



Government of Nepal
Ministry of Agriculture and Livestock Development
Singha Durbar, Kathmandu

**Nepal Rural Economic and Enterprise
Development Project
(P170215)**

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

August 28, 2020

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Government of Nepal (GoN) through the Ministry of Agriculture and Livestock (MoALD) is currently developing the Rural Economic and Enterprise Development Project (REEDP) in five economic corridors, which will encompass six provinces (Province 1, Province 2, Bagmati Pradesh, Gandaki Pradesh, Province 5 and Sudurpashchim Pradesh). The Project aims to enhance rural entrepreneurship and strengthen the market linkages of rural entrepreneurs, including smallholder farmers and producers. The project is being considered for World Bank funding through Investment Project Financing.
2. The Government of Nepal, through MOALD will implement material measures and actions so that the Project is implemented in accordance with the World Bank Environmental and Social Standards (**ESSs**). This Environmental and Social Commitment Plan (**ESCP**) sets out a summary of the material measures and actions.
3. Where the ESCP refers to specific plans or other documents, whether they have already been prepared or are to be developed, the ESCP requires compliance with all provisions of such plans or other documents. In particular, the ESCP requires compliance with the provisions set out in the Environment and Social Management Framework (ESMF), The Resettlement Policy Framework (RPF), Stakeholder Engagement Plan (SEP) and Indigenous People Policy Framework (IPPF). The Project Organizational Manual (POM) will outline the details of how the Project will comply with the instruments detailed above throughout implementation.
4. The table below summarizes the material measures and actions that are required as well as the timing of the material measures and actions. The Government of Nepal is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the MoALD.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Bank by the Government of Nepal as required by the ESCP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
6. As agreed by the Bank and the Government of Nepal, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, the Government of Nepal will agree to the changes with the Bank and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the Bank and the Government of Nepal. The Government of Nepal will promptly disclose the updated ESCP.
7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Government of Nepal shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts, which may include: negative environmental and social impacts related to land degradation in areas subjected to intensified production and new clearings; generalized long term pollution from possible increased use of pesticides and agrochemicals; loss of natural habitat and biodiversity, and disturbance of wildlife due to expansion of agricultural clearings/pasture and opening of new roads; loss of family home gardens among smallholder farmers due to cultivation of Production Partnership-supported cash crop, aggravating the nutrition problem; involuntary loss of assets due to land acquisition; failure to respect the rights of indigenous people and exclusion from benefits of ethnic minorities and Dalits; possible impacts on cultural heritage sites, monuments and structures; and institutional risks – inadequate capacity of MoALD on ESS application.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
MONITORING AND REPORTING			
A	REGULAR REPORTING: 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 Environmental and Social documents required under the ESCP and/or ESMF, stakeholder engagement activities and functioning of the grievance mechanism(s) will be prepared and submitted to the Bank.	<ul style="list-style-type: none"> Semi-annual from the start to throughout Project implementation. 	Office of the Project Director (OPD)
B	INCIDENTS AND ACCIDENTS NOTIFICATION: Promptly notify any incident or accident related or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, tangible cultural heritage, the affected communities, the public or workers. Provide enough detail regarding the incident or accident, indicating immediate measures taken to address it, and include information provided by any contractor and supervising entity.	<ul style="list-style-type: none"> World Bank needs to be notified promptly and no later than seventy-two hours after taking notice of the Project-related incident or accident. A report will be provided within a timeframe acceptable to the Bank, as requested. 	OPD/ Economic Corridors Office (ECOs)
C	THIRD-PARTY MONITORING: External or third-party ESMF monitoring (independent audit) will be conducted to ensure that all safeguards are being properly addressed and that mitigation measures are being implemented where these are required.	<ul style="list-style-type: none"> At mid-term and during the final year of project implementation (twice during the life of the project). 	OPD
