

Nepal

**Nepal Forests for Prosperity Project
(P170798)**

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**Additional Financing for Nepal Forests for
Prosperity Project (P181002)**

Negotiated

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

13 August 2024

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Nepal (the Recipient) is implementing the Nepal Forests for Prosperity Project (the “Original Financing”) and the activities to be supported under the Additional Financing for Forests for Prosperity Project (the “Additional Financing”) (together “the Project”), with the involvement of the following ministries/units: Project Management Unit at the Federal Level at the Ministry of Forests and Environment (MoFE) and Madhesh and Lumbini Province and their respective Provincial Project Management Units (PPMUs), as set out in the Strategic Climate Fund (SCF) Loan Agreement, SCF Grant Agreement, and the Project Agreement for the Original Financing, and the Global Partnership for Sustainable and Resilient Landscapes (PROGREEN) Grant Agreement for the Additional Financing. The International Development Association, acting as the implementing entity of the Forest Investment Program under the SCF, and the International Bank for Reconstruction and Development/International Development Association, acting as the administrator of PROGREEN, have agreed to provide the Original Financing (P170798) and Additional Financing (P181002) for the Project, respectively, as set out in the referred agreements. This ESCP supersedes previous versions of the ESCP for the Project and shall apply both to the Original and the Additional Financing referred to above.
2. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the World Bank. The ESCP is a part of the referred agreements. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreements.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring, and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World Bank and Nepal, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Recipient through MoFE and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the Recipient through the designated representative of MoFE. The Recipient shall promptly disclose the updated ESCP.

