GOVERNMENT OF NEPAL

NATIONAL PLANNING COMMISSION



UNLOCKING HUMAN CAPITAL FOR A PROSPEROUS NEPAL PROJECT

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

(Final Draft for Disclosure)

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EXECUTIVE SUMMARY

Background

The Government of Nepal (GoN) is implementing the Unlocking Human Capital for Prosperous Nepal Project, with support from the World Bank, to promote greater access and utilization of human capital services, such as basic health and education services, early childhood programs, and social registry registration particularly for poor and vulnerable households in the selected disadvantaged areas. This ESMF contains measures and plans to avoid, minimize, mitigate and offset adverse risks and impacts of the project.

The project aims at improving the capacity of local levels to plan, manage, and monitor the delivery of human capital services to enable the existing services respond to increased demand and to continue delivering essential services during shocks. The project comprises three major components, namely: Component 1 - Improving capacity of the Local Level Governments for delivering human capital services; Component 2 - Accessing a stimulation package to encourage behavioural change and use of human capital services; and Component 3 – Project Management

The National Planning Commission (NPC) is the implementing agency for the project and is responsible for overall project oversight. The NPC is an apex advisory body of the GoN for formulating a national vision, periodic plans and policies for development. A Project Management Unit (PMU), established under the NPC, will be responsible for day-to-day management of the project, the set-up, and implementation of the project, monitoring of activities, and production of implementation progress reports and assessments. A Local Level (LL)-PMU, with a minimal composition of a project manager, accountant, procurement, and social/environmental staff, will oversee project implementation at the local level.

This Environment and Social Management Framework (ESMF) has been prepared, in accordance with the World Bank Environmental and Social Framework (ESF), and relevant national legislation, regulations and policies, to provide guidance and procedures for screening, assessing, and managing the potential environmental and social risks and impacts arising under the project, and for integrating mitigation measures into the relevant stages of the project cycle. In addition to the ESMF, a Stakeholder Engagement Plan (SEP) and an Environmental and Social Commitment Plan (ESCP) have also been developed and which need to be effectively implemented during the project implementation period.

Given that the ESMF was prepared in the context of COVID-induced disruptions of services and restrictions of movements, as well as a rapid timeframe for preparation, data and information provided in this EMSF were drawn largely from secondary sources. The primary baseline information for the purpose of preparing this ESMF were collected through discussions with key and relevant government officials at the federal and provincial levels. Further, stakeholder consultations have been limited to consultations with implementing agencies and related stakeholders. Stakeholder engagement and consultation with the wider project stakeholder group including local communities, and poor and vulnerable groups targeted under the project including women, indigenous groups, as

well as civils society organizations (CSOs) and non-government organizations (NGOs) which represent these groups, will be undertaken prior to project effectiveness. As the ESMF is a "living document" it will be revised to reflect changes and development during project implementation.

Relevant Policies and Regulatory Frameworks

Seven of the ten World Bank Environmental and Social Standards (ESS) are relevant for this project, namely ESS1 on Environmental Assessments, ESS2 on Labour and Working Conditions, ESS3 on Resource Efficiency and Pollution Prevention and Management, ESS4 on Community Health and Safety, ESS6 on Involuntary Resettlement, ESS7 on Indigenous Peoples, and ESS10 on Stakeholder Engagement and Information Disclosure. The ESMF also identifies the gaps between the requirement of the WB's ESF and provisions made in the existing regulatory framework of the country.

Environment and Social Risks and Mitigation Measures

Environmental and social (E&S) risks for the project are rated as Substantial. The baseline research identified risks and impacts that may arise as a result of intervention under the project. The key environmental and social risk relates to the capacity of the implementing partner and agencies as well as local levels, where the project will be implemented, in assessing and managing environmental and social risks under the project, and to address disparities in accessing human capital services, particularly amongst poor and vulnerable groups. The NPC has does not have previous experience in the implementation of World Bank's E&S requirements. Further potential environmental and social risks arise in relation to the minor works proposed under Component 1 of the project, namely the minor upgrades of human capital service units. These risks include occupational health and safety (OHS) of workers, generation of construction waste, nuisances during constructions, dust and noise pollution, including risk of CoVID-19 spread and transmission among the community workers. Further, use of disinfectant, chemicals and disposal of medical waste, effluent issues with the wastewater generated from the rehabilitation of WASH facilities and sanitary wastes may be expected. The ESMF includes a Labour Management Procedures to guide management of labour and working conditions. As these minor civil works will be undertaken on existing premises, it is not expected that land will need to be acquired for the project, and therefore no physical or temporary displacement is expected. However in the case that some land taking is required for potential future civil works, the ESMF includes a Resettlement Framework. However, laborers coming from outside the subproject areas may trigger social risks to the host community related to sexual abuse and exploitation and sexual harassment (SEA/SH). The SEA/SH risk assessment found that SEA/SH risks for this project were moderate. These anticipated risks and impacts are typical in construction of such small-scale sub-projects and can be readily mitigated and managed. Similarly, the ESMF has prescribed appropriate measures to address the risks of poor access to information about the project activities and opportunities of the vulnerable and indigenous communities.

Given that specific sub project level civil works are yet to be finalized, this ESMF has been prepared to guide site-specific assessment of the environmental and social impacts of particular sub projects once specific site and activities are identified.

Environmental and Social Management Procedures

Consistent with the requirements of ESS1, some activities have been predetermined as ineligible for support under the project due to their potential for causing high environmental and social risks and impacts that are diverse, irreversible or unprecedented. The E&S procedures ensure effective integration of the environment and social aspects into subproject design and implementation to strengthen social and environmental risk management and determine the appropriate instrument for addressing the risks. As a standard procedure, every subproject to be financed under the project will undergo an E&S screening before it is selected for support under the project, in order to comply with national regulatory requirements and the WB's ESSs. The results of the screening exercise will inform the scope of detailed assessment followed by planning and implementation of Environmental and Social Management Plans (ESMPs) where required. This ESMF includes a template for an ESMP. A screening checklist has been included in the ESMF. The implementation of ESMP, including any additional management plans such as resettlement action plan (RAP) will be undertaken by the LL-PMU and the PMU will ensure compliance with the ESMP through periodic compliance reporting.

Stakeholder Engagement and Disclosure

Stakeholder Engagement Plan (SEP) has been prepared to guide meaningful engagement with project stakeholders throughout the life of the project. The SEP includes specific and targeted approaches for consulting and engaging with stakeholders including vulnerable and marginalized groups, such as women, indigenous people and Dalits, in the design and implementation of the project activities. Stakeholder identification and analysis of stakeholders, and preparation of an engagement strategy, with special considerations for vulnerable and indigenous communities, are some of the major steps prescribed for effective stakeholder engagements. In the context of COVID-19 crisis, the ESMF has also proposed additional engagement strategies and tools to take into account requirements around social distancing. The ESMF also includes details of the project Grievance Redressal Mechanism (GRM) including the GRM structure, procedure for resolution, which will be in place at both the PMU and LL-PMU level to address the grievances raised by stakeholders, including beneficiaries on the services promoted under the project. The GRM will be provided at no cost to complainants and without retribution, and will not impede access to judicial and administrative remedies. The SEP includes further details around the structure and procedures of the GRM.

Implementation Arrangements for E&S Responsibilities and Capacity Building

The PMU will include an Environment Specialist, a Social Development Specialist, and a Gender/Gender-Based Violence (GBV) Specialist to assess and manage environmental and social risks and impacts. Amongst other responsibilities, the Specialists will be responsible for the verification and approval of E&S screenings, ESMPs and other reports, with due concurrence of the World Bank, and will be overall responsible for ensuring E&S compliance. The Provincal level coordination unit at the Ministry of Social Development (MSD) will be responsible for coordination, monitoring and liaising with the PMU and LL-PMUs to ensure smooth implementation of E&S measures. The LL-PMU will be responsible for preparing and implementing project proposal, including sub-project level ESMP and

other E&S measures outlined in the ESMF and in the Environmental and Social Commitment Plan (ESCP). The LL-PMU, which will be staffed form the existing entities, will remain in close coordination with the PMU, which will provide technical assistance and support across all key thematic areas and project activities. Each LL-PMU will have a local level committee represented by civil society organizations (CSOs), non-governmental organizations (NGOs), and civil servants of technical services to provide overall guidance to LL activities. The World Bank will work with the NPC and other implementing agencies to develop and implement a capacity building plan, as well as train and provide technical support for project staff towards effective implementation of the ESCP, ESMF, SEP, and other management plans.

ABBREVIATIONS AND ACRONYMS

CBOs	Community-based organizations
CES	Concise Environmental Study
CoC	Code of Conduct
CSO	Civil Society Organization
E&S	Environmental and Social
ECEC	Early Childhood Education Centers
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EPA	Environmental Protection Act
EPR	Environmental Protection Regulation
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
GBV	Gender Based Violence
GESI	Gender Equality and Social Inclusion
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
IEE	Initial Environmental Examination
LL	Local Level
LL-PMU	Local Level Government Project Management Unit
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MoHP	Ministry of Health and Population

MOWCSC	Ministry of Women, Children and Senior Citizens
MSD	Ministry of Social Development
NEFIN	National Federation of Indigenous Nationalities
NFDIN	National Foundation for Development of Indigenous Nationalities (Nepal)
NGO	Non-Governmental Organization
NPC	National Planning Commission
OHS	Occupational Health and Safety
PMU	Project Management Unit
PPE	Personal Protective equipment
RAP	Resettlement Action Plan
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
ToR	Terms of Reference
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
WASH	Water and Sanitation, Health
WB	World Bank
WHO	World Health Organization

1. BACKGROUND

The Government of Nepal (GoN) is implementing the Unlocking Human Capital for Prosperous Nepal Project, with support from the World Bank, to enhance the capacity of the Local Level Governments for delivering human capital services and provide access to a stimulation package to encourage behavioural change and use of human capital services particularly for poor and vulnerable households, in selected disadvantaged areas of Nepal. The project focuses on promoting social inclusion (no one left behind) by stimulating improvements in the service available at local level and stimulating demand of people to use the services. It aims at addressing both vulnerability and inequalities in access to services by geographic area, income or wealth, and gender, but not create new services during this initial phase of the human capital agenda.

The project goal is two-fold:

(a) to promote greater access and utilization of human capital services particularly for poor and vulnerable households, in selected disadvantaged areas to improve, protect and promote human capital, and

(b) to improve overall efficiency and service delivery system at the local level by promoting investments of Local Level (LL) to have better and accessible services for the population, while improving LL capacity to manage and measure impacts of services on human capital development.

The project will develop a holistic and integrated approach to offer Local Levels (LLs) access to the same package of services and resources. Given the innovative nature of the intervention and budgetary constraints, the project will only support LLs in two provinces, namely Province 2 and the Karnali Province, given their comparatively low Human Development Indexes, to adjust design and calibrate both parameters and features before going nationwide.

Whilst the nature of the project activities is known in general, the specific details on designs and locations of the activities are yet to be defined and will be determined during implementation when the activities are prioritized, identified, and prepared. In this context, this Environment and Social Management Framework (ESMF) provides guidance and procedures for screening, assessing, managing the environmental and social risks and impacts of the project, and integrating mitigation measures into the relevant stages of the project lifecycle.

1.1. Rationale and Objective of the ESMF

Projects supported by the World Bank through Investment Project Financing are prepared in compliance with the World Bank's Environmental and Social Standards (ESSs) for the management of environmental and social risks and impacts. The ESMF has been prepared to assist in screening, assessment, management of environmental and social risks of the project from an early stage in project planning and to integrate mitigation measures during the design of project activities and their implementation. The ESMF provides specific guidance on the policies and procedures to be followed for environmental and social assessment along with roles and responsibilities of the various implementing agencies. The ESMF describes the procedures for the assessment and management of

the environmental & social risk and impacts associated with the project activities with the following objectives:

- Set out the principles, rules, guidelines, procedures and methods to assess the environmental and social risks and impacts of the project
- Provide guidance/solutions on the implementation of the environmental and social management measures and provide a plan for monitoring the implementation of environmental and social standards
- Specify institutional arrangements, including appropriate roles and responsibilities for managing, reporting and monitoring environmental and social concerns of the project activities
- Provide guidance and strategy for stakeholder engagement for the identification and management of the environmental & social issues, impacts, and risks associated with the project; and,
- Determine the other institutional requirements, including plans for training and capacity building of key stakeholders needed to successfully implement the provisions of the ESMF.

The implementation of the ESMF will facilitate compliance with the World Bank's ESSs and national requirements to address the associated risk and impacts of the project.

In addition to this ESMF, a stand-alone SEP has also been developed, to provide outline how the project will undertake meaningful consultation with stakeholders throughout the project lifecycle. The project has also developed an Environmental and Social Commitment Plan (ESCP), which describes the measures and action the Borrower is required to undertake to be in compliance with the World Bank ESSs and is legally binding agreement between GoN and WB.

1.2. Methodology

The ESMF was prepared in the context of COVID-induced disruptions of services and restrictions of movement of people. The data and information used to prepare the framework are drawn largely from secondary data. Primary information was collected through discussions with Government officials. No field surveys were conducted. The ESMF is a "living document" and will be revised during the implementation period as needed.

1.3. Limitations of the Study

Detailed data collection and field-level verification of the environmental and social parameters/settings could not be carried out during the preparation of this ESMF due to restrictions and protocols to counteract the spread of COVID-19, and given time restrictions. Information provided is based on the limited physical discussions with the government officials and virtual discussion (WebEx, email, and telephone) with select stakeholders and secondary information (website, reports, and bulletin, etc.). The ESMF will be updated during project implementation based on project developments or changes.

2. PROJECT DESCRIPTION

The proposed development objective is to strengthen local capacity in integrated service delivery and increase equitable access to early childhood and adolescent interventions in selected disadvantaged areas of Nepal.

2.1. Project Components

Component 1: Improving capacity of the Local Level Governments for delivering human capital services

This component will support Local Levels (LLs) to improve their capacity for delivering human capital services and ability to design procedures and planning in line with sector policies and priorities by promoting technology adoption and system development at the LLs. The component will help multisector coordination and implementation of data driven policies at LLs to improve services delivery through promotion of technology adoption and system development. The component will also increase the capacity of the LLs to do better multisectoral planning and budgeting, run more efficient and integrated information systems management, and make better preparation for health and early childhood education activities for improved service delivery. The component also aims to strengthen knowledge management activities and physical resources, such as upgrading of human capital service units through minor civil upgrades of ward offices, health and early childhood education centers. Similarly, it will support the development of data systems with adequate tools and technology to the local level governments to boost human capital outcomes for better tracking of the programs and services. The component will also support knowledge management activities, such as promoting use of ICT in classrooms and digital.

Component 2. Accessing a stimulation package to encourage behavioral change and use of human capital services, particularly for poor and vulnerable households

This component will support an innovative approach in Nepal for effective service delivery to address demand barriers that households face in using health and education services, which will support the children under 5 years old and adolescents, with a particular focus on girls aged 11-19 years old. In the initial phase, the approach will combine home visits, community sessions, and large scale and continuous communication campaigns, including various means of mass media to boost behavioural change. The pre-defined stimulation package may include: (i) parental and hygiene good practices, (ii) harmonized and evidence-based behaviour change strategies to increase the reach and uptake of health and nutrition services and promote optimal behaviours; (iii) age-appropriate technologies to bring health services closer to adolescents, and (iv) utilization of audio-visual learning programs for young children (age 3-5), and their parents. In addition, the innovative approach will use disruptive technologies to reproductive health, as well as social, education, and psychosocial empowerment for adolescent girls. Similarly, the component will also support additional counselling services, such as non-violent conflict resolution and elimination of child maltreatment, climate-responsive approach, and gender-based violence. Under the component, the stimulation package will be designed according to existing documents prepared by government, Sectoral Ministries and Development Partners, such

as the MSNP-II, Safe Motherhood and Reproductive Health Program and GBV Prevention and Response. At the LL, it will provide households with more incentives to invest in the human capital of their children with the goal of reducing the inter-generational transmission of poverty. The component will finance digital systems for recording poor and vulnerable households, community outreach for reaching the unreached and materials for children and adolescent girls, among others.