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
1.1	<p>ORGANIZATIONAL STRUCTURE: An organizational structure with qualified staff and resources to support the management of environmental and social risks of the Project will be established and maintained to ensure full compliance with the ESMF and ESMPs, as relevant throughout Project implementation.</p> <p>A safeguards unit will be set up at the OPD, consisting of one (1) Environmental Specialist and one (1) Social Specialist. The ECOs at the selected economic corridors will have one (1) Environmental Specialist and one (1) Social Specialist with clear accountabilities to implement and monitor all Environment and Social compliance plans as outlined in the ESMF. The above structure to be maintained throughout Project Implementation.</p>	<ul style="list-style-type: none"> Mobilized no later than 60 days after effectiveness. Thereafter maintained throughout Project implementation. 	MoALD
1.2	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENT: An ESMF to identify and assess the environmental and social risks and impacts of the Project and appropriate mitigation measures has been prepared. Regular updates as required for the adoption and implementation of the ESMF of the Project, including Environmental and Social Impact Assessment of Project activities and other instruments developed such as SEP and ESMPs, will be ensured.</p>	<ul style="list-style-type: none"> ESMF Completed. Implementation of the ESMF including the mitigating measures specified will continue throughout the project cycle. 	MoALD/OPD
1.3	<p>MANAGEMENT TOOLS AND INSTRUMENTS: ESMF for the Project has been developed.</p> <p>Environmental and Social Screening of proposed activities will be a continuous activity and in accordance with the ESMF the site specific ESIA and ESMPs including RPP and IPP as needed will be prepared and implemented.</p>	<ul style="list-style-type: none"> As outlined in the ESMF. 	OPD/ECOs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
1.4	<p>MANAGEMENT OF CONTRACTORS: All the relevant aspects of the ESCP and ESMF prepared for the Project including the Labor Management Procedures will be incorporated into the environmental, social, health, and safety plan and SEA/SH plan specifications of the procurement documents with contractors and service providers.</p> <p>Environmental and social obligations will be included in all bidding documents including the contractual agreements. It will be ensured that the contractors comply with the environmental, social, health and safety, and sexual exploitation and abuse/sexual harassment specifications of their respective contracts.</p>	<ul style="list-style-type: none"> • Prior to the preparation of procurement documents and prior to signature of contracts. • Implementation of the management tools and instruments required throughout Project implementation. • Supervision of contractors throughout Project implementation. 	OPD/ECOs
1.5	<p>PERMIT, CONSENTS AND AUTHORIZATIONS: As appropriate, the permits, consents and authorizations, including environmental licenses and work permits that are applicable to the Project from relevant national and/or local authorities will be obtained.</p> <p>As appropriate, the conditions established in these permits, consents and authorizations will be complied throughout the Project implementation.</p>	<ul style="list-style-type: none"> • Obtain licenses and permits prior to carrying out any Project activity requiring a license. 	<p>Proponents of sub-activities will apply and obtain needed permits, etc.</p> <p>MoALD/OPD to ensure compliance</p>
ESS 2: LABOR AND WORKING CONDITIONS			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
2.1	<p>LABOR MANAGEMENT PROCEDURES: Labor Management Procedures (LMP) for the project will be developed as outlined in the ESMF and consistent with national legislation and ESS 2 addressing all issues including the applicable requirements regarding non-discrimination, equal opportunities, health and safety.</p> <p>It will be ensured that LMP will be updated, maintained and implemented throughout the Project period and that they are applicable to contractors, Project workers and all sub-contractors engaged.</p>	<ul style="list-style-type: none"> LMP will be developed based on existing national legislation and ESS2 for the full range of activities to be covered by the project, within 2 months of project effectiveness. Customized LMP will be developed as required before specific activities commence. LMP to be applied throughout Project implementation. 	OPD with funding from the Project budget
