

**NEPAL: ADDITIONAL FINANCING FOR  
THE SCHOOL SECTOR DEVELOPMENT PROGRAM**

**ADDENDUM TO ENVIRONMENTAL AND SOCIAL  
SYSTEMS ASSESSMENT (ESSA)**

**PREPARED BY THE WORLD BANK**

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## **Environment and Social Systems Assessment - Addendum**

1. The additional financing (AF) for the School Sector Development Program builds on past engagement and is in line with the parent IDA program. The original program development objective (PDO) would remain unchanged. The AF will include adding selected new DLRs and introducing a new disbursement-linked indicator (DLI) on efficiency, equity, and learning within the existing DLI framework and program boundary. Considering the unchanged objective, scope, and activities of the AF, the environmental and social impact will remain the same.
2. According to the World Bank's policy, an Environmental and Social Systems Assessment (ESSA) was conducted for the parent program. The ESSA assessed the authority and organization capacity of the key implementing agency, that is, the then DOE, now CEHRD, and identified gaps and opportunities to strengthen the system. Although the environmental and social impacts are low, the ESSA identified systemic gaps with regard to establishing institutional mechanisms and arrangements for implementation; allocating budgets, coordination, and monitoring; and enhancing institutional capacity through training and better guidelines. The ESSA identified action plans for improving environmental and social management of the program, which are updating of existing environmental management framework (EMF) and social management framework (SMF) implemented for World Bank-funded project SSDP, establishment of environmental and social due diligence procedure; establishment of safeguard desk at the CEHRD; Grievance Redressal Mechanism monitoring, evaluation, and audit arrangements; provision of environment and social budget; capacity building/training; and so on.
3. The change in the institutional arrangement in federal setup has created new challenges in the already weak capacity of the Program for the implementation of environmental and social safeguard activities. The assessment also builds on field visits and interactions with the local stakeholders including urban and rural municipalities. Although there is lack of clarity in functions and functionality of the sector, the review team noted that the newly formed CEHRD will have a monitoring unit at the federal level which will monitor the safeguard activities of the SSDP. At the provincial level, the Education Unit of the Ministry of Social Development will be responsible for technical backstopping and development of standards and tools, and roster, including safeguard compliance. At the district level, the EDCU will provide on-demand technical backstopping support to LGs and facilitate implementation of federal-level policies at the local level. However, it was revealed that there is a lack of clarity on the roles and responsibilities with regard to the implementation and compliance monitoring of environment and social safeguard procedures within the institutional arrangement recently formed in the federal setup.
4. Although some aspects of environmental and disaster requirements interlinked with civil constructions are included in the preparation of the School Improvement Plan (SIP), it was noted that subnational governments generally are not aware of the environmental and social safeguards requirements of the SSDP. The capacity of the local government (LGs) appears to be inadequate both in terms of human resource and knowledge to address the safeguard issues. An effective communication strategy and capacity building of the subnational government staffs with adequate budget for monitoring are critical for the effective implementation of safeguard provisions in the AF.
5. The existing EMF and SMF needs revision to reflect the changed federal context. The executive summary of the EMF/SMF needs to be translated into Nepali and publicly disclosed. Other tasks to be completed are (a) preparation of environment and social safeguards monitoring tools, (b) preparation of training programs/schedules for relevant stakeholders at national and subnational levels, and (c) inclusion of EMF and SMF requirements in the Program Implementation Manual. To expedite the preparation of the AF, the MOEST/CEHRD will complete these tasks before the Decision Review Meeting followed by appraisal scheduled for late October, 2018.