Component 3: Project Management

This component supports (a) the establishment and maintenance of effective implementation and coordination arrangements at the federal, provincial and local levels; and (b) the setup of an Monitoring &Evaluation mechanism to track the progress (spot checks, Citizen engagement and feedback, and policy reviews) and conduct evaluations (including a process and robust impact evaluation).

2.2. Activities with Potential Environmental and Social Impacts

There are environmental and social risks and impacts associated with the minor civil works for the basic upgrading of service units, ward offices, early childhood education centres (ECEC) including renovation of playground areas, schools, health facilities (including birthing centers) and medical storage and immunization centers, at local levels. Other risks related to activities supporting improved data systems. These risks include:

- Occupational health and safety (OHS) concerns to workers
- Generation and disposal of waste including asbestos waste, electronic waste, waste from WASH facilities, and medical waste from health facilities
- Air and noise pollution during civil works.

2.3. Potential social risks and impacts

The significant social risk relates to capacity of the implementing agencies and local levels to manage risks and impacts. Other social risks are associated with the minor civil works including community health and safety concerns due to noise, vibrations and dust. Given that minor civil works will take place on existing premises, it is not expected that land acquisition will be required, and therefore any permanent or temporary physical or economic displacement is not expected:

- The minor civil works to improve existing public facilities may affect squatters who are residing near the public facilities
- There is the potential for exacerbating existing trends of marginalization against the poor and vulnerable (including the elderly, people with disabilities, and indigenous groups) and lower-caste groups in terms of getting access to relevant information around the project benefits which could deepen inequalities and undermine the objectives of the project.

The magnitude and scale of each of the above risks and impacts will be carefully assessed based on the nature of the activity, the location, and the stage at which the activity is being considered. The

ESMF outlines how environmental and social risks and impacts arising under the project will be managed and mitigated.

Environmental Risks

The proposed project activities include the improvement and upgrading of existing structures including ECECs, upgrading of school facilities and classrooms, refurbishment of WASH facilities and health facilities. During civil works, the anticipated environmental risks relate to occupational health and safety (OHS) of workers, generation of construction waste, nuisances during construction, and dust and noise pollution. Further, effluent issues with the wastewater generated from the rehabilitation of WASH facilities and sanitary wastes may be expected. Additional environmental risks include generation of waste from WASH facilities and pollution from WASH wastewater. These anticipated risks and impacts are typical in construction of such small-scale projects and can be readily mitigated and managed.

During the operational stage of the medical and health care facilities, the use of disinfectant, chemicals and disposal of medical waste may be expected. Solid waste such as food waste and unused utensils from school and ECECs cafeteria, and papers and learning materials as cardboard, white board, marker, toy, flex print etc are also expected. Given that the project will support the purchase of IT equipment for ECECs and school facilities, such as computers, servers and data drivers, electronic waste is also anticipated. However, the quantity of waste is expected to be limited given that the scale of activities is small. These identified impacts are site specific and can be assessed and managed through the established protocols and mitigation measures as provided in the ESMF. The limited capacity of the implementing agency also adds challenges for environmental risk management. Environmental risks and impacts associated with the use of living natural resources, and/ or sites of tangible cultural resources is not envisaged, as all civil works are expected to take place on existing premises.

Social Risks

The project is expected to have a positive impact as it aims to enhance the quality of human capital services and to stimulate the use of services by poor and vulnerable groups. The risk rating of "substantial" is based largely on the limited capacity of the NPC and LLs to manage risk in this multi-sectoral and diverse project. These activities are predominantly located with the new LLs together with project oversight by the NPC which does not have previous experience as an implementing agency for World Bank-supported projects. Potential social risks are associated with the minor upgrading works to human services units although these impacts are expected to be small-scale, temporary and manageable. As these civil works will be undertaken on existing premises, it is not expected that land will need to be acquired for the project, and therefore no physical or temporary displacement is expected. The greatest social risks associated with the civil works relate to OHS risks to workers. The limited capacity to manage OHS risks is expected to be exacerbated by the ongoing COVID-19 pandemic. Workers will need to adhere to COVID-19 OHS precautions and protocols to minimize the risk of COVID-19 transmission between workers on work sites, and within the

community. This will include wearing face masks and related personal protective equipment (PPE), maintaining social distancing and other community health and safety disturbances to community members using the human capital units under upgrade. The project is not expected to have a large labor influx; however, the targeting of poor and vulnerable communities does bring additional risks. Laborers coming from outside the region may trigger social risks to the host community related to sexual abuse and exploitation and sexual harassment (SEA/SH). The SEA/SH risk assessment found that SEA/SH risks for this project were rated moderate.

As the project seeks to address inequalities in access to services such as through mass campaigns, home visits, and community sessions, the project will target poor and vulnerable communities. There is the potential for exacerbating existing trends of marginalization amongst the poor and vulnerable including the elderly, people with disabilities, and indigenous peoples (IP) groups, religious minorities and lower-caste groups in terms of having access to relevant information around the project benefits which could deepen and undermine the objectives of the project. To help mitigate this risk, communications and engagements with community members will be tailored to cultural norms and for accessibility. For example, communication materials will be provided in local languages. All community and stakeholder engagements will need to follow COVID-19 related precautions including social distancing and safe hygiene practices. As noted above, the current low capacity of LLs in carrying out their new functions and mandates under the new Constitution present a risk in terms of effectively managing social risks under the project, which will be assessed over the course of the project lifecycle.

2.4. Eligibility Criteria for and Exclusion of Subprojects for E&S Risk Management

To avoid and/or minimize risks and impacts of the project activities, certain activities are not eligible for support under the project due to the potential for causing high social and environmental risks and impacts that are diverse, irreversible, or unprecedented are excluded. These activities are:

- Activities that contravene Nepal's obligations under its international agreements
- Activities that may cause long term, permanent and/or irreversible adverse impacts (e.g. loss of natural habitat and biodiversity)
- Activities that have a high probability of causing serious adverse effects to human health and/or the environment (e.g. construction of major civil structures, hospitals etc)
- Activities that may affect lands or rights of indigenous people or other vulnerable minorities
- Activities that may involve significant permanent resettlement or land acquisition or adverse impacts on cultural heritage.

3. LEGAL, REGULATORY AND POLICY FRAMEWORK

Specific national and international regulatory frameworks related to the assessment and management of environmental and social impacts of the project are reviewed along with directives and guidelines issued by the GoN and the World Health Organization (WHO) in response to COVID-19.

3.1. Relevant National Laws and Policies

Laws and regulations relevant for environmental and social management under the Project are listed below. A summary description of these are provided in Annex 7.

List of National Laws and Regulations

Constitution of Nepal 2015
Environmental Protection Act 2019
Environmental Protection Rules 2020
National Environment Policy 2019
Laws on Resource Efficiency and Pollution Prevention and Management
Climate Change Policy 2019
Laws on Land Acquisition 1977
Local Government Operation Act 2017
Solid Waste Management Act 2011
Labor Act 2017
Social Security Act 2018
Social Security Regulation 2018
Public Health Service Act 2018
Public Health Service Regulations 2020
Nepal Fifteenth Five Year Plan 2019/20-2023/24
Nepal Health Sector Strategy Implementation Plan 2016-2021
National Pandemic Preparedness and Response Plan 2019
Health Care Waste Management Guideline 2014
National Water Supply and Sanitation Sector Policy 2014
Gender Equality and Social Inclusion Strategy 2009
Child Labor (Prohibition & Regulation) Act 2000
National Foundation for Development of Indigenous Nationalities Act 2002

3.2. Provisions of E&S Standards of the World Bank

The World Bank's new Environmental and Social Framework (ESF) became effective on October 1, 2018 for all projects receiving World Bank support through Investment Project Financing. This ESMF has been prepared in accordance with the provisions of the ESF. The ESF includes ten Environmental and Social Standards (ESS) that set out the requirements for Borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing. Table 3-1 outlines the applicability and overview of the relevance of the ESSs for the project.

Table 3-1 Applicability of the relevant ESSs for the project

WB ESS	Relevancy	Overview of Relevance of the ESS	Addressing the ESS
ESS 1: Assessment and management of environmental and social risks and impacts	Relevant	Project activities include civil works and E&S risks, and impacts are expected. Environmental risks of air and water pollution and debris are anticipated from basic improvements and upgrading of infrastructure early care and education (ECE) centers, school facilities including classrooms and water supply, sanitation and hygiene (WASH) facilities, small-scale health facilities, and medical store. The potential impacts anticipated will be occupational health and safety (OH&S) of workers, the generation of construction waste, dust and noise pollution and other nuances during civil works.	An Environmental and Social Management Framework has been drafted to provide procedures in addressing and mitigating these risks. The ESMF will guide the further E&S screening and assessment of the sub project level activities.
ESS 2: Labor and working conditions	Relevant	Large labor influx is not expected, and given the nature of work, the majority of workers are likely to be recruited locally. Potential associated labor risks include non-payment of wages and benefits, discriminatory employment practices, OH&S issues including clearing of construction and medical waste, workplace accidents, grievances amongst the workers, and SEA/SH including risks associated works taking place in the vicinity of school.	The risks of community health and safety and occupational health and safety are also relevant due to operating in a pandemic environment. As the schools and local governments have very limited capacity to handle the testing and treatment of COVID patients, the risks of disease transmission among children, teachers, school administrators/workers and communities, particularly through asymptomatic carriers, are very high.Labor management Procedure (LMP) incorporating aspects of National Labor Act 2074 and Labor Rules, 2075 and, non-discrimination and equal opportunity, grievance mechanism to all workers, OHS protocols (especially those working under existing and post COVID-19 situation, using disinfection equipment and chemicals, etc) and SEA/SH Risk Mitigation Action Plan have been developed
ESS 3: Resource efficiency and	Relevant	The project will provide carry out activities which may potentially cause pollution to air and water and some of which	The ESMF includes sections on Pollution Prevention and Management with a focus on those issues which might arise while carrying out project

WB ESS	Relevancy	Overview of Relevance of the ESS	Addressing the ESS
pollution prevention and management		may involve use of chemicals. The project activities related to adverse environmental impacts in the form of effluent and solid waste state are likely due to inefficient use of and unmanaged disposal of waste from printing materials, awareness dissemination materials/learning resources (poly printed materials, e-wastes) and the effluent containing cleaning (solution containing of detergent/chemical) of all sites facilities including offices, accommodation, canteens, common spaces ,and safe disposal of hygiene and sanitation materials waste generated from improvement and rehabilitation of WASH facilities etc.	activities. Relevant measures, including for impacts deriving from the disposal of medical waste and e waste will be integrated into ESMPs.
ESS 4: Community health and safety	Relevant	As construction activities are expected to take place in existing infrastructure facilities supporting local services such as schools, health facilities, and employment centers, these activities may potentially expose the community to risks such as noise and dust pollution, disturbances from construction vibrations.	The ESMF includes the assessment of risks and impacts to the community such as excessive construction noise and dust levels, site safety awareness, and access restrictions and mitigation measures by adopting adequate OHS and community health and safety protocols for WBG EHS Guidelines. It also includes a detailed SEA/SH outlining potential risks and specific mitigation measures during different stages of the project.
ESS5: Land acquisition, restrictions on land use and involuntary resettlement	Relevant	The project does not include activities that would require land acquisition, leading to the physical or economic displacement of the people. Since upgrading and improvement works will take place on existing premises and civil works may require some temporary displacement to establish work areas for carrying out construction activities.	A Resettlement Framework is prepared as part of the ESMF to provide guidance for any temporary displacement.
ESS6: Biodiversity Conservation and Sustainable	Not Relevant	This ESS is not expected to be relevant because the project activities, will be constructed in existing premises and is not	N/A

WB ESS	Relevancy	Overview of Relevance of the ESS	Addressing the ESS
Management of Living Natural Resources		anticipated to affect or involve any impacts on biodiversity or natural resources.	
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant	Nepal is culturally diverse country, hosting multiple ethnic groups including 59 indigenous groups or nationalities across all provinces. Of the total population, the indigenous people account for about 37 percent. The project is unlikely to pose adverse impacts to indigenous people as the project doesn't aim to acquire or put the restriction in the use of land or take land on a lease that belongs to indigenous peoples for the project activities. However, the possibility of exclusion or restriction of indigenous peoples to the project's benefits and medical services cannot be ruled out.	ESMF provides specific measures to ensure there is meaningful consultation with representative institutions of relevant affected indigenous peoples at different levels and to ensure they are not deprived of opportunities offered by the project.
ESS8: Cultural Heritage	Not Currently Relevant	Given the project will support the improvement of existing facilities, it is not expected that existing cultural heritage will require removal or relocation, nor that there will be any other adverse impacts on cultural heritage.	N/A
ESS9: Financial Intermediaries (FIs)	Not Relevant	No FI involvement is envisaged in the project.	N/A
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant	The project will ensure that it will adopt a consistent, comprehensive, coordinated, and culturally appropriate approach for engaging stakeholders and disclosing project related information.	The project has prepared a Stakeholder Engagement Plan (SEP) to ensure that stakeholder engagement activities are effective and meaningful consultation is carried out including guideline for establishing a clear, safe and accessible procedures to identify and respond to SEA/SH, cases to project GRM

3.3. Comparison Between National and World Bank E&S Requirements

Table 3.2 describes a gap analysis and measures to bridge the gaps between the ESSs and GoN policy and legal requirements for environmental and social risk management related to this project.

Table 3-2 Comparison between national and WB E&S requirements

World Bank		**Nepal's policy framework and requirements**	**Gaps between ESSs and GoN & legal and policy requirements**	**Gap-Bridging Measures**
ESS	**ESS Requirements**			
ESS 1: Assessment and management of Environmental and Social Risks and Impacts	ESS 1 requires the Borrower will assess, manage and monitor the environmental and social risks and impacts of the project throughout the project life cycle so as to meet the requirements of the ESSs in a manner and within a timeframe acceptable to the Bank. The Borrower will: (a) Conduct an environmental and social assessment of the proposed project, including stakeholder engagement; (b) Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10; (c) Develop an ESCP, and implement all measures and actions set out in the legal	Environment Protection Act (2019), Environment Protection Regulation, (2020) and National Environmental Impact Assessment Guidelines, (1993) are legal instruments for the requirements of Environmental and Social Assessment of any development	• The Schedules are based on activity type, threshold/size, as well as location. The Potential risks associated with the project are omitted in GoN policy. • No provision for associate projects /activities; • Scope of EIA may not cover all WB ESS. • EPA/EPR does not allow use of other types/forms of assessments. • Does not emphasize hierarchy of measures in ES risk management planning	• Detailed E&S Screening shall be carried out followed by detailed ESMP to bridge the gap between WB and GoN requirements. • The ESMP aims to address all the adverse environmental impacts that arise during execution and operation of the project. • The ESMP so prepared will be made integral part of the bidding document so that the contractor shall adhere to the provisions prescribed in the ESMP during the execution of the project.

	agreement including the ESCP; and (d) Conduct monitoring and reporting on the environmental and social performance. projects.			
ESS 2: Labor and Working Conditions	There are numbers of requirements of ESS2 under the following heading: • Working conditions and management of worker relationships; • Protecting the work force; • Grievance mechanism; • Occupational Health and Safety • Contracted workers; • Community workers; and • Primary supply workers	Labor Act (2017); and; Child Labor Act (2001) are legal instruments.	• Current OHS legislation is not adequate (No separate legislation on OHS. • Current OHS mandate is provided only in Chapter 12 of the Labor Act) • Lack of industry-specific standards (DoLOS has so far issued only one directive: OHS Directive for Brick Workers)	Labor Management Procedures (LMPs) will be developed and implemented for the project • Guidelines to be developed for firms on occupational health and safety (OHS) issues • GRM will be established
ESS 3: Resource Efficiency and Pollution Prevention and Management	The Borrower shall consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention.	EPA (2019), EPR (2020), National Ambient Air Quality Standards (2003) Nepal Vehicle Mass Emission Standard (2012), National Ambient Sound Quality Standard (2012),	Lack of suitable enforcement mechanisms for legislation on resource use efficiency in projects • Management of pesticides and hazardous waste is done as per country legislations and GIIP and EHS guidelines are not followed except for IFI funded projects.	Resource efficiency and pollution prevention in any project activity need to be emphasized during the design and implementation of the activity. • National standards related to environmental protection and resource efficiency will be complied by the project.