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS: An effective and functional grievance redress mechanism (GRM) for Project workers will be established and maintained as outlined in the generic LMP developed for the Project, consistent with ESS 2 and national labor laws. Ensure contractor(s) develop their GRM for their employees as per C-LMP. Related labor and employment provisions, code of conduct will be made easily accessible and promptly disclosed to the Project workers. The developed GRM for workers will be included in the Project Operation Manual (POM).</p>	<ul style="list-style-type: none"> The GRM will be made operational prior to engaging Project workers and maintained throughout Project implementation. Information about the GRM is disseminated to Project workers throughout Project implementation. 	OPD/ECOs with funding from Project resources and Contractors' budgets
2.3	<p>OCCUPATIONAL HEALTH AND SAFETY MEASURES: Occupational Health and Safety (OHS) measures consistent with ESS 2, the Environmental, World Bank Group Health and Safety (EHS) Guidelines and relevant national legislation will be prepared and incorporated into site-specific ESIA/ESMPs. These will include emergency preparedness and response measures, Project workers' training to enhance awareness of possible risks (PPE, first aid measures, including for exposure to chemicals, firefighting equipment, etc.), and protocols for local community safety.</p>	<ul style="list-style-type: none"> Contractual obligations will be maintained throughout Project implementation. OHS measures will be developed before commencement of works at any of the sites. LMPs will be applied throughout Project implementation. 	OPD/ECOs with funding from Project budget
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
3.1	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT:</p> <p>Resource efficiency and pollution prevention and management measures, including recycling and re-use options, water/energy efficiency features for the Project, that are discussed in the ESMF will be incorporated, wherever applicable, into the design of each activity, and implemented through the ESMPs prepared under action 1.3 above.</p> <p>During screening, if significant pest management issues are anticipated, a Stand-alone Pest Management Plans (PMP) will be prepared. Ensure implementation of PMP.</p> <p>For subprojects requiring application of pesticides, identify Integrated Pest Management (IPM) techniques relevant for subprojects.</p> <p>Integrated Pest Management (IPM) checklists, templates and procedures for site-specific ESIAs/ESMPs and procedures for Pest Management Plan as well as lists of acceptable pesticides has been included in the ESMF.</p>	<ul style="list-style-type: none"> • ESMPs will be developed as required before the activity is commenced. • Identify applicable IPM methods during subproject preparation. • The Pest Management Plans acceptable to the Bank will be prepared before the activity is commenced. Once approved, the measures therein will be continued throughout the implementation period of the activity. 	OPD/ECOs and implementation units of Provincial and Local Governments.
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY: As required, measures and actions to assess and manage traffic and road safety risks will be set out in the ESMF. Assessment and management of traffic and road safety risks will be included in the ESMPs to be developed under action 1.3 above.</p>	<ul style="list-style-type: none"> • ESMPs will be developed as required before the relevant activities are implemented. 	OPD/ECOs and Contractors.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
4.2	<p>COMMUNITY HEALTH AND SAFETY: Measures and action to assess and manage specific risks and impacts to the community arising from Project activities will be developed and included in the sub Project specific ESIA/ESMPs in accordance with the ESMF and relevant national laws.</p>	<ul style="list-style-type: none"> Requirement for ESIA/ESMPs will be determined during the screening of activities and will be prepared before the relevant activities are implemented. ESMPs will be implemented throughout the Project implementation. 	OPD/ECOs and Contractors.
4.3	<p>Sexual Exploitation and Abuse/Sexual Harassment: Measures and actions to assess, manage and respond the risks of sexual exploitation and abuse (SEA)/sexual harassment (SH), as per the SAE/SH plan developed and included in the ESMF for implementation.</p>	<ul style="list-style-type: none"> SEA/SH plan is already prepared and is part of the ESMF and will be implemented throughout Project implementation. 	OPD/ECOs
4.4	<p>EMERGENCY RESPONSE MEASURES: Measures to address emergency events will be developed and included in the ESMPs for implementation.</p>	<ul style="list-style-type: none"> ESMPs will be implemented throughout the Project implementation. 	OPD/ECOs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
4.5	COMMUNITY AWARENESS: Community capacity building to increase awareness of risks and to mitigate impacts will be conducted as outlined in the ESMF, SEP etc. will be	<ul style="list-style-type: none"> On-going throughout Project. 	OPD/ECOs