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| MONITORING AND REPORTING | | | |
| A | <p>REGULAR REPORTING</p> <p>Prepare and submit to the World Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanisms.</p> | <p>Submit six-monthly reports to the World Bank throughout Project implementation, commencing after the Effective Date.</p> <p>Submit each report to the World Bank no later than 15 days after the end of each reporting period.</p> | PMU |
| B | <p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the World Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate.</p> <p>Subsequently, at the World Bank’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p> <p>For SEA/SH incidents related to the Project, provide basic facts such as the age, sex, type of alleged SEA/SH, if the alleged perpetrator was attached to the project and whether the survivor was referred to GBV support services, with no specific detail information that would reveal the identity of the survivor. All SEA/SH incident reports will be anonymized to the extent possible.</p> | <p>Notify the World Bank not later than 48 hours after learning of the incident or accident.</p> <p>A preliminary report on action taken will be provided within 7 days. Subsequently, provide a detailed report to the World Bank within 30 days after learning of the incident to the World Bank</p> | PMU/PPMUS |
| C | <p>CONTRACTORS’ MONTHLY REPORTS</p> <p>Require contractors and supervising firms to provide bi-monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the World Bank.</p> | <p>Submit the bi-monthly reports to the World Bank upon request as annexes to the reports to be submitted under action A above.</p> | PMU/PPMUS |
| E | <p>THIRD-PARTY MONITORING</p> | <p>Within three months from effectiveness of AF.</p> | PMU/PPMUS |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| | External or third-party ESMF monitoring (independent audit) will be conducted to ensure that all E&S requirements are being properly addressed and that mitigation measures are being implemented where these are required. | | |
| ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS | | | |
| 1.1 | <p>ORGANIZATIONAL STRUCTURE</p> <p>(i) Maintain the PMU established at the federal level under the Parent Project (P170798), with a qualified Environment Expert and a Social Development Expert and resources to support the management of ESHS risks and impact of the Project.</p> <p>(ii) Maintain the PPMUs established at the provincial level under the Parent Project, with a qualified Environment Specialist and a Social Specialist and resources to support the management of ESHS risks and impact of the project at the provincial and local levels.</p> <p>(iii) Maintain existing Forest technicians in 50 participating municipalities, who are also entrusted with the management of environmental and social risks.</p> | Maintain existing PMU and two PPMUs as set out in the financing agreement Maintain existing E&S specialists at PMU, two PPMU and Forest technicians throughout project implementation. | PMU/PPMUs |
| 1.2 | <p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>1. The ESMF prepared and adopted for the parent project will also be adopted and implemented for AF.</p> <p>2. Screen the proposed sub-projects under the Project in accordance with the Project ESMF and, where relevant, prepare corresponding Environmental and Social Impact Assessment (ESIA), and/or Environmental and Social Management Plan (ESMP), as set out in the ESMF.</p> <p>3. Cause sub-project entities to adopt and implement site-specific ESMPs, as set out in the ESMF. The proposed activities described in the exclusion list set out in the ESMF shall be ineligible to receive financing under the Project.</p> | <p>1. implement the ESMF throughout Project implementation.</p> <p>2. Prepare and adopt the ESMPs prior to the carrying out of Project activity that requires the adoption of such ESMP.</p> <p>3. Once adopted, implement the respective ESMP throughout subproject implementation.</p> | PPMUs and participating local Governments with support of PMUs as required. |
| 1.3 | <p>MANAGEMENT OF CONTRACTORS</p> | As part of the preparation of procurement documents and respective contracts. | PPMUs participating local Governments with support of PMUs as required. |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| | Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts. | Supervise contractors throughout Project implementation. | |
| ESS 2: LABOR AND WORKING CONDITIONS | | | |
| 2.1 | <p>LABOR MANAGEMENT PROCEDURES</p> <p>Adopt and implement the Labor Management Procedures (LMP) prepared for the parent Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.</p> | Implement the LMP throughout Project implementation. | PMU/PPMUs and participating local Governments |
| 2.2 | <p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Maintain and operate grievance mechanism for project workers established at PMU, PPMUs</p> <p>Establish and operate a grievance mechanism for Project workers, including at subproject level, as described in the LMP and consistent with ESS2.</p> | <p>Maintain and operate existing GRM at PMU and two PPMUs as set out in LMP through out project implementation.</p> <p>Establish a grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.</p> | PMU/PPMUs and participating local Governments . |
| ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT | | | |
| 3.1 | <p>WASTE MANAGEMENT PLAN</p> <p>Adopt and implement a Waste Management Plan (WMP) as part of ESMP to be prepared under action 1.2 above, to manage hazardous and non-hazardous wastes, consistent with ESS3.</p> | Prior to the carrying out of Project activity that requires the adoption of such ESMP. | PPMUs participating local Governments with support of PMUs as required. |
| 3.2 | Stand-alone Pest Management Plans (PMPs) will be prepared in all cases of significant purchasing and usage of pesticides or if significant pest management issues are anticipated; otherwise, an integrated pest management plan (IPM) and other measures will be included as part of ESMPs. Screening will determine if a PMP or IPM is required. | Prior to the carrying out of Project activity that requires the adoption of ESMP. | PPMUs and participating local Governments with support of PMUs as required. |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| 3.3 | RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Incorporate resource efficiency and pollution prevention and management measures, including recycling and re-use options, water/energy efficiency features for the project in the ESMP to be prepared under action 1.2 above and procurement of goods and consulting services. | Prior to the carrying out of Project activity that requires the adoption of such ESMP. | PPMUs and participating local Governments with support of PMUs as required. |
| ESS 4: COMMUNITY HEALTH AND SAFETY | | | |
| 4.1 | TRAFFIC AND ROAD SAFETY Incorporate measures to manage traffic and road safety risks as required in the ESMP to be prepared under action 1.2 above. | Prior to the carrying out of Project activity that requires the adoption of such ESMP. | PPMUs and participating local Governments with support of PMUs as required. |
| 4.2 | COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities including, construction e.g., behavior of Project workers, risks of labor influx, response to emergency situations, and include mitigation measures in the ESMPs to be prepared in accordance with the ESMF. | Prior to the carrying out of Project activity that requires the adoption of such ESMP. | PPMUs and participating local Governments with support of PMUs as required. |
| 4.3 | SEA AND SH RISKS SEA/SH Action Plan prepared and adopted for the parent project to assess and manage the risks of SEA and SH will be implemented for AF. | implement the SEA/SH Action Plan throughout Project and subproject implementation. | PPMUs and participating local Governments with support of PMUs as required.U |
| ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT | | | |
| 5.1 | RESETTLEMENT POLICY FRAMEWORK The project is not expected to require land acquisition or restriction in land use leading to physical and economic displacement. However, ESMF prepared and adopted for the Parent project, that includes a Resettlement Policy Framework (RPF) for the Project as a precautionary measure, will be adopted and implemented for AF. | Implement the RPF throughout Project implementation. | PMU/PPMUs |
| 5.2 | RESETTLEMENT PLANS Adopt and implement a resettlement action plan (RAP) for each activity under the Project for which the RPF requires such RAP, as set out in the RPF, and consistent with ESS5. | Adopt and implement the respective RAP, including ensuring that before taking possession of the land and related assets, full compensation has been provided | PPMUs and participating local Governments with support of PMUs as required. |
| 5.3 | GRIEVANCE MECHANISM Maintain the GM established under the parent project. The Project will publicize, maintain, and operate an accessible grievance redress mechanism as mentioned in the RPF and SEP to receive and facilitate resolution of resettlement and land acquisition related grievances. | Maintain and operate the grievance mechanism throughout Project implementation. | PPMUs and participating local Governments with support of PMUs as required. |
| ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES | | | |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| 6.1 | <p>BIODIVERSITY RISKS AND IMPACTS</p> <p>Screen, identify, and manage risks and impacts on biodiversity as per procedures presented in the ESMF. Avoidance measures are to be applied via respective designs. Where necessary, ESIA/ESMPs/ Biodiversity Management Plan (BMP) to be prepared under action 1.2 will include measures in line with the management of risks and impacts to biodiversity presented in the ESMF consistent with ESS6.</p> <p>For any activities with the potential to have significant adverse impacts on biodiversity, a stand-alone Biodiversity Management Plan (BMP) will be prepared.</p> | <p>Prior to the carrying out of Project activity that requires the adoption of such ESMP.</p> <p>Adopt the BMP prior to implementation of the relevant activity, and thereafter implement the BMP throughout Project implementation.</p> | <p>PPMUs and participating local Governments with support of PMUs as required.</p> |
| ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES | | | |
| 7.1 | <p>INDIGENOUS PEOPLES PLANNING FRAMEWORK</p> <p>The Indigenous Peoples Planning Framework (IPPF) prepared and adopted for the Parent Project, consistent with ESS7, will be adopted and implemented for AF.</p> | <p>implement the IPPF throughout Project implementation.</p> | <p>PMU/PPMUS</p> |
| 7.2 | <p>INDIGENOUS PEOPLES PLAN</p> <p>Prepare and implement an Indigenous Peoples Plan (IPP) for activity under the Project for which the IPPF requires such IPP, and consistent with ESS7.</p> | <p>Prepare and adopt the IPP prior to the carrying out of any activity that requires the preparation of such IPP. Thereafter, implement respective IPP throughout Project implementation.</p> | <p>PPMUs and participating local Governments with support of PMUs as required.</p> |
| 7.3 | <p>FPIC:</p> <p>Under particular circumstances, free, prior and informed consent (FPIC) will be obtained from indigenous peoples affected by Project Activities, consistent with the requirements of the IPPF and ESS7.</p> | <p>As and when required.</p> | <p>PPMUs and participating local Governments with support of PMUs as required.</p> |
| ESS 8: CULTURAL HERITAGE | | | |
| 8.1 | <p>CULTURAL HERITAGE RISKS AND IMPACTS</p> <p>Adopt and implement a Cultural Heritage Management Plan (CHMP) as part of the ESMP, in accordance with the guidelines of the ESMF prepared for the Project, and consistent with ESS8.</p> | <p>Prepare and adopt the CHMP prior to carrying out the activity, and thereafter implement the CHMP throughout Project implementation.</p> | <p>PPMUs and participating local Governments with support of PMUs as required.</p> |
| 8.2 | <p>CHANCE FINDS</p> <p>Describe and implement the chance finds procedures, as part of the ESMP, in accordance with the procedure described in the ESMF prepared for the Project, and consistent with ESS8.</p> | <p>Describe the chance find procedures in the ESMP. Implement the procedures throughout Project implementation.</p> | <p>PPMUs and participating local Governments with support of PMUs as required.</p> |
| ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).] | | | |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| 9.1 | <p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</p> <p>The ESMS prepared and adopted by ADBL for the parent project to identify, assess, manage, and monitor the environmental and social risks and impacts of subprojects will be adopted for AF.</p> | Maintain and implement the ESMS established for ADBL throughout Project implementation. | PMU/PPMUs/FI (ADBL) |
| 9.2 | <p>EXCLUSIONS</p> <p>Screen all proposed FI subprojects against the exclusion list set out in the Environmental and Social Risk Management (ESRM) Manual where the exclusions are detailed.</p> | Screen FI subprojects before determining whether they are eligible to receive support from the Project. | PMU/PPMUs/FI (ADBL) |
| 9.3 | <p>FI ORGANIZATIONAL CAPACITY</p> <p>Establish and maintain an organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. A trained E&S focal person has been assigned to oversight the implementation of ESMS.</p> | Maintain the existing assigned E&S focal person and throughout project implementation. | PMU/FI (ADBL) |
| 9.4 | <p>SENIOR MANAGEMENT REPRESENTATIVE</p> <p>A senior management representative has been assigned overall accountability for environmental and social performance of FI subprojects that receive support from the Project.</p> | Maintain the existing assigned senior representative and throughout the project implementation. | PMU/FI (ADBL) |
| ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE | | | |
| 10.1 | <p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>A revised draft Stakeholder Engagement Plan (SEP) has been prepared for the Project, consistent with ESS10. The plan shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable, and accessible information and consult with them in a culturally appropriate manner that is free of manipulation, interference, coercion, discrimination, and intimidation.</p> | <p>Draft SEP will be disclosed prior to Appraisal of the AF.</p> <p>The draft SEP will be consulted, re-disclosed, and adopted within one month of effectiveness of the AF t, and thereafter, it will be implemented throughout the Project.</p> | PMU/PPMUs and participating local Governments |
| 10.2 | <p>PROJECT GRIEVANCE MECHANISM</p> <p>Publicize, maintain, and operate the accessible grievance mechanism, established under the parent project, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> | Maintain and operate the grievance mechanism throughout Project implementation. | PMU/PPMUs and participating local Governments |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| | The grievance mechanism is equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner. | | |
| CAPACITY SUPPORT | | | |
| CS1 | <p>Trainings are being delivered and will be given continuum for stakeholders, SMEs, communities, project officials, and workers on different topics such as:</p> <ul style="list-style-type: none"> • stakeholder mapping and engagement, GRM, FPIC • specific aspects of environmental and social assessment • SEA/SH risk • emergency preparedness and response • community health and safety. • Occupational Health and Safety (OHS) Land acquisition and resettlement. • Biodiversity | Throughout the project implementation | PMU/PPMUs |