		Standard on Emission of Smoke in Air by New and Existing Diesel Generator (2012), National Water Quality Standard (2008) Tolerance Limits for Industrial Effluents to be discharged into Inland Surface Waters (2003) The Solid Waste Management Act (2011) Solid Waste Management Rule (2013) Water Resources Act (1992) Water Resources Rules (1993) Drinking Water Regulation (1998) Drinking Water Quality Standards Water Quality Guidelines for the Protection of Aquatic Ecosystem.		
ESS 4: Community Health and Safety	There are numbers of requirements of ESS4 under the following headings: • Community health and safety and • Security personnel	The EPA identifies the direct and indirect human health impact as one of the components in assessing the effect of development projects. EPA Section 7: Nobody shall create pollution in such a manner	There is limited coverage as scope of ESIAs do not necessarily include community safety issues. • Public health legislation does not specifically impose requirements for development and infrastructure projects.	• ESMPs developed under the project will aim to address all community health and safety issues that arise during execution and operation of the project.

		as to cause significant adverse impacts on the environment or likely to be hazardous to public life and people's health.		
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	The project does not include activities that would require land acquisition, leading to the physical or economic displacement of the people. Since upgrading and improvement works will take place on existing premises and civil works may require some temporary displacement to establish work areas for carrying out construction activities.	Clause 3 of this Land Acquisition Act states that any asset that is required for public purposes shall be acquired by providing compensation. Compensation Fixation Committee will establish the Compensation rates. Similarly the act provisioned land acquisition through negotiation which has been understood of land (free of costs).	Volunteer acquisition of private land is not in the provision of WB ESF and need s to be matched with applicable measures	A Resettlement Framework will be prepared as part of the ESMF to provide guidance for any temporary displacement.
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	The project is unlikely to pose adverse impacts to indigenous people as the project doesn't aim to acquire or put the restriction in the use of land or take land on a lease that belongs to indigenous peoples for the project activities	NFDIN Act 2002 along with Local Self Governance Act, 1999 and current 15th five yr Plan focused to incorporate infrastructure and income generation program targeted to indigenous community.	Nepal is culturally diverse country, hosting multiple ethnic groups including 60 indigenous groups or nationalities across all provinces. Of the total population, the indigenous people account for about 37 percent. However, the possibility of exclusion or restriction of indigenous peoples to the project's benefits and medical services cannot be ruled out.	ESMF provides specific measures to ensure there is meaningful consultation with representative institutions of relevant affected indigenous peoples at different levels and to ensure they are not deprived of opportunities offered by the project. The ESMF and SEP provides guidance on inclusion of and engagement with indigenous program under the project.

ESS 10: Stakeholder Engagement and Information Disclosure	The project will ensure that it will adopt a consistent, comprehensive, coordinated, and culturally appropriate approach for engaging stakeholders and disclosing project related information.	Prevailing national polices including EPA 2019 and EPR 2020 has envisaged the stakeholder engagement at different stage of the project design and implementation. Stakeholder consultation, disclosure and grievance hearing system is provisioned.	A framework approach to address and ensure stakeholder engagement and discloser is lacking for systematic planning and implementation of activities related to Stakeholder Engagement and Information Disclosure	The project will prepare a Stakeholder Engagement Plan (SEP) to ensure that stakeholder engagement activities are effective and meaningful consultation is carried out including guideline for establishing a clear, safe and accessible procedures to identify and respond to SEA/SH, cases to project GRM.

3.4. International Conventions

The relevant international treaties, conventions, and declarations are as follows:

- Minamata Convention 2017
- UN Human Rights Council 2011
- The Strategic Approach to International Chemical Management 2006
- Basel Convention on the Control of Trans Boundary Movements of Hazardous Wastes and their Disposal 1989
- Stockholm Convention on Persistent Organic Pollutant 2001
- Rio Declaration on Environment and Development,1992
- Declaration of United Nations Conference on the Human Environment 1992
- United Nations Declaration on the Rights of Indigenous Peoples
- ILO Convention 169

3.5. The World Bank Group's Environmental Health and Safety Guidelines

The Environmental, Health and Safety (EHS) Guidelines of the World Bank Group are technical reference documents with general and industry-specific examples of Good International Industry Practice and applied as required by their respective policies and standards. The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs. Application of the EHS Guidelines to existing facilities may involve the establishment of site- specific targets, with an appropriate timetable for achieving them. The applicability of the EHS Guidelines should be tailored to the hazards and risks established for each project based on the results of an environmental assessment in which site-specific variables, such as host country context, the assimilative capacity of the Defined as the exercise of professional skill, diligence, prudence and foresight that would be reasonably expected from skilled and experienced. Some of the applicable guidelines for the project under General Environmental Health and Safety is discussed in Table 3-3 below:

Table 3-3 EHS guidelines and applicability

EHS guidelines	Applicability/discussion
EHS 1.5 – Hazardous Materials Management	The World Bank Group EHS Guidelines for Hazardous Waste is also applicable and can be used for guidance on the management of infectious and other forms of health care waste which are categorized as hazardous. These guidelines apply to projects that use, store, or handle any quantity of hazardous materials (HazMats), defined as materials that represent a risk to human health, property, or the environment due to their physical or chemical characteristics.
EHS 2.5 – Biological Hazards	Biological agents represent the potential for illness or injury due to single acute exposure or chronic repetitive exposure. The guidelines provide sets of measures for preventing Biological hazards.

EHS 2.7 – Personal Protective Equipment (PPE)	Personal Protective Equipment (PPE) provides additional protection to workers exposed to workplace hazards in conjunction with other facility controls and safety systems. The guideline provides measures on using the PPE effectively for protecting the workers
EHS 3.5 – Transportation of Hazardous Materials	This guidance note provides procedures for transportation of hazardous materials which needs to comply with local laws and international requirements applicable to the transport of hazardous materials, including
EHS 3.6 – Disease Prevention	This guidance note provides intervention for the control of the communicable diseases and vector borne diseases at the project level. The recommended interventions include surveillance and active screening and treatment of workers, training health workers, providing health services, educating project personnel and area residents on risks, prevention, and available treatment; monitoring communities during to detect and treat cases and following safety guidelines for the storage, transport, and distribution of pesticides to minimize the potential for misuse, spills, and accidental human exposure etc.
The World Bank Group EHS Guidelines for Health Care Facilities are also applicable and can be used for guidance for the design and operation of HCFs.	This guideline includes information relevant to the management of EHS issues associated with health care facilities (HCF) which includes a diverse range of facilities and activities involving general hospitals and small inpatient primary care hospitals, as well as outpatient, assisted living, and hospice facilities. Ancillary facilities may include medical laboratories and research facilities, mortuary centers, and blood banks and collection services.

3.6. Specific Labour and OHS-Related Considerations in the Context of COVID-19

In the context of COVID-19, special consideration needs to be given with regards to labor procedures including the health and safety of workers, the community members with whom workers come into contact, as well as the management of medical and health care waste, to minimize the risk of COVID-19 transmission amongst workers and with the local communities.

Considerations for workers

The World Bank has developed an ESF/Safeguards Interim Guidance Note on COVID-19 Considerations in Construction/Civil Works Projects, included at Annex 6. Some practical mitigation measures for prevention and response is provided below.

- Provide information on COVID-19: Provide information on good practices for preventing COVID-19 transmission, particularly observing recommendations on social distancing, and training to workers to recognize the symptoms of COVID-19.
- Ask sick or potentially infected workers to stay at home: To prevent potentially affected staff from entering a worksite and infecting co-workers, the project should request workers to stay

away from the worksite where they exhibit any COVID-19 symptoms or have been in close contact with a confirmed COVID-19 patient during the past 14 days.

- Cough hygiene: Workers should be instructed to follow cough etiquette to reduce the risk of spreading the virus when coughing or sneezing, which includes covering the mouth when coughing or sneezing with tissue and disposing used tissue into wastebasket, or coughing into elbow or sleeve, cleaning hands after coughing or sneezing preferably by using hand wash or hand sanitizing gel.
- Social distancing: To prevent person-to-person infection, direct contact between workers should be minimized. Where required to work or meet, a safe distance of 2 metres between people should be observed. Workers should be informed about the hazards of close contact, and to promote alternative behaviours such as maintaining safe distances. The contractor may also consider establishing alternative working days or adding shifts to reduce the total number of employees on a work site at a given time.
- Hand washing: the project should promote frequent and thorough water-soap hand washing and provide enough places for workers to wash their hands. If soap and running water are not immediately available, provide alcohol-based hand rubs containing at least 60% alcohol.
- Cleansing and disinfecting: Touched surfaces should be frequently cleaned such as equipment, handrails, toilets etc, and instruct workers to clean equipment/workplaces at the end of a shift.
- Food preparation: Staff in labour camps should help ensure that food served to workers is safe. Measures include not working if they have symptoms; being trained in common food safety practices; required to wash hands regularly; prevent cross contamination caused by people sharing the same serving spoons.
- Air quality measures: Consider air quality control measures particularly for labor camps
- Personal Protective Equipment: People who come into contact with possibly infected workers or with infected materials should use gloves and breathing protection.
- Workers accommodation: Additional measures to those provided above include preventing infected persons from entering workers' accommodation areas, promote, respect and enforce occupancy density limits in worker accommodations, and where new workers arrive from areas with high risk of COVID-19, ensure that these persons are adequately quarantined as per local regulations or recommendations from international organizations.

Health care and medical waste management

The management of health care and medical waste is a critical consideration as part of project activities. The World Health Organization (WHO) provides guidance on the health-care waste management. As WHO advises: "Best practices for safely managing health care waste should be followed, including assigning responsibility and sufficient human and material resources to dispose of such waste safely. There is no evidence that direct, unprotected human contact during the handling of health care waste has resulted in the transmission of the COVID-19 virus. All health care waste produced during the care of COVID 19 patients should be collected safely in designated containers

and bags, treated, and then safely disposed of or treated, or both, preferably onsite. If waste is moved off-site, it is critical to understand where and how it will be treated and destroyed. All who handle health care waste should wear appropriate PPE (boots, apron, long-sleeved gown, thick gloves, mask, and goggles or a face shield) and perform hand hygiene after removing it. For more information refer to the WHO guidance, Safe management of wastes from health-care activities.

4. ENVIRONMENTAL AND SOCIAL BASELINE

The project will be implemented in two provinces, namely Province 2 and Karnali Province, covering all 215 local levels (LLs). The information presented in this section is drawn from secondary data.

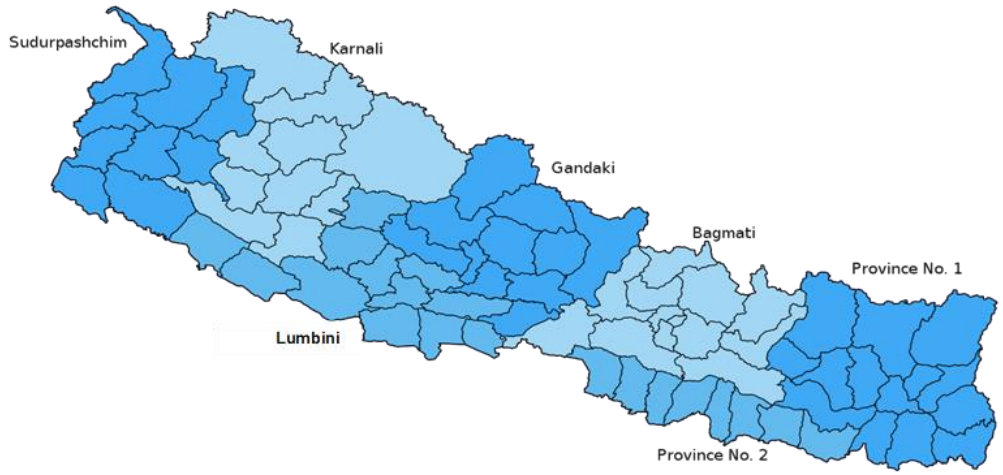
4.1. Environmental Profile

Nepal has a total land area of 147,516 km2 and an estimated population of over 28 million. It lies within the sub-tropical to the mountainous region at 26°22' to 30°27' N latitudes and 80°4' to 88°12' E longitudes, with an altitude that ranges from 90 m to 8,848 m. The country is landlocked between India and China. It is bordered by India in the East, West, and South, and China in the North. Nepal shares an open border with India that allows unrestricted cross-border movements for Nepali and Indian citizens. Nepal is located between the fertile Gangetic Plain of India and the arid plateau of Tibet, China. The climate of the country is within the subtropical monsoon climate. Specific details regarding the two provinces targeted under the project are below:

Province 2: Province 2 lies in south eastern Nepal and consists of one metropolitan city, three sub-metropolitan cities, 73 municipalities and 59 rural municipalities in the 8 districts of Parsa, Bara, Rautahad, Sarlahi, Mahottari, Dhanusha, Siraha, Saptari. All these districts border India on the south. The total area of the province is 9,661 km2 and it is the second most populous province in Nepal after Bagmati Province. The province is located within the tropical region at 26°03' to 27°07' N latitudes and 84°01' to 87°01' E longitude on the flat plains of Terai, and Chure (Churiya) or the Shiwalik Hills. The Churiya is the natural border of the province on the northern side. Koshi River on its eastern side act as a natural border with Province 1. The province is drained by Koshi River, Kamla River and Bagmati River. The province is important from the perspectives of agriculture, industry, and tourism with a low possibility for hydro-electricity development. Parsa Wildlife Reserve, and parts of Chitwan National Park and Koshitappu Wildlife Reserve are the major protected areas of the province.

Karnali Province: Karnali is the largest province in Nepal with an area of 27,984 km2. The province is surrounded by Gandaki Pradesh in the east, Lumbini Pradesh in south-east and south, Sudurpashchim Pradesh in the west, and Tibet Autonomous Region of China in the north. There are 10 districts, 25 municipalities and 54 rural municipalities in the province. The province does not contain any fertile land of the plain Terai and is covered by high mountains and mid-hills region of Nepal. Mt. Kanjirowa (6612 m), Mt. Kanti (6859 m), Mt. Gorakh (6088 m) and Mt. Changla (6563 m) are remarkable peaks of the province. Situated within the province is Rara National Park containing Rara Lake, the largest lake in Nepal, and Shey-Foksundo National Park containing Shey-Foksundo Lake. The province also includes the Karnali River, the largest river in the province and is also the longest river in Nepal. The Seti River and the Bheri River are the two major tributaries of the Karnali River.

Figure 4-1 Provincial Map of Nepal



Water Resources

Nepal is drained by three main rivers the Koshi, Narayani (Gandak), and Karnali, running southward across the strike of the Himalayan ranges forming transverse valleys with deep gorges. The watershed of these rivers lies partly in the Himalayas and in Tibet. It is estimated that there are altogether 6,000 rivers (including rivulets and tributaries) in Nepal. Amongst the three river basins, Karnali River is the largest river of the Karnali province, which is thought to be longest river where Seti River and Bheri River are fed to the Karnali and the major tributaries of the river. Similarly, the Koshi River, Bagmati River, Kamla River, Lakhandei River and Bishnumati River are the main rivers of the Province 2 and have high potential for irrigation. All the rivers ultimately become major tributaries of the Ganges River in northern India. The rivers, rivulets and tributaries and small streams traversing through urban areas and emerging towns are polluted by large quantities of domestic waste disposed into them. Towns and villages have expanded without proper provision for sewage disposal facilities, which has led to the pollution of water bodies. The emerging cities of the proposed provinces, Karnali and Province 2, have drained out to the adjacent rivers and are causing pollution to the river system. The main causes of pollution of rivers and streams flowing through cities are mainly due to the free and direct discharges of household and industrial wastes into the river system. Industries discharge untreated water into the river, which contains non-biodegradable materials and toxic chemicals hazardous to health and hygiene. Further, after plunging through deep gorges, these rivers deposit heavy sediments and debris on the plains, nurturing and renewing their alluvial soil fertility. Once they reach the Terai Region, they often overflow their banks onto wide floodplains during the monsoon, shifting course periodically.