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT PLANS: A Resettlement Policy Framework (RPF) has been prepared and annexed to the ESMF for the Project. Preparation, adoption and implementation of Resettlement Action Plans (RAPs), as required in accordance with ESS 5 and consistent with the requirements of the RPF, will be implemented in a manner acceptable to the Bank in the event this should be required.	<ul style="list-style-type: none"> Resettlement Action Plan (RAP) in accordance with the RPF will be prepared and disclosed prior to issue of bids for corresponding civil works. Any RAPs prepared will be acceptable to the Bank prior to the commencement of the works. 	OPD/ECOs
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.	BIODIVERSITY RISKS AND IMPACTS: As per ESMF requirements, screening of each activity will be carried out and biodiversity-related risks and impacts of the activities will be identified. Accordingly, the Project will implement the mitigation hierarchy to avoid adverse impacts, minimize and restore biodiversity.	<ul style="list-style-type: none"> Measures and actions to assess and manage risks and impacts on biodiversity will be carried out during the preparation of site-specific ESIA/ESMPs and within the planning and implementation of activities being supported by the Project. 	OPD/ECOs
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
7.1	<p>INDIGENOUS PEOPLES PLAN: An Indigenous Peoples Plans Framework (IPPF) has been prepared consistent with the requirements of ESS 7. Preparation, adoption and implementation of Indigenous Peoples Plan (IPP), as required in accordance with ESS 7 and consistent with the requirements of the IPF, will be implemented in a manner acceptable to the Bank in the event this should be required.</p>	<ul style="list-style-type: none"> As required, standalone IPPs will be prepared and disclosed prior to the commencement of the designated activities. Any IPPs prepared will be acceptable to the Bank prior to the commencement of the works. The IPP will be implemented as needed in the Project. 	OPD/ECOs
ESS 8: CULTURAL HERITAGE			
8.1	<p>CHANCE FINDS: A chance finds procedure for cultural heritage, consistent with the relevant national legislation and ESS 8, will be part of all contracts or activities involving any excavation, movement of earth or related changes in the physical environment under the Project. These are included in the ESMF.</p>	<ul style="list-style-type: none"> The chance finds procedure will be developed and included in all contracts. The procedure will be implemented as needed throughout the Project cycle. 	Contractors/OPD/ECOs
		<ul style="list-style-type: none"> 	
ESS 9: FINANCIAL INTERMEDIARIES			
	Not relevant in this Project		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN: A Stakeholder Engagement Plan (SEP) has been prepared for the Project and will be revised periodically as per Project need. It will be updated, adopted and implemented consistent with the ESS 10.</p>	<ul style="list-style-type: none"> The SEP will be implemented throughout the Project implementation period. 	OPD/ECOs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
10.2	<p>PROJECT GRIEVANCE REDRESS MECHANISM: A Grievance Redress Mechanism (GRM) for the overall Project has been prepared as part of the SEP. This will be improved as required, adopted, and maintained as described in the SEP.</p>	<ul style="list-style-type: none"> The GRM will be implemented throughout the Project implementation. 	OPD/ECOs/ Judicial Committees of local, provincial and federal government
10.3	<p>CONSULTATION ON E&S INSTRUMENTS: Detailed stakeholder consultation on all E&S Instruments (ESMF, RPF, IPPF, SEP etc.) has been conducted and the documents and will be updated, adopted and implemented.</p>	<ul style="list-style-type: none"> ESMF, RPF, IPPF and SEP will be implemented throughout the Project implementation period. 	MoALD/OPD/ECO
CAPACITY SUPPORT (TRAINING)			
CS1	<p>Various capacity-building events and trainings have been proposed in the ESMF and SEP for different target groups. All the trainings proposed will be provided as specified in these documents.</p>	<ul style="list-style-type: none"> Capacity building and training activities will be initiated within six months of effectiveness of the project. 	OPD/ECOs
CS2	<p>Capacity building events and trainings for Project staff on various topics including:</p> <ul style="list-style-type: none"> Familiarization Training for the ESMF, RPF and IPPF Familiarization Training on the World Bank ESF Training on the writing of TOR for the ESIA, RAP and IPP Nepal Labor Act, focusing on worker's rights and Occupational Health and Safety and Security Standards Training on the project's Grievance Redress Mechanism. 	<ul style="list-style-type: none"> Capacity building and training activities will be initiated within six months of effectiveness of the project. 	MoALD/OPD/ECOs