reported some owners of exploitative child institutions, including fake orphanages, use political connections to thwart child protective agencies and prosecution. Traffickers target young, poorly educated people from traditionally marginalized castes and ethnic minority communities and increasingly utilize social media and mobile technologies to lure their victims. Law enforcement reported victims' families are sometimes complicit in their trafficking. Organized criminal networks engage in trafficking in some parts of the country. Many Nepalis whose homes or livelihood were destroyed by the 2015 earthquakes—especially women and children—remain vulnerable to trafficking. The government does not provide documentation to most of the approximately 10,000 Tibetan refugees in the country, which prevents them from legally working, studying, traveling, and accessing public services. According to a local NGO, upwards of 6.7 million individuals—one-quarter of Nepal's population—lack citizenship documentation, rendering them de facto stateless. Nepali law treats newly arrived asylum-seekers and UNHCR-recognized refugees as illegal immigrants and does not provide for government-issued identification. Lack of documentation precludes the participation of all these groups in the formal economy and increases their vulnerability to traffickers.