Air Quality

Air quality, particularly in the urban area of proposed project LLs, is deteriorating due to rapid and haphazard urbanization in the last few decades. The deteriorating air quality is primarily due to road expansion activities, open burning, unplanned infrastructure, rapid and unplanned urbanization, a growing number of vehicles, and unmanaged transportation system. Air pollution levels are high and ascending. Average annual ambient concentrations of fine particulate matter (PM2.5), the component

of air pollution that is most strongly linked to health outcomes, reach 50 to 80 µg/m3, considerably exceeding WHO guidelines of 10 µg/m3. PM2.5 has been shown to cause cardiovascular and pulmonary diseases and lung cancer in adults, and lower respiratory infections in both children and adults. The sources of PM2.5 pollution vary across the country, with transportation, household biofuel use, road construction, and brick kilns being the biggest sources in the city area of proposed provinces. Across the country, household biofuel use dominates, with a further large fraction from agricultural residue burning (World Bank. 2019. "Nepal Environment Sector Diagnostic: Path to Sustainable Growth Under Federalism). Health care waste in most hospitals is burned both openly, or in drums or small-scale incinerators, releasing harmful toxins and greenhouse gases and contributing further to the deterioration of ambient air quality. Wider range of construction and operation of earthen road has abundantly increased the dust and air pollution even in rural LLs of the proposed. Industrial development releasing effluents into the ambient air, vehicular emissions, household emissions, and even mega hydropower projects being developed in the Karnali Province, are causing cumulative impacts in the area.

Sanitation

The difficult geographical terrain of Nepal, especially in the hill and mountainous regions, underscores its inadequate access to water sources and proper sanitation. Nepal was declared as open defecation free country with access to improved sanitation on September 30, 2019. Despite the declaration, sanitation in health care facilities remains poor. Sanitation coverage is 95 percent in six Provinces, and below 90 percent in Province 2. About 97 percent of Nepal's total population have access to basics sanitation facilities and 87 percent have access to basic water supply facility. The indicators of health and sanitation condition of the Karnali Province are markedly low in comparison to national figures where the prevalence of diarrhea was 709 out of 1,000, and severe dehydration among diarrhea was 0.9 percent, and worm infestations was at 7.2 percent. Water, sanitation and hygiene (WASH) related ailments and diseases are the 10 most prevalent diseases in Nepal. Over one in six (16%) hospitals and clinics do not have access to clean water and nearly a third (29%) do not have safe toilets. Eight out of ten (81%) do not have soap or hand washing facilities. Additionally, there is limited data as to whether toilets in healthcare facilities are in working order and can be used by both staff and patients. Inadequate WASH facilities harms human health directly by causing diarrhea and other health problems, especially in young children, and indirectly by contributing to poor nutritional status. Inadequate WASH infrastructures specially in Karnali and lack of proper drainage system in Province 2 contributes to the pestilence of sanitation in the area. Other issues relate to the lack of awareness on health and hygiene and its impacts on sanitation in both provinces.

Climate and Precipitation

The climate of Nepal is dominantly influenced by the South Asian monsoons. The average annual precipitation in Nepal is 1,760 mm, and 80 percent of rainfall occurs in the monsoon period, being June to September. Winter precipitation is due to moisture coming from the Mediterranean Sea, and its intensity reduces to the east. Most parts of the country have an average annual rainfall of 1,500mm

to 2,500mm, the maximum being approximately 4,500mm in Pokhara. A combination of sharp relief and fast-moving monsoon clouds bring frequent hailstorms and cloudbursts; the latter trigger numerous landslides, landslide dams and debris flow. Landslide dam outburst floods may sometimes cause extensive damage in downstream areas. Rainfall intensity exceeding 100mm in 24 hours are frequent in many parts of Nepal. The Annual mean temperature of Nepal is around 15° C. The winter season is the coldest, whereas the highest temperature occurs during the pre-monsoon period. Summer and late spring temperature maximum range from about 28° Celsius in the Hills (Karnali province) to more than 40°C in the Terai (province no.2). In winter, average maximum and minimum temperatures in the Terai range from 7°C to 23°C. Much colder temperatures prevail at higher elevations. Except for the northern border of Province 6, it is recording normal to below normal temperature. Amongst the 38 stations, the mean temperature varied from below 17.0°C in the northern parts of the country to above 30.0°C at eastern part of Province 2. Compared to other provinces, Province 2 is quite vulnerable to various natural disasters like floods, drought, storms and cold waves. Deforestation in the area is triggering problems for ecological balance and control natural calamities. The priority risks due to climate change and vulnerabilities in Nepal are quantity and quality of water, food security, ecosystem health and human health. The GoN emphasizes some adaptation programs and policies in order to adapt climate change impacts at community level.

Forest, Biodiversity and National protected area

Nepal is divided into three ecological regions: the Mountains (35 percent of total area); the Hills (42 percent of total area); the Churiya and Terai (23 percent of total area). The climatic condition of the country varies from alpine to subtropical conditions within a lateral span of less than 200 km. Altitude variation is approximately 60 m in the South and 8,848 m in the North. On average, forest land has decreased at a rate of 1.7 percent annually. The forest area in Nepal was last reported at 25.36 percent in 2010 (World Bank, 2011). Nepal ranks 25th position in terms of biodiversity, with 11 bio-climatic zones, 118 ecosystems and 35 natural forests. Sixteen protected areas including nine national parks, three conservation areas, three wildlife reserves, and one hunting reserve. Six buffer zones have been established for the protection of flora and fauna. The protected areas make up approximately 17 percent of the country's total area. Of these, the Sagarmatha National Park and the Royal Chitawan National Park have been included in the World Heritage List, and the Koshi Tappu Wildlife Reserve, Bishajari Tal in Chitwan, Jagdishpur Jalasha Reservoir in Kapilvastu, and Ghodaghodi Tal in Kailali, have been designated as Ramsar sites in the country.

Forest coverage and biodiversity in the proposed two provinces is abundant. In the Karnali Province, altogether 1,183,400 ha (38.77 percent) of land is covered by forest. Two famous National Parks, namely Shey Phoksundo National Park and Rara National Park, are located within the Province. Shey Phoksundo National Park covers an area of 3,555 km2 located in Dolpa and Mugu district and is an important habitat for endangered species including the snow leopard, grey wolf, musk deer, and blue sheep, Goral, great Tibetan sheep, Himalayan tahr, leopard, jackal, Himalayan black bear and yellow-throated marten. Similarly, Rara National Park covering 106 km2 of area is situated in Mugu and Jumla districts. About fifty-one species of mammals, 241 species of birds, two species of reptiles and

amphibians, and three species of fish have been recorded from the park including musk deer, red panda, snow leopard, Himalayan black bear, Indian leopard, jackal, Himalayan tahr, yellow-throated marten, otter, dhole, gray langur, and rhesus macaque. In the province no 2, altogether 263630 ha (27.49%) of land area is covered by forest. The major protected areas of the province are; Parsa Wildlife Reserve, Koshitappu Wildlife Reserve and Chitwan National Park. The Chitwan National Park (952.63 km2), which covers some parts of this province, is listed in the World Heritage Natural Site. Similarly, Koshitappu Wildlife Reserve (175 km2), is a recognized wetland and is famous for wild water buffalo (Bubalus arnee) and migratory birds. The Parsa Wildlife Reserve (627.39 km2) is famous for wild elephants and Bengal tiger.

Solid Waste Management

Solid waste management is a problematic issue in urban areas in Nepal. Based on the study conducted by the Asian Development Bank (ADB) in 2013, it is estimated that waste from households contributes about 50% – 75 percent of the total solid waste generated in Nepal. Thus, the average municipality solid waste generated was found to be 317 g/capita/day. The management of waste by municipalities in most of the urban cities is challenging due to lack of sanitary land fill sites and therefore most of the collected waste is dumped along the bank of water bodies. The current management of urban cities is degrading the local environment including contaminating the air, water and soil. One of the key reasons why municipalities are not able to manage solid waste effectively and efficiently is due to the lack of technical and human resources, diagnostic assessment, data, and proper planning. Management of hazardous wastes is one of the key concerns in both provinces. Batteries, industrial chemical waste and electronic wastes are some of sources of hazardous wastes in the area, and are directly dumped in rivers, in forests or in agriculture areas, as there are no separate arrangements for managing hazardous waste. Waste segregation at source or after collection is generally very poor and the municipalities do not have resources for recycling infrastructures and equipment. Systematic compliance for solid waste management is not undertaken and causes significant adverse impacts on public health and the environment.

Health Care Waste Management

There are altogether 125 public hospitals, 1,822 non-public health facilities, 198 primary health centers, and 3,808 health posts in Nepal, as well as 11,974 primary health care outreach clinics sites and 15,835 Expanded Program of Immunization. Waste generation, collection, segregation, and disposal from these hospitals and clinics represents a concern as they contribute to aggravating pollution and public health hazards if proper attention is not given. The estimated waste generated by all the hospitals of Nepal is approximately 10,520 tons of non-hazardous healthcare waste per year, and 3,094 tons of hazardous health care waste (Government of Nepal, 2014). The Ministry of Health and Population (MoHP) estimates about 1.35 kg of waste is generated per bed per day, out of which 37 percent is hazardous. The waste generation rate is found to be significantly correlated with bed capacity, patient flow rate, and annual budget spent in the hospital. MoHP undertook a study to assess Health Care Waste generation in five regional level hospitals (one from each development region).

The study revealed that the range of waste generation in hospital of Nepal from 0.99 kg per patient per day to 1.47 kg per patient per day and the risk waste generation ranges from 0.33 kg per patient per day to 0.59 kg per patient per day. The details of the study are summarized in the table below:

Table 4-1 Water Generation in Major Hospitals

Hospitals	Waste generation	Total Risk Waste Generation	Bed occupancy	Waste Generation Rate (Per Patient per day)	Risk Waste Generation Rate (Per Patient per day)
Bhaktapur Hospital	37.12	12.91	28.0	1.32	0.46
Bheri Zonal	148.91	49.88	149.0	0.99	0.33
Lumbini Zonal	181.20	72.76	123.0	1.47	0.59
Seti Zonal	180.57	62.88	153.0	1.18	0.41
Koshi Zonal	342.60	92.48	207.6	1.65	0.44

A GoN study report entitled "Health Services Availability and Readiness in Seven Provinces of Nepal, Further Analysis of the 2015 Nepal Health Facility Survey" presented the proportion of facilities that segregate waste generated at the health care facilities at the time of collection. The data revealed that out of 174 health care institutions in Province 2, only 82.4 percent segregate waste at source. Similarly, in Karnali Province, out of 74 health care institutions only 68 percent segregate waste at source. Karnali Province is the lowest amongst the seven provinces in medical waste segregation at source. The report also presented the proportion of facilities with proper disposal of sharps waste and other medical waste where about 74.1 percent of medical waste is properly disposed in Province 2 and about 84.1 percent of medical waste is safely disposed in the Karnali Province. As per the WHO/UNICEF Joint Monitoring Program, only 1 percent of health care facilities in Nepal provided basic waste management services (defined as separating the waste into three bins and safely treating and disposing of the waste). The monitoring of data in regard to management of HCW is a major challenge in the hospitals, therefore very little information regarding health care waste management from HCFs is available. The study revealed that most HCW is not disinfected before transportation to waste disposal sites, and even a very limited number of Health Care Institutions have conducted an Environmental Assessment of waste disposal sites. The GoN has taken the initiative for managing HCW in compliance with the provisions of Health Care Waste Management Guidelines (HCWM, 2014), creating a separate budget line for HCWM in the Ministry's (MOHP) and establishing dedicated unit to oversight it. Further, currently, MOHP has also developed National Health Care Waste Management Standards and Operating Procedures 2020 which incorporates and addresses the requirements of Public Health Act 2018 and National Health Policy 2019.

OHS related to Labor & Working Conditions

Nepal lacks adequate government policies, laws and management initiatives to address occupational health and safety (OHS) issues. The Labor Act 1992 and Labor Rules1993 did not adequately address current OHS problems faced by workers nor did it sufficiently provide any standard procedure or system to ensure their good health and safety at workplaces. The recently amended the Labor Act 2017 and Labor Regulations 2018 have however, brought changes in the employment system in Nepal. The new Labor Act has removed the headcount requirement for its applicability, as is therefore applicable to all workplaces regardless of the number of employees.

There is provision of medical insurance and accident insurance in the Labor Act, 2017. Other OHS related provisions included in the Labor Act 2017 are preparation of Safety and Health Policy applicable to each workplace, formation of Safety and Health Committee where 20 or more workers are engaged in any workplace, appropriate safety and health arrangement, disseminating necessary notice, information, and training related to safety, prevention of communicable diseases by preventing workers from joining their regular duty until the treatment is completed, providing expenses for the investigation and treatment of any work-related diseases. COVID-19 Epidemic and the Systematic Captivity (lockdown) Criteria for Public health, 2077 recently approved highlights the public health criteria, rules and regulations to be followed in all institutions and workplaces, such as the need for social distancing, workplace safety, wearing of masks, and frequent hand washing or application of sanitizer where hand washing facilities unavailable.

Studies have indicated that there is inadequate attention to OHS practices in Nepal. OHS practices remain ineffective largely due to inadequate legal system to regulate and monitor OHS practices, limited knowledge, and poor implementation. Studies undertaken on the transport sector to understand contractor's OHS practices noted improvements in OHS practices, however, the general understanding of OHS is limited. OHS procedures require adequate surveillance of the work environment and risk assessment, which are often not done in Nepal. General understanding of OHS amongst employers as well as workers is limited to providing personal protective equipment (PPE) to workers, regardless of whether it is appropriate protection for the work. Labor camps and constructions sites often do not have basic minimum provisions such as health and sanitation facilities.

4.2. Socio-Economic Profile

Economic Profile

Gross Domestic Product

The size of Nepal's economy reached Rs 3,943 billion (US$ 33.90 billion) in FY2020. Nepal has been maintaining moderate economic growth in recent years, averaging 4.54 percent in the last six years largely due to a steady growth in remittance income and increased government expenditure. However, the country registered a negative growth rate of 1.88 percent in FY2020 mainly due to the economic downturn triggered by the COVID-19 crisis, as per Table 4-2 below. As a result, the gross domestic product (GDP) per capita income declined to US$ 1,134 from US$ 1,159 recorded in FY 2020.

Table 4-2 GDP growth rate (Real) in %

	FY14	FY 15	FY16	FY17	FY18	FY19	FY20
GDP growth rate (Real)	6.01	3.98	0.43	8.98	7.62	6.66	-1.88

Source: Central Bureau of Statistics, 2020

Inflation (Consumer Prices Index- CPI)

Despite the negative GDP growth rate growth recorded this year, the annual inflation increased to 6.15 percent in the FY 2020. The inflation of both the food and non-food sectors have remained at 8.15 percent and 4.51 percent respectively in the last FY.

Table 4-3 Annual National Consumers' Price Inflation (Percentage Change)

Sector	Weight	FY14	FY 15	FY16	FY17	FY18	FY19
Inflation (CPI)	100	7.0	10.2	2.9	6.0	4.2	6.15
Food & Beverage	43.91	9.5	10.3	-0.4	5.6	2.2	8.16
Non-food items and Services	56.09	4.9	10.2	5.6	6.3	5.8	4.51

Source: Nepal Rastra Bank, 2020

Remittance

Remittances remains the backbone of the economy since the last several years has and have greatly contributed to maintaining a healthy domestic demand and foreign currency reserves, despite the weak exports. The average growth rate and share of the GDP of the remittance income remained over 23.4 percent in the last six years. Due to the loss of jobs overseas and shrinking economic activities in foreign countries that host Nepali workers amid the pandemic, which has forced many to return to the home country, the inflow of remittance recorded a negative growth of 0.5 percent in the FY 2020. Given the continued impact of the pandemic worldwide, it is predicted that the flow of remittance might be further reduced in the coming months.

Table 4-4 Contribution of remittance to the economy

Remittance Income	FY14	FY 15	FY16	FY17	FY18	FY19
Amount (NRs in billion)	617.28	665.06	695.45	755.10	897.27	875.03
Change in %	13.6	7.7	4.6	8.6	16.5	-0.5
Ratio to GDP	25.47	25.50	22.60	21.85	22.78	22.19

Source: Nepal Rastra Bank, 2020

Social Profile

Demography

The population of Nepal is 26.6 million according to the 2011 census with an average annual population growth rate of 1.4 percent, and an average household size of 5.6 persons with a total of 5.66 million households. Of the total population, 1.8 million (6.7 percent) live in the mountain region, 11.5 million (43.2 percent) live in hills region, and 13.3 million (50.1 percent) live in the Southern plains/Terai region. A total of 17 percent of the population live in urban areas. Nepal is a young country with 63.7 percent of the population aged below 30 years, and is one of the reasons why Nepal has become a major worker exporting country, with around 6 million Nepali youths working abroad, including roughly 2 million in India.

Table 4-5 Areas, Population and sex ratio in province level

Provinces	Capital	Area (km2)	No. of Districts	Population (2011 Census)	Sex ratio per 100 females	Total HH	Average HH size
Province 2	Janakpur	9,661	8	5,404,145	101.18	932,308	5.80
Karnali Province	Birendranagar	27,984	10	1,327,957	95.69	298,359	5.26
Nepal		**147,181**	**77**	**26,494,487**	**94.16**	**5,427,302**	**4.88**

Source: Population Census 2011, CBS

Human Development

Nepal's Human Development Index (HDI) value for 2019 is 0.602, which puts the country in the medium human development category. In terms of the global HDI index, Nepal ranks 142 out of 189 countries and territories. Between 1990 and 2018, Nepal's HDI value increased from 0.380 to 0.602, an increase of 55.6 percent. Similarly, during the period, Nepal's life expectancy at birth increased by 16.4 years, mean years of schooling increased by 3.0 years and expected years of schooling increased by 5.2 years. Nepal's gross national income (GNI) per capita increased by about 151.9 percent between 1990 and 2019.

Table 4-6 Nepal's HDI trends based on consistent time series data

Year	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP$)	HDI value
2010	67.6	11.9	3.3	2,372	0.537
2015	69.5	12.7	4.7	2,957	0.583
2016	69.8	12.6	4.9	2,946	0.572
2017	70.2	12.6	4.7	3,135	0.574
2018	70.5	12.8	4.9	3,276	0.596
2019	70.8	12.8	5.0	3,457	0.602

Source: Human Development Report 2019, UNDP

Poverty

Poverty in Nepal has gradually decreased due to factors including high economic growth, investment in social and economic infrastructure, and robust inflow of remittance. The Living Standard Survey 2011 showed that 25.16 percent of the total population was living below the poverty line FY 2011. Because of the massive migration of youths for employment in foreign countries and the subsequent rise in remittance income, the portion of the population below the absolute poverty line has declined. The latest government estimates reveal that the poverty defined in terms of the population living

below the poverty line has reached 18.7 percent in FY 2018. Despite declining poverty, high inequality is still a major concern.

Table 4-7 Province-wide poverty and life expectancy in FY 2018

	Province 2	Karnali Province	Nepal
Population under absolute poverty (%)	19.8	28.9	18.7
Life expectancy (living born)	67.8	66.8	69.7

Source: National Planning Commission, approach Paper of 15th Five Year Plan, 2019

Of the seven provinces, Karnali Province has the second highest number of people living below the poverty line, and also has the lowest life expectancy. As a result of high poverty along with high illiteracy, the access of poor and marginalized communities to basic social services, already weak, may have further deteriorated due to the pandemic.

Employment

Labor Force Survey 2017 estimated that the rate of unemployment in Nepal was 11.4 percent in 2017 and the underutilization rate of labor is almost 40 percent. The informal sector still employs 41 of the working-age population and the employment to population ratio stood at 34.3 percent. Of the seven provinces, Province 2 has the highest level of unemployment where one-fifth of the working population is not employed. Bagmati province, which also includes the capital city and contributes over 35 percent to the national economy, has the lowest rate of employment among the provinces.

Table 4-8 Province-wide unemployment rate in FY 2018

	Province 2	Karnali Province	Nepal
Unemployment rate (percentage)	20.1	9.7	11.4

Source: National Planning Commission, approach Paper of 15th Five Year Plan, 2019

Ethnicity and Social Minorities

Nepal is a country with great ethnic and social diversity. The predominantly Hindu country has a mixture of ethnic groups and a highly stratified and hierarchical social structure. Based on the distinct characteristics, the National Foundation for Development of Indigenous Nationalities Act, 2002 has recognized a total of 60 different nationalities as indigenous nationalities, representing 37.2 percent of the total population in 2001. The majority of the indigenous nationalities socially, economically, politically, and educationally marginalized. The HDI shows considerable disparities among various nationalities/ethnicities and castes and communities. Based on the social and economic features, the National Federation of Indigenous Nationalities (NEFIN) further classified 59 different nationalities into five broad categories, as presented in the table given below. The 2011 census listed the population belonging to 125 castes and ethnic groups, including 63 indigenous peoples; 60 castes, including 15 Dalit castes; and 3 religious' groups, including Muslim groups. Based on the 2011 census, about 86 percent of the population follows Hinduism, 8 percent follows Buddhism and 3 percent follows Islam.

Table 4-9 Sub-categorization of the 60 different indigenous nationalities

Region	Endangered	Highly Marginalized	Marginalized	Disadvantaged	Advantaged
Mountain	-	Shiyar, Shingsawa (Lhomi), Thudam	Bhote, Dolpo, Larke, Lhopa, Mugali, Topkegola, Walung	Bara Gaunle, Byansi (Sauka), Chhairotan, Marphali Thakali, Sherpa, Tangbe, Tingaule Thakali	Thakali
Hill	Bankariya, Hayu, Kusbadiya, Kusunda, Lepcha, Surel	Baramu, Thami (Thangmi), Chepang	Bhujel, Dura, Pahari, Phree, Sunuwar, Tamang	Chhantyal, Gurung (Tamu), Jirel, Limbu (Yakthung), Magar, Rai, Yakkha, Hyolmo	Newar
Inner Terai	Raji, Raute	Bote, Danuwar, Majhi	Darai, Kumal	-	-
Terai	Kisan, Meche (Bodo)	Dhanuk(Rajbansi), Jhangad, Santhal(Satar)	Dhimal, Gangai, Rajbanshi,	-	-
Total	**10**	**12**	**21**	**15**	**2**

Source: National Federation of Indigenous Nationalities, 2002

Dalits

Dalits were categorized as 'untouchables' in the Old Civil Code and are placed at the very bottom of the Hindu caste hierarchy by the discriminatory caste-based system. Dalits comprise 13 percent of the total population of Nepal and do not have a specific location but are scattered throughout the country. Dalits are divided into two broad regional groups: i) Dalits in the hill areas; ii) Dalits in the Terai areas.

Table 4-10 Scheduled Castes of Dalit Community in Nepal

Ecology	Scheduled Dalit Castes
Hill Dalit	Gandharba (Gaine); Pariyar (Damai, Dargee, Suchikar, Nagarchee, Dholee, Hudke); Badi; Bishwokarma (Kami), Lohar, Sunar, Od, Chunanra, Parki, Tamata); Sarki (Mijar, Charmakar, Bhool); Pode (Deula, Pujari, Jalari); Chyame (Kuchikar, Chyamk
Terai Dalit	Kalar; Kakaihiya; Kori; Khatik; Khatwe (Mandal, Khang); Chamar (Ram, Mochi, Harijan, Ravidas); Chidimar; Dom (Marik); Tatma (Tanti, Das); Dushadh (Paswan, Hajara); Dhobi (Rajak); Pattharkatta; Pasi; Bantar; Mushar; Mestar (Halkhor); Sarbhang (Sarbariya); Natuwa; Dhandi; Dharikar/Dhanka

Source: National Dalit Commission, 2003

The living conditions and human development indicators of Dalits are far below the national average, as the community has been greatly deprived of economic and social services and political opportunities unveiled by the state. For instance, in 2011, the incidence of poverty among Dalits was 43.6 percent in the hill areas and 38.2 percent in the Terai, compared to Newars (10.3%) and hill Brahmins (10.3%). Similarly, 15 percent of hill Dalits and 44 percent of Terai Dalits were landless. The poverty index for Dalits is 47% compared to the national average of 31 percent. In total, 44 percent of Dalits in the Terai are landless and 44.6 percent of the Dalits of the hills are marginalized farmers. The HDI for all Dalits is 0.434 whereas it is 0.565 for Newar and 0.557 for Hill Brahman.

Gender Gap

Although the female population exceeds the male population according to the Population Census 2011, women are far behind in many social and economic areas in Nepal. One of the sectors with a huge gender gap is women's access to household wealth which has greatly obstructed the economic empowerment of women. The Population Census 2011 states that only 20.5 percent of women hold assets, although the proportion has increased from 17.1 percent in 2001, contributed largely by the tax incentive scheme on land ownership of women. Women's economic activity is still low in non-agriculture sectors potentially due to a lack of education and a long-running tradition of working in agriculture. Further, women engaged in self-employment activities and/or unpaid family labor is high (64 percent of females). However, there have been many positive developments. Female literacy has remarkably increased in the past decades and there has been a rise in female-headed households in 2011 due to the increase in male outmigration. Similarly, the life expectancy of women has increased to 69.6 years, higher than men. Nepal has experienced a decline in maternal mortality in the past decades. The GoN has also started implementing a Gender Responsive Budget (GRB). There has also been an increase in female international migration, which reached 12.4 percent in 2011. Although the gender gap between males and females in many areas has reduced compared to previous censuses, the change is not significant to bridge the existing gap. Moreover, Nepal has high incidences of Gender-Based Violence (GBV) cases with mostly women as victims. Out of the 15 most GBV prevalent countries in the world, Nepal ranks 4th in domestic violence and violence by a partner. GBV is prevalent in Nepal due to unequal gender relations and discrimination towards women in both the public and private spheres. It has direct implications on the reproductive health status of women and the physical, emotional, and mental health of their children. In the current COVID-19 context, evidence from the rapid assessment of the Integrated Platform for Gender-Based Violence Prevention and Response (IPGBVPR) project, GBV Helpline 1145 shows that survivors of domestic violence are having to quarantine with their abusive partners, effectively isolating them and putting them in physically, mentally and emotionally danger. The layoffs from employment, return of migrant laborers after being let go from their daily wage labor work, shutting down of supply stores, etc. indicate a fragile and financially stressful situation in households across families in Nepal, triggering an increase in GBV.

Disabilities in Nepal

The overall prevalence of disability, according to the Census of 2011, was 2 percent, with 2.2 percent prevalence for males and 1.7 percent prevalence for females. Physical disability was the most common type of disability and represents over 33 percent of total disabilities. Physical disability and blindness/low vision combined account for more than 50 percent of total disabilities. Disabilities in rural residents is more prevalent (2.1%) compared to disability in urban areas (1.2%). The prevalence of disabilities is considerably higher in Mountain areas (3.0%) compared to Hill areas (2.2%) and Terai (1.6%). More than one-third of the disabled are less than 30 years old and only one-fourth of disabled persons are aged 60 years or more. The percentage of persons with a disability in the economically active age group (15 – 59 years) was higher in urban areas (59.5%) than in rural areas (56.1%). The

proportion in older ages (60 and above) was higher among women (27.2%) compared to men (24.3%). Disability was significantly higher among illiterates (3.87%).

Language in Nepal

The population Census 2011 identified 123 languages whereas the number of such languages in 2001 was 92. Almost all the mother tongues listed in the Census of 2011 belong to four language families, which are Indo-European, Sino-Tibetan, Austro-Asiatic and Dravidian. Kusunda is the only isolated language, consisting of a single language without any genetic relationship with other languages. Nineteen mother tongues are spoken by 96 percent of the population, whilst 104 languages are spoken by 4 percent of the total population. Nepali is spoken by 44.64 percent of the population in 2011, which was reported to be spoken by 48 percent in 2001. The majority of the population (59%) were reported to be monolinguals and 41 percent of the population speak at least one-second language. Maithili, Bhojpuri, Tharu, Avadhi, Bajjika, Urdu, and Rajbanshi are the major languages spoken in the Terai. In the hills region, the major languages spoken are Tamang, Magar, Rai-Kirati, and Limbu language, whilst in the mountains region there are Sherpa, Thakali, Tamang, and Gurung speakers.

Education

The literacy rate of the population of age over 5 years is 68.3 percent. The male literacy rate is 76.8 percent and the female literacy is 60.5 percent. The literacy rate for the population of 6 years and above is estimated to be 69.8 percent while the adult literacy rate of 15 years and above population is 66.8 percent. The literacy rate has increased slightly from 2015/16, as in the previous year this rate for 5 years and above was 65.9 percent, for 6 years and above it was 66.8 percent and that for 15 years and above it was 65.6 percent. In 2016/17, 31.9 percent of the population were attending school and 26.6 percent never attended school. The gross enrolment ratio (GER) of primary, lower secondary, and secondary level of schooling in 2016/17 were 118.5, 93.4, and 85.9 respectively. The GER of primary levels in urban areas was 120.4, and in rural areas was 117.4.

Table 4-11 Province-wide Details of Different Levels of Schools

Province	Total school	Basic (1-5)	Basic (6-8)	Basic (1-8)	Secondary (9-10)	Secondary (11-12)	Secondary (9-12)
Province 2	4,137	4,104	1,703	4,111	993	434	1,017
Karnali Province	3,167	3,126	1,244	3,164	669	279	669
Total Nepal	**35,520**	**3,5063**	**16,770**	**35,262**	**10,644**	**4,187**	**10,889**

Source: Ministry of Education, Science and Technology, 2020

Health sector

The number of critical health facilities has been increasing in Nepal, although the pace of growth has been slow. The number of hospitals grew just by 17 percent and the number of doctors increased by 23 percent over the past six years. Similarly, the contribution of the health sector to the national

economy remained at 1.8 percent in FY2019, and the sector recorded a growth of 6.7 percent in the same year.

Table 4-12 Number of Health Facilities and the health workforce

	FY14	FY15	FY16	FY17	FY18	FY19
Hospital	107	116	116	116	123	125
Primary health	215	215	216	200	203	203
Health Post	2,175	3,790	3,883	3,803	3,803	3,805
Hospital beds	7,750	7,640	7,748	8,172	8,172	8,172
Doctor	2,154	4,457	2,550	2,550	2,640	2,640
Nurse/ANM	9,535	20,346	20,423	20,510	20,510	20,653
Health Assistant (HA/AH)	11,551	11,551	12,646	12,646	14,347	14,347

Source: Ministry of Health and Population, FY 2018/19

Amongst the seven provinces, Bagmati Province has the largest number of health infrastructures, with the largest pool of public hospitals. However, in terms of the number of health posts, Province 2, which is lacking behind in other socio-economic indicators, has the highest number of health posts. Karnali Province has the lowest number of public hospitals and health posts. Among the private health facilities, Bagmati Province alone hosts 64 percent of total such institutions of the country.

Table 4-13 Number of Health Facilities

	Country	Province 2	Karnali
Public Hospitals	125	13	12
Primary Health Care Center	203	32	13
Health Posts	3,805	745	336
Private Facilities	1,822	169	46

Source: HMIS, MoHP

A total of 21 million outdoor services were provided by all government, private, and community health institutions of Nepal by mid-March of FY2020. Similarly, altogether 855,48800 patients were admitted to the hospitals, and 1.54 million received some sort of emergency services.

5. POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

This section highlights the potential environmental and social risks and impacts of proposed activities that will be supported by the project. Along with associated mitigation measures for the expected negative risks and impacts linked to the proposed activities during the pre-construction, construction and operational phases. In order to have a broader understanding of the potential E&S risks and impacts, a risk assessment has been carried out with focus on the physical, biological, socio-economic and cultural aspects of the project area. The assessment has identified the major issues that may arise as a result of intervention under the project and recommended pragmatic and site-specific environmental mitigation and enhancement measures. The project includes all the urban and rural Local Levels in Province 2 and the Karnali Province and aims to contribute for upgrading of community infrastructure associated to health, education and social registry system so as to create conducive environment for better human capital in the provinces. The ESMF outlines the potential environmental and social impacts due to implementation of the activities incorporated in Component 1, which includes strengthening knowledge management activities and physical resources, such as improvements to physical resources including minor upgrading of ward offices, health and early childhood education centers. Component 2 aims to stimulate the use of services by poor and vulnerable households ("stimulation package") with special attention to those at higher risks and in areas with large probably of being affected by shocks. The component's main objective is to boost demand for existing services and promote the adoption of good practices, including activities at the level of localities (mass information campaigns), as well as community sessions and home visits targeting poor and vulnerable groups. The activities will focus on encourage the use of services but will not include provision of services. The stimulation package will be tailored to different groups of households, depending on their composition, but all content will systematically promote gender-sensitive messages. A particular focus will be on households with children under 5 years old and adolescents girls aged 11-19 years old, and activities will focus mostly on early years development, empowering adolescent girls, providing information on GBV services, and promoting resilience to shocks.

Given the fact that specific sub-project level interventions are yet to be determined, site-specific assessment of the direct environmental and social impacts of particular sub projects will to be carried out based on the outline presented in the section once the specific site and activities are identified. Therefore, this section has explored the potential E&S risks and impacts of the proposed project activities and recommends mitigation measures along with the systematic procedure. The risks, impact and mitigation matrix will guide the preparation and implementation the site specific screenings as well as any environmental and social assessments and management plans required for sub-projects to manage potential risks and impacts.

Potential Positive Impacts

The activities to be financed through the project are expected to have both positive and negative impacts on the local communities, including indigenous and other vulnerable groups in the project areas. Positive impacts of the project are expected to include:

- Improvement in the capacity of delivering human capital services and ability through adoption of technology and system development at the LLs
- Use of ICT in classrooms and digital and life skills, including soft skills, leadership, financial literacy, nutrition and empowerment
- Improvement in the access to basic education and maternal and child health and nutrition services of the local beneficiaries, including vulnerable communities and poor people
- Strengthening of the institutional delivery basic social services in the areas of education, health nutrition and civil registry
- Reduction in under 5 mortality, improvement in learning outcomes, reduction in drop-out rates, increase employability of women
- Increase in adaptive and climate resilience work opportunities and improve household, community and services resilience against shock
- Improvement in employment opportunities at the local levels.

Potential adverse environmental and social impacts

However, the project is expected to have significant environmental and social risk impacts:

- Risks and impacts related to the minor upgrading and rehabilitation of existing healthcare facilities, ECECs, schools, wards offices and WASH facilities
- Impact related to health support; widening, furnishing, cleaning and painting of lab rooms, immunization of birthing centers, provide Lab tools and equipment, medicines etc
- Impacts related to temporary disturbances in education and health services during upgrade and rehabilitation of existing public infrastructures
- Impacts related to management of waste collection and disposal generated during construction and installation of equipment
- Risks and impacts of beneficiaries and stakeholders, including the indigenous people being uninformed about the project activities and opportunities due to lack of meaningful consultations
- Risks and impact triggered by possible land acquisition or restriction in land use.

Potential E&S risks and impact in different stage (pre-construction, construction and operation) under typical intervention and their generic mitigation measures are summarized in Table 5.1 below.

Table 5.1 Environmental and Social Risk Management Plan Pre-Construction / Planning Stage

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
Pre-Construction / Planning stage		
Site Clearance for temporary use for upgrading facilities	Temporary use of private or public land having different land use Failure to obtain necessary consents, permits, No Objections (NOs), can result in design revisions and/or stoppage of works.	Obtain all of the necessary consents, permits, NOs, prior to start of civil works. Develop necessary alternatives designs/programs for avoiding the impact on resources. Acknowledge in writing and provide report on compliance of all obtained consents, permits, clearance, NOs etc.
Existing utilities	Disruption of public services	Identify and include locations and operators of these utilities in the sub project specific design documents to prevent unnecessary disruption of services during minor construction. Prepare a contingency plan to include actions to be undertaken in case of unintentional interruption of services.
Preparation of environmental and social instruments	Impacts due to subprojects/activities if not properly assessed	Ensure that all minor upgrading and improvement facilities will be carried out in compliance with the requirements stated in Chapter 6 comprising screening, site-specific ESMPs that are prepared based on the standard template given in Annex 2. Implement Labor Management Procedures (LMP) and Resettlement Framework (RF), which are included at Annex 3. Require preparing sub project specific plans as required.
Sub project specific ESMP Implementation	If safeguards unit is not established and adequate training is not provided to the safeguards team, there is a possibility of the ESMP not being implemented efficiently and accurately, leading to unfavorable impacts to environment, workers and community	Strengthening of E&S system with specified ToR, resources and training with due assessment as explained in chapter 8. Ensure that personnel at PMU, Local Levels and sub project level are trained in ESMP implementation, including standard operating procedures (SOP). Ensure timely implementation of the ESMP. Develop and execute measures for any unanticipated impacts.
Construction		
Topography, landforms, geology and soils	Surface cutting and excavation works may cause small scale erosions and slope failure and impact on surface drainage	Soil erosion will be minimized by taking precautionary measures such as:(i) reuse of excavated soil, (ii) immediate and proper backfilling of the trenches, and (iii) the excavated soil temporarily stored properly to prevent erosion by using barriers or silt traps. Consent will be taken before excavating where existing land use is present. Use of temporary fencing to enclose demolition area to protect the community and public Incorporate slope stabilization measures in the rehabilitation and upgradation of school facilities.
Community facilities	Small scale impacts on existing facilities like drains, compound walls, WASH facilities causing dismantling of the structures	Existing infrastructure (such as drains, compound walls, WASH facilities etc.) will be rehabilitated with coordination of local community.

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
	Possible conflict for use of community facilities	All concerned stakeholders will be consulted before the dismantling of any structure. Safe dismantling will be carried out with due assessment of possible impact of the material used in the structures. Prior permission will be obtained from respective local authority for use of water for construction. Use of water for construction works will not disturb local water users. If construction work is expected to interrupt any community activities, community will be informed in advance . Provide signage for safety at critical locations for warning and informing the community with images and text in local language. Use of temporary fencing to enclose demolition area to protect the community and public Identify and develop an Environmental, Health and Safety (EHS) plan that includes adequate precautions in place to prevent or minimize the spread of disease and inclusion as part of civil works contracts.
Water bodies and water quality	Pollution of water bodies, contamination of water sources due to waste disposal from health facilities, WASH facilities and transport of sediments from worksites and/or construction camps (if any)	As far as possible, earthworks will be undertaken during the dry season to avoid the potential for difficult working conditions that generally prevail during monsoon season such as problems from runoff. Location for stock yards for construction materials will be identified at least 500m away from water courses. Place for storage of fuels and lubricants will be away from any drainage leading to water bodies. Adequate precautions will be taken for preventing the discharge of effluents and wastewater into streams, watercourses, or irrigation system. Temporary silt traps or sediment basins along the drainage leading to the water bodies will be installed. While working across or close to any water body, the flow of water will not be obstructed Ensure that no construction materials like earth or stone are disposed of in a manner that may block the flow of water of any watercourse. Establish baseline and periodic water quality test of downstream major sources, if any.
Ambient air	Conducting works at dry season and moving large quantity of materials may create dust and increase in concentration of vehicle-related pollutants (such as carbon monoxide, Sulphur oxides, particulate matter, nitrous oxides, and hydrocarbons) which will affect people who live and work near the sites.	Water sprinkling at dry exposed surfaces and stockpiles of aggregates as necessary. If re-surfacing of excavated portion requires movement of trucks for delivering aggregates and cement, ensure that the trucks have tarpaulin cover . Limit speed of construction vehicles in access roads to maximum of 30kph. All vehicles, equipment and machinery used for construction to be regularly maintained. Follow applicable national emission standards for the use of equipment and vehicles. Regular monitoring of ambient air quality.

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
Acoustic environment	Construction activities at or near settlements, ECECs, schools, and areas with small-scale businesses will temporarily increase the noise level and vibrations may be caused by movement of equipment and excavation.	Plan activities in consultation with local administration so that activities with the potential to generate noise are conducted during periods of the day which will result in least disturbance. Prohibit construction activities during night time hours. Minimize drop heights when loading and unloading coarse aggregates. Discourage the use of horns. All vehicles, equipment and machinery used for construction to be regularly maintained.
Generation of hazardous waste and e-waste	Possible generation of e-wastes through IT equipment to support the improvement of data management, such as computers, servers and data drivers Possible generation of asbestos-containing hazardous waste, especially during dismantling of some old civil structures for upgrading of school facilities	Procurement of energy-efficient ICT equipment so as to reduce radiofrequency emissions and energy use. Introduce buy-back arrangements with the suppliers of electrical and internet equipment at the end of its useful life. Prepare, adopt, and implement, where relevant, a Hazardous Waste/ E-Waste Management Plan, commonly as part of the ESMP, to manage risks such as from batteries, health care wastes, asbestos and e-waste etc. in a manner acceptable to the bank. During screening, if significant Hazardous Waste/ E-Waste issues are anticipated, a standalone Hazardous Waste/ E-Waste Management Plan will be prepared. Otherwise, hazardous waste / e-waste management will be included as part of the ESMPs. Appropriate formal arrangements for the disposal and management of hazardous and / or e-waste prior to commencement of civil works will be ensured.
Construction waste and solid waste disposal	Pollution of water and land resources, and cases of vector borne diseases due to haphazard waste disposal. If any infrastructure improvement works require full or partial demolition of existing buildings, demolition debris may be generated.	Ensure that the site specific ESMPs include the measures for management of demolition debris and solid waste for subproject/ activity implementation. Install bins with labeling for careful waste segregation. Regular collection, treatment and dispose-off of solid waste at designated facilities Ensure appropriate formal arrangements for the disposal and management of demolition debris prior to commencement of civil works. Clear unutilized construction materials, heavy equipment and debris from construction site.
Risk and impact on Socioeconomic and Cultural Resources		
Social harmony of the area	Poor sanitation practices by workforce may cause pollution of surrounding environment. Social problems may arise due to anti social behaviour of the workforce such as gambling, alcoholism and disrespect to local people	Provide detailed orientation to influx/workers on the procedures to be followed in work areas. Keep IEC material to sensitize and the workers adherence to proper housekeeping practices at worksites. Proritize local people for opportunities to work in the subproject which helps to minimize the chances of cultural discrepancy and conflict due to increased outside workers. Ensure GRM is in place, well known and is managed effectively.
Occupational Health & Safety	During the construction work, laborers involved in civil works may be exposed to different levels of health risks and accidents	Require mandatory use of safety measures and PPE such as masks, helmets, hand gloves and rubber boots. Keep first aid box at an appropriate and easily accessible place. Provide safe drinking water for labors and other facilities at site.

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
		Prohibit child labor in all construction activities. Ensure workers follow health and safe hygiene practices; precautions will be taken in response to current risk of COVID-19. Comply with COVID-19 protocols and keep the record of infections, if any. Provide orientation and training to workers for maintaining social harmony, prohibition of ill social behaviours (alcohol, gambling etc). Engage local people will be engaged in construction as per their skills and qualifications. Develop Labor Management Procedure (LMP) and include in civil works procedures . Provide orientation to workers, contractor and the project. Establish standalone GRM for direct and contract workers to raise workplace grievances.
Labor camp management	Impacts encountered through construction workers camp include disposal of solid waste (i.e organic waste, plastic and metal scarps, and domestic effluent) Pressure on the existing public utilities like (i.e drinking water sources, health post) and poor sanitation and transmission of communicable diseases, use of alcohol, gambling and conflict with local communities leading to fatal accidents and on site/work accidents.	Develop Labor Management Procedure (LMP) and include in civil works contracts Maintain labor registry that should include contact details of the worker hired for project activities and update it regularly Provide orientation and training to workers for maintaining social harmony, prohibition of ill social behaviours (alcohol, gambling etc) Provide first-aid training to construction workers for safety of workers for all types of construction related injuries. Establish and operate a standard level of labor camp considering gender and disabilities Maintain proper sanitation at camps with provision of potable water and regular health checkups of construction crew. Regular collection, treatment and dispose-off of labor camp waste at designated places
Community Health and safety risks	Overall, communities will be exposed to cross- cutting risks from impacts on air and water quality, ambient noise level; chances of accidents, communicable and transmittable diseases may potentially be brought into the community by construction workers	Proper awareness and orientation to workers and community will be provided on OHS, community health and safety and GBV. Contractor will maintain adequate space and adequate lighting, temporary fence, barriers and signage at worksites. Children will be prohibited from active construction sites. Proper fencing of stockpile and other risk area. Awareness programs on communicable diseases and hygiene practices will be carried out throughout the project lifecycle. Ensure GRM is in place, well known and is managed effectively.
	Transmission of COVID- 19 within the community	Regular communication with the community in the vicinity about the procedures put in place to address the risks of COVID-19. Different communication approach and materials will be developed that are clear and designed to be easily understood, particularly by the vulnerable groups including indigenous people, people with disability.

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
		Make sure workers adhere to COVID-19 OH&S precautions and protocols to minimize the risk of COVID-19 transmission between workers on construction sites and within the community Thermal scanning, wearing face masks and related PPE, maintaining social distancing and hygiene practices to be mandatory management requirement.
SEA/SH-related risks	SEA/SH-related incidents, giving the rise of sense of insecurity in the project area	Prepare, adopt, and implement measures to manage risks of SEA/SH through the implementation of SEA/SH prevention and risk mitigation plan. Identify risks, key stakeholders and available service providers to address and manage any incidences of SEA/SH. Prepare code of conduct (CoC) as part of the bid document for laborers, and contractors and also for project staff. Conduct orientations on CoC to workers and require all workers to sign the CoC.
Physical and cultural heritage	Although the subproject area holds no visible above-ground PCRs, potential archaeological relics could be discovered underground and could be damaged due to construction activities.	Develop Chance finds procedure. In the unlikely event that a physical cultural heritage is identified or suspected, the contractor will immediately stop work to allow further investigation, in coordination with district level authority and with the Department of Archaeology.
Weak consultations and information disclosure	Unfavorable public perception of the project Stakeholders, including the indigenous People and vulnerable people are unable to access project related information and project benefits. Stakeholders are unable to participate in the planning process of mitigation measures.	Undertake periodic stakeholder engagement activities in accordance with the SEP and inform them about project activities and opportunities. Disseminate project related information through culturally appropriate and locally available means, such as project website, national and local media and social media. Establish a system through which the stakeholders can obtain project related information. Thoroughly brief the stakeholders about the possible risks and impacts of project activities and the mitigation measures. Seek their participation in designing and implementing the mitigation measures .
Lack of accessible mechanism for stakeholders to raise questions and concerns	Grievances and complaints not being addressed	Establish a functioning grievance redress mechanism (GRM) as envisaged by the SEP and raise awareness to stakeholders of the GRM. Regularly monitor GRM to ensure grievances are being received and addressed, and that the GRM is functioning as envisaged.
Land-based impacts triggered by land acquisition	Physical and economic displacement due to loss of land for project activities Temporary/permanent restriction to land use due to project activities	Prepare a Resettlement Framework (RF) as per the ESS5 to address the situation that may require a small land-take or resource alienation. It is however not expected that the project will require any land acquisition that may triggers permanent/temporary physical/ economic displacement and restriction to land use. Should the need arise, the RF will be used to inform the preparation and implementation of Resettlement Action Plans (RAPs) for site-specific projects, and the RAPs will address compensation and livelihoods needs of persons affected by the land acquisition.
Disproportionate impact to indigenous people	Indigenous people may remain uninformed about project activities and opportunities	Project activities will ensure the inclusion and participation of IP groups, as outlined in this ESMF and will be provided in the SEP. Measures will include targeted interventions to IP

Risk/Impact area	Potential E&S Risk and impacts	Mitigation Measures
	due to their distinct social conditions, including illiteracy and poverty, and their needs may not be adequately addressed through project interventions	groups to ensure meaningful consultation, identification of needs with regards to accessing and using human capital services.
Operation and Maintenance Phase		
Water bodies	Discharge of wastewater from Small-Scale Medical facility and effluent from WASH facilities	Consider settling tank decanting of the slurry from the effluent. Construct catch pit for settling the wastewater. Discourage the direct discharge of water into water bodies without proper treatment.
Increased use of energy	Level of energy consumption will be increased with installation of devices and equipment in ECECs, and schools and small - scale health facilities	Incorporate measures for sustainable use of energy and water resources into design and rehabilitation works e.g. consider solar wherever feasible and effective. Consider general environmental concerns in material specifications for rehabilitation works.
Generation of e-waste	Possible generation of e-wastes through IT equipment to support the improvement of data management, such as computers, servers and data drivers	Prepare, adopt, and implement, where relevant, an E-Waste Management Plan, commonly as part of the ESMP, to manage risks such as from batteries, health care wastes, asbestos and e-waste etc. in a manner acceptable to the bank. Procurement of energy efficient ICT equipment so as to reduce radiofrequency emissions and energy use. Provide guidance on management measures in line with international best practice. Introduce buy-back arrangements with the suppliers of electrical and internet equipment at the end of its useful life.
Lack of meaningful consultations with the stakeholders	Confusion and discontent with the project, leading to weak ownership of the project among project stakeholders	Organize periodic consultations with the project stakeholder as envisaged by the SEP and disclose project related information in the way that is understandable to the local communities and culturally appropriate throughout the project lifecycle.
Non or weak functioning of the GRM	Discontent with the project among project stakeholders	Ensure that the GRM established at the LLs and federal level functions as envisaged by the SEP throughout the project lifecycle. Provide orientation and training to concerned person to handle and manage the GRM.

6. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

This section sets out a detailed procedure for the environment and social risk management process to be followed during the implementation of the project activities. The E&S procedures ensure effective integration of the environment and social aspects into subproject design and implementation to strengthen social and environmental risk management and determine the appropriate instrument for addressing the risks. The procedure ensures the compliance of systematic criteria to identify the level of processes involved in environmental assessment, their sequence to conduct the studies for various components/phases of the project, including legal requirements and implications. Once the need/justification of a subproject/activity is finalized, the process of E&S risk management starts with environmental and social screening processes. It is essential that the potential environment and social concerns of the proposed project activities are thoroughly assessed in planning phase and design phases during which appropriate measures can be considered for the project implementation. The ESMF will therefore guide the correct screening and assessment of identified activities as per the Nepal's legal framework, as well as the WB's ESSs. The following process shall be followed for systematically assessing and managing E&S risks and impacts.

6.1. Category of Sub-projects

Categorization of subproject activity is essential for early understanding of the type, nature and scale of any impacts. Complying with the classification provision of WB ESF and national safeguards policy, the following category are in place:

Category I Subprojects: Activities which will not be eligibly and therefore support by the project, as outlined in Annex 1 A and Chapter 2.3.

Category II Subprojects: Activities which have some adverse environmental and/or social impacts that are limited to specific subproject site including its immediate surroundings and which can be addressed through the readily known or readily available mitigation measures, including minor rehabilitation of EDEC classrooms and WASH facilities. Those subprojects may require a Concise Environmental Study (CES), Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA) as per country requirements, and the corresponding ESMP. If the E&S screening indicates land-based impacts, including physical and/or economic displacement along with restriction in land use, preparation of RAPs may be required. Category II subprojects may also have impacts on IPs or vulnerable groups. Support measures to address vulnerability and inclusion issues related to IPs will be integrated into ESMPs and SEPs. Stakeholder engagement activities will be required in all cases throughout the project life cycle. Any E&S management plans prepared for subprojects will be reviewed by the PMU and will be submitted to the World Bank for review and clearance. E&S risk as well as level of assessments requirement will be agreed with the World Bank.

Category III Subprojects: Activities which have minimal or no adverse environmental and/or social impacts. For these subprojects, no further environmental and social assessment is required after initial E&S screening. The screening report will recommend mitigations measures for minor issues or impacts identified in the screening process. In some situations, an abbreviated and site-specific ESMP may be

needed. This may be in the form of a good practice code for activity implementation. The World Bank will review management plans on a sample basis and/or on a case by case basis based on the perceived risks.

Categorization of subproject activity is essential for early understanding of the type, nature and scale of any impacts. With subject to the intervention type, nature and size of upgrading of service units magnitude and extent of impact is minimal to moderate. Procedures followed for assessing E&S risk and impacts and its implementation is deigned in line with the requirements set for the for category II and Category III.

6.2. Environmental and Social Screening

Every potential subproject to be financed under the project will undergo an E&S screening before it is selected for implementation. to determine the extent and depth of environmental and social due diligence required. The key objectives of an environmental and social screening are to:

- Screen the eligibility of the sub-project activities against the Eligibility Criteria in Annex 1 A;
- Identify potential environmental and social risks and impacts of the proposed activities, assign a subproject category (ie Category I, II or III), and;
- Determine the level and scope of environmental and social assessments and specific instruments/management plans required to address the potential risks and impacts.

Every proposed subproject will be subjected to an E&S screening to comply with national regulatory requirements, for example, Nepal's Environmental Protection Act 2019 and the Environmental Protection Rules (EPR) 2020, as well as the World Bank's ESSs. An environmental and social screening checklist has been developed for the project to be used during screening, please refer to Annex-1.

Local levels with support from PMU are responsible for environmental and social screening and the screening reports will be reviewed by approved by the PMU. As the sub projects will be implemented at local level, clear guidance will be provided by the PMU to LL-PMU to ensure that screening takes place to categorize activities and that all concerned local stakeholders are consulted and involved in the screening process. Environmental and social screening will be done based on the criteria provided in Schedules 1, 2 and 3 of EPR 2020 and World Bank ESSs.

To fulfill the satisfactory requirement of the environmental study of the respective Subproject pertaining to the national legal provisions, sub project proponents shall refer to the EPR (2020) Schedules 1, 2 and 3, and the relevant guidelines issued by MoFE. The E&S screening report shall be approved by the Environment and Social safeguard section of PMU under NPC subject to the prior concurrence with WB.

6.3. Preparation of Management Plans

Where required, subprojects will undergo subsequent environmental and social assessment. For the sub project falling under category II and requiring for example a CES, IEE or EIA, the PMU may be required to prepare a Terms of Reference (ToR) for carrying out the environmental and social assessment. The PMU will ensure that the ToR covers, apart from national requirements, all relevant

World Bank ESS requirements and that it considers the impacts and mitigation measures identified in this ESMF. The ToR will be approved by the concerned approving agencies as required by the EPR 2020. A consultant will then be hired to undertake the environmental and social assessment in accordance with the approved ToR. The relevant assessment will be included in the ESMP.

If required and feasible, RAPs or other management plans will be prepared simultaneously with the IEE/EIA or ESMP. The proponent may also hire a consultant to prepare the RAP, based on the requirements of the RF, as provided at Annex 3. Other plans may also be required, as determined by E&S screening, for example Hazardous Waste Management Plan, or E-Waste management Plan.

The Sub project falling under category III will not need to undertake any further environmental assessment. The screening report for by LL-PMU will recommend mitigations measures with detail plan of action for the minor issues/impacts identified. This may be in the form of a good practice code for activity implementation (to be developed by PMU/LL-PMU). Table 6-1 further details the E&S assessment and plans for different categories identified after screening.

6.4. Approval of Subproject

All subprojects will be reviewed and approved by the PMU including review by the Environmental Specialist and Social Development Specialist within the PMU. The PMU will ensure that all the impacts are assessed and adequately addressed in the subproject's ESMP and satisfactory to the requirement of the ESMF. Safeguards instruments as described in 6.1 shall follow the procedure set forth in EPR 2020 and shall be submitted to the World Bank for review and clearance before providing approval from PMU.

6.5. Implementation of Mitigation Measures

The implementation of mitigation measures outlined in ESMPs will start with process of procurement of concerned works and services. These instruments will describe and prioritize mitigation measures, corrective actions and monitoring measures necessary to manage the impacts and risks identified in the screening assessments, CES and EIA/IEEs. Where risks and impacts cannot be avoided or prevented, mitigation measures and actions will be identified so that the activities operate in compliance with applicable national laws and regulations etc. and meets the requirements of relevant World Bank standards. The site-specific mitigation measures provided in ESMPs will address identified impacts and risks and, using the mitigation hierarchy, will first seek to avoid any risks or impacts, then prevent, minimize, and then mitigate, wherever technically and financially feasible. The PMU will ensure that all works contracts will include the ESMPs, and that the cost of implementing the ESMPs will be identified as an item in the Bill of Quantities (BoQ) for the respective contracts of physical interventions for implementing the ESMP. Further, contract documents need to comply with the provision of OHS and labor camp management, and other precautionary measures for preventing SEA/SH and prohibiting child labor. The key steps for managing any potential adverse impacts in any civil works are presented in following table.

Table 6-1 Stages of Subproject Development & E&S Activities and Requirements

Stage in subproject cycle	Step in assessment process	Required Document
Subproject Identification	Environmental and social screening to determine key risks and impacts Field verification if feasible	Environmental and Social Screening Form / Report
Project design (for projects that do not require assessment and only require ESMP)	Consultation with key stakeholders Preparation of ESMP Ensure integration of ESMP into bidding documents	ESMP
Project design (for minor civil works requiring IEE or EIA)	Prepare ToR to carry out IEE or EIA; ToR should be approved by relevant Ministry. IEE or EIA preparation E&S management plan preparation	CES/IEE/ESMP, RAP
Subproject review and approval	Review and approval of reports: Review reports to assess if all possible issues have been adequately addressed to facilitate the decision-making process; decide if project should proceed, or if further alternatives must be examined or be abandoned.	CES/IEE/ESMP, IPP (if any) or RAP (if any)
Procurement of works and services	Integrate IEE, ESMP, other management plans (eg RAP), Code of Conduct into bidding documents if works are to be carried out by contractors	Compliance Monitoring Report
Implementation/Construction	Orient/train contractor and other workers/field staff on ESMP requirements Supervise, monitor and report on ESMP compliance Take corrective action where needed	Compliance Monitoring Report
Completion and Operation	Post construction maintenance and operation in line with ESMP	Compliance Monitoring Report

7. STAKEHOLDER ENGAGEMENT AND DISCLOSURE

A constructive engagement with the project stakeholder throughout the project life cycle is crucial to build a strong trust with the local community as well being critical to the success of the project. Stakeholder activities aim to build trust with the project stakeholders that include project affected parties, those who have interest in project activities and the vulnerable groups that can be disproportionately affected by project activities through periodic consultation, information disclosure and grievance management throughout the project lifecycle. An SEP has been prepared for the project in compliance with the World Bank's ESS10 to implement during preparation and implementation of the project. The overall purpose of the SEP is to define a set of actions to meaningfully engage the stakeholders through periodic consultations, dissemination of the project-related information that are easily accessible and understandable to them during entire project cycle. In addition, specific and targeted approaches are adopted to ensure that poor and vulnerable marginalized groups, which are specifically targeting under Component 2 of the project and which include women, indigenous people, Dalits, have meaningful participation in the decision-making process, and in design and implementation of the activities. The SEP is a "living" document and will be updated as required to address the changing project implementation circumstances and needs of the stakeholders.

7.1. Objectives

This ESMF section that describes stakeholder engagement has been designed to achieve effective stakeholder involvement and to promote better understanding of project goals and activities among the stakeholders. The project aims to deploy the following principles while undertaking consultations:

1. Promotion of easiest means and modes of communication
2. Openness to the true state and plan of the project
3. Ensuring effective and deep-rooted involvement of all stakeholders in the preparation and implementation of the project
4. Applying strategies and techniques that provide prompt and adequate opportunities for all stakeholders to get involved in the project; and
5. Evaluating the effectiveness of the engagement plan against the expected outcomes.

7.2. Stakeholder Identification and Categorization

The SEP defines and categorizes (maps) project stakeholders to help analyse various groups, to consider their interest in the project, and to identify the most effective and appropriate forms of communication and engagement with those groups, so that engagement can be tailored to these groups. The SEP categorizes the project stakeholders as:

- Project-affected and beneficiary parties: those who are or likely to be affected by the project eg individual households with children under 5 and adolescents girls aged 11-19 years old and;
- Other interested parties: who may have an interest in the project and who could Influence the opinions of affected parties either positively or negatively or affect the implementation

process or the sustainability of the project's outcomes eg federal ministries that are the stakeholder of the project, local levels.

Strategic engagement with vulnerable groups

Poor and vulnerable groups are targeted under the project, specifically under Component 2, however there is a substantial risk that the poor and vulnerable aren't adequately included in project benefits. These vulnerable groups includes the elderly, indigenous groups, survivors of gender-based violence (GBV), sexual exploitation and abuse, sexual harassment (SEA/SH), minorities, and those living in remote areas.

The HC project's key salient feature is in its overall aim of improving access to and delivery of human capital services to the poorest and vulnerable through complimentary activities. While Component 1 addresses building capacity at LLs through system improvement, digital learning and refurbishment of early education development centers, Component 2 focuses on transformative change in behavior in issues such as health and hygiene, reproductive health, technology assisted learning, gender-based violence, climate change etc. There could be a potential risk of excluding children with disability, indigenous children, girls, and those children with no or limited access to electricity connections and digital learning technologies. The implementation strategy of the activities will ensure that the benefits accrue to these groups through language, cultural, age appropriate and disability friendly means; e.g., early development centers will be refurbished to make them more disability responsive, provision of materials and tools for assistive technologies to children from poor households, local language teaching curriculum, disability friendly learning materials and audio visual, and targeted awareness campaigns and inclusive information and outreach programs. Likewise, the stakeholder engagement plan includes an explicit strategy for effective consultation with and participation of IPs, women, people with disabilities, and other vulnerable groups. These consultations will assess and identify local cultural values and standards (for example, specific values held by indigenous women around vaccination and maternal health), and community recommended and locally viable approaches which will subsequently inform the project in inclusive design and implementation of the activities

7.3. Stakeholder Engagement Strategy

Depending upon the category of the project stakeholders, the SEP will tailor the communication and engagement channels and methods according to the needs and interests of the groups. An example stakeholder engagement strategy is provided below.

Table 7-1 Stakeholder Engagement Strategy

Stakeholder	Engagement Strategy
Project affected parties	• Identify stakeholders in this group • Maintain contact details of the individuals/institutions categorized in the group and update it regularly • Maintain regular and close contacts • Organize pre-informed quarterly consultation meeting • Provide updates about the project including the past and upcoming ones

Other interested parties	• Regular contacts with individuals/institutions categorized in the group • Response when quarries and concerns are raised • Organize pre-informed half-yearly consultation meeting • Provide updates about the project including the past and upcoming ones
Disadvantaged / vulnerable individuals or groups	• Maintain close contact with individuals/institutions categorized in the group and update it regularly • Organize FDGs to understand their peculiar risks and concerns • Organize household visits to Dalits, female-headed households, people with disability and elderly with mobility difficulties, and households of minority religious groups to ensure they are aware of project developments. • In case of language issue, organize consultations in local IPs language to that they understand the project activities and able to provide comments, feedback, and raise grievances. • Ensure consultations are organized in appropriate manner and make sure time and location of consultation are appropriate to their needs. • Make sure that vulnerable and IP groups are adequately informed about the consultations at least one week before the scheduled date

7.4. Engagement Tools

In order to engage the stakeholder effectively throughout the project lifecycle, the project aims to use various tools. Tools will be implemented with the potential Covid 19 restrictions that are applicable at the time being adhered to. These tools will not be used for all stakeholder groups, but one or more may be used for a stakeholder group depending on their needs and requirements:

Engagement during preparation

- Phone, call centers, email, letters
- Orientation Program/ Training/workshop
- Virtual one-on-one or group meeting
- Periodic stakeholder engagement activities
- Periodic project-related information disclosure
- Meetings with local municipalities
- Periodic FGDs with stakeholders
- Targeted outreach activities and FGDs with women, IP organizations and other vulnerable groups
- Regular contacts through phone and text messages with representatives of project
- Community radio, social media and local media

Engagement during implementation

- Phone, call centers, email, letters
- Face-to-face/virtual meetings with federal, provincial and local agencies and officials
- Orientation Program/ Training/workshop
- Regular information updates in the NPC website
- Periodic consultation with project stakeholders
- Information disclosure through mass meetings, brochures, flyers, project website and local media, among other

- Functioning GRM established
- Periodic small groups meetings with vulnerable and IP groups
- Use of audio/visual communication techniques, and other accessible formats to engage with vulnerable groups, including people with disabilities

All face-to-face meeting will be conducted in a small group by adopting COVID-19 related protocols unveiled by the government of Nepal, WHO and the World Bank.

7.5. Proposed Strategy for Information Disclosure

All relevant documentation and management plans prepared under the project, for example, the ESMF, SEP, ESRS and Environmental and Social Commitment Plan (ESCP), will be disclosed and made accessible to all stakeholders. The information will be disclosed through all relevant means, including through face-to-face and virtual consultations with the project stakeholders, distribution of hard copies, posters, leaflets and brochures, through social media, project website and local media so that these are accessible to all project beneficiaries of the project, including those in remote areas.

The PMU will be responsible for organizing and facilitating the stakeholder engagement activities and disseminate the project related documents at the federal level whereas the LL-PMU will undertake the said activities at the local level.

7.6. Stakeholder Engagement Strategy During COVID-19 Crisis

Given the COVID-19 pandemic, which has greatly limited people's movements and ability to gather, specific and targeted approaches will be necessarily adapted to ensure that all the project stakeholders, including the vulnerable and marginalized groups, have meaningful participation in the decision making and implementation of the activities. The SEP also includes considerations for virtual consultations, in a manner consistent with the World Bank technical guidance on "Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings" (March 20, 2020), when and where face to face consultations are not feasible. The different engagement methods have been proposed taking into account the continued risk of the infectious disease. The project will adopt the following approach to minimize the risk:

- Review the infectious disease situation in the project area and the measures taken by the government to contain the disease
- Review the existing approach and methodology for engagement activities
- Avoid face-face-meeting where possible
- Where direct engagement with stakeholders is required, consider direct communication such phone calls or other online platforms
- Where face-to-face meeting becomes necessary, adhere strictly to the health guidelines and the protocols issued by the government, WHO and the World Bank
- Ensure that all standard hygienic behaviours, such as social distancing, use of facemask and handwashing, among other are followed

- Ensure that all the project associated staff understand a new set of social behaviour and good hygiene practices as prescribed by COVID-19 guidelines and all consultations is preceded with the procedures of articulating hygiene practices.

7.7. Summary of Previous Stakeholder Engagement Activities

Given the rapid timeframe within which project preparation, including preparation of environmental and social instruments including this ESMF, took place, as well as social distancing restrictions due to COVID-19, consultations undertaken during project preparation were limited to those with key Ministries. These were held with the NPC, MoHP, MoEST, MoHA, MoFAGA, MoWCSC in March, 2021 for the purpose of introducing the proposed project to those Ministries who will be directly involved in the implementation of the project, and to understand and discuss their key suggestions and concerns. Further details of these consultations are provided in the SEP.

Stakeholder consultations with wider groups of stakeholders, including with poor and vulnerable groups, will be undertaken prior to the effectiveness of the project. These include consultations with women and indigenous groups, and/or representations of these groups.

7.8. Grievance Redressal Mechanism (GRM)

The project will put in place an effective and functioning grievance redress mechanism (GRM) to promptly address and resolve concerns and complaints of project stakeholders including beneficiaries, as detailed in the SEP. The GRM will follow an understandable and transparent process that is culturally-appropriate and readily accessible to all affected communities. The project will offer the grievance redressal services at no cost to complainants. The existence of the GRM will not impede access to judicial and administrative remedies. The project expects that a functioning and effective grievance redressal will contribute to build trust and cooperation as an integral component of broader community consultations. The SEP explains in detail the mechanism in place, including the structure of the GRM, intake channels for grievance, procedure for resolution and the escalation process.

Objectives of the GRM

The main objectives of the project GRM are to:

- Provide affected people with avenues for lodging complaints or resolve any dispute that may arise during the course of the implementation of the project
- Ensure that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants
- Avoids the need to resort to judicial proceedings (at least at first); and,

In the case of indigenous people, the project will ensure that there are culturally appropriate and accessible means by which IPs can lodge complaints for redress, taking into account their customary dispute settlement mechanisms.

Grievance implementation procedure

The project will develop a written grievance procedure in consultation with project impacted parties. The GRM will also be publicized amongst stakeholders so they are aware of the GRM and the procedures and channels for raising grievances. The GRM process will incorporate the following steps.

- Step 1: Receive, register and acknowledge the grievance
- Step 2: Investigate and evaluate the grievance
- Step 3: Respond to the grievance with the complainant and if necessary escalate
- Step: 4: Close-out/follow up

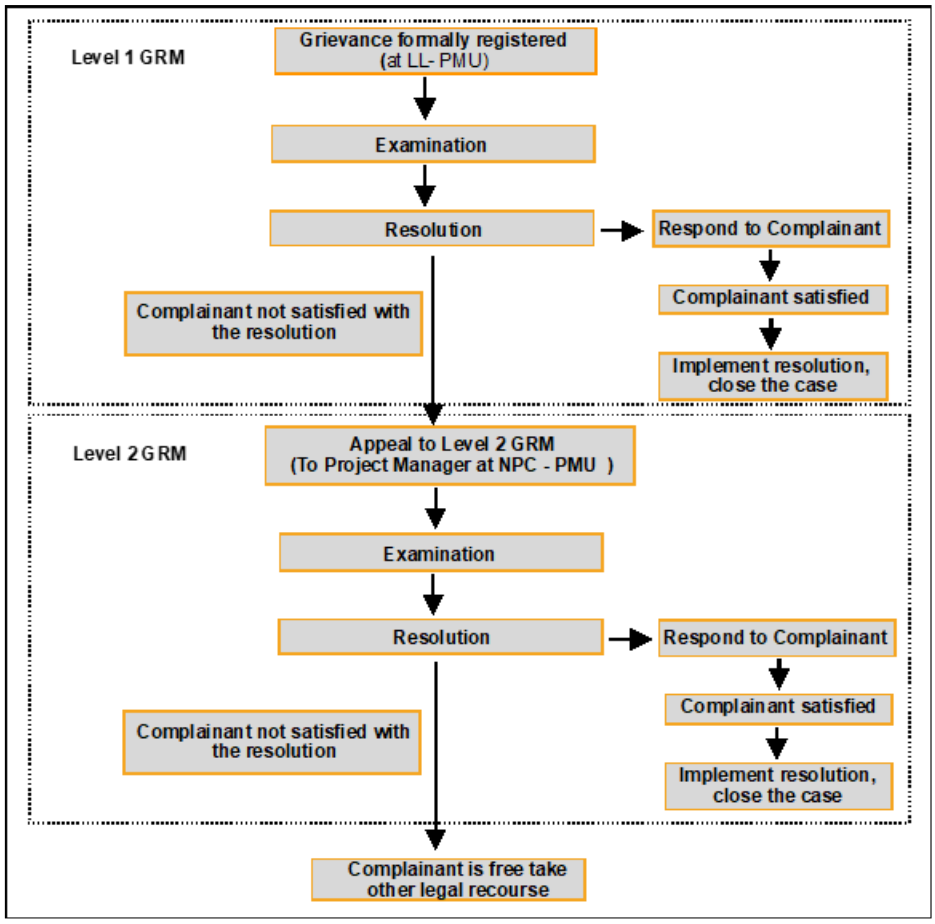
At any time during the process, the complainant has the right to legal recourse.

The project proposes a two-tiered GRM:

Level 1: This is the entry point for all the grievances that come into the GRM system of the project activities. Once the grievance is registered, it would automatically come into the Level 1 of the GRM system.

Level 2: If complainant rejects the resolution of level 1 or the GRM system at Level 1 remains unable to make any resolution within a specific time period, the grievance will be scaled up to level 2 of the GRM system.

Figure 7-1 The Two-Tiered Grievance Management Procedure



7.9. Handling SEA/SH-Related Grievance

The existing GRM put in place for the project and described in the SEP will also be used for addressing SEA/SH-related issues and the PMU will be in charge of GBV related complaints. The PMU will put in place necessary mechanisms for confidential reporting with safe and ethical documentation of SEA/SH issues both at the national and local level. The first responders of the grievances in relation to GBV will be the E&S safeguards specialist of the PMU and the E&S safeguards specialist will be trained on managing and handling such grievance. GBV referral pathway will be established and communicated to both PMU at the NCP and local level. Further, the GRM will also have in place the processes to immediately notify both the NPC and the World Bank of any GBV complaints, with the consent of the survivor.

8. PROJECT IMPLEMENTATION ARRANGEMENTS, RESPONSIBILITIES, AND CAPACITY BUILDING

8.1. Overall Project Management and Coordination

Federal Level

A PMU twill be established under the NPC at the federal level and will be the lead agency responsible for operationalizing the project, for managing day-to-day operations. and for putting in place required operational set up, conducting monitoring of the project activities and disseminating periodic monitoring and other assessment reports associated with the project. The PMU will include a project manager, a financial management specialist, a procurement specialist, a monitoring and evaluation specialist and an environmental specialist and a social development specialist with experience on gender and social inclusion. The PMU may consist of government employees or contractual staff selected competitively and paid through the project. To provide policy orientation and supervise the implementation of the project activities, the project has envisaged an Intersectoral National Steering Committee (NSC), which will be co-chaired by Ministry of Finance (MOF) and by a member of NPC. NSC will be represented by core sectoral Ministries: the Ministry of Health and Population; the Ministry of Education; Science and Technology; Ministry of Home Affairs; Ministry of Women, Children and Senior Citizen; Ministry of Federal Affairs & General Administration; Ministry of Labor, Employment and Social Security; and Ministry of Land Management, Cooperatives and Poverty Alleviation. It will also include other relevant ministries related to human capital including the Ministries of Water Supply, Agriculture and Urban Development. The NSC will also have representatives from the Provincial Level.

Provincial Level

At the provincial level, there will be a province level coordination unit at the Ministry of Social Development (MSD) and the unit will have two staff comprising a project coordinator and a project monitoring agent. The main purpose of the unit is to support monitoring and coordination activities across sectors, particularly supporting local levels in implementing the project activities. In addition, the unit will also liaise with the PMU and will support and monitoring of Local Level activities. The main task of the provincial level unit is to review and verify financial reports forwarded by the LL, entry necessary data in the system and monitor progress on the field.

Local Level

At the local level, there will be a Local Level Government Project Management Unit (LL-PMU) with a minimal composition of a project manager, accountant, procurement specialist, and social/environmental staff. The LL-PMU will be responsible for the implementation of the project activities at the local level and monitoring and evaluation of the project activities. The LL-PMU, which will be staffed form the existing entities, will remain in close coordination with the PMU, which will provide technical assistance support across all key thematic areas and project activities. The LL-PMU will implement the project in close collaboration with wards and other partners and each LL-PMU will have a local level committee represented by the civil society, non-governmental organizations (NGOs),

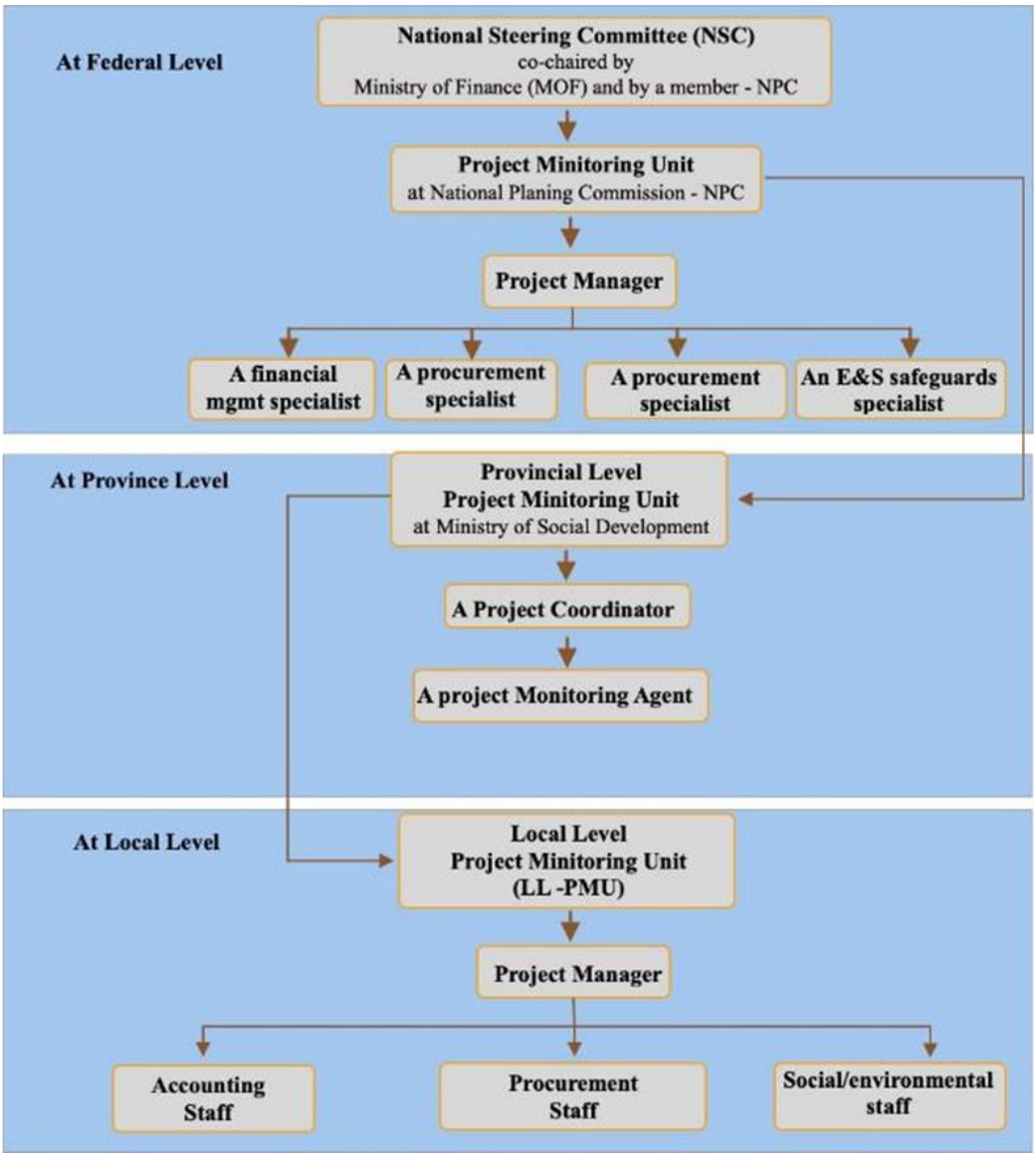
and civil servants of technical services. In addition to support implementation of the program, the local level committee will help to identify subproject activities to be funded by the project.

The organogram and activities are summarized in the table below.

Table 8-1 Summary of the responsible Agencies

At the Federal Level	The PMU is responsible for oversight of project. PMU oversees the day-to-day operation and ensuring that program implementation is in accordance with PIM. MoHP, MOE, MOHA, MWCSC and MOFAGA as implementing partners in charge sector specific plans for LL and of capacitation and technical assistance.
At the Province level	The Ministry of Social Development oversees program implementation in the region and consolidates implementation progress reports from Local Levels.
At the Local Level	Local Level PMU (LL-PMU) is main implementing agency Local level committee or NGO support identification of socially vulnerable and delivery of accompanying measures.

Table 8-2 Organogram of the E&S activities related to the project



8.2. Responsibility for Implementing and Monitoring the ESMF

The Environmental Specialist, Social Development Specialist, and Gender/GBV Specialist in the PMU will the focal points for environmental and social matters and will be responsible for implementing and monitoring the ESMF, and other relevant management documents including the ESCP, at the Federal Level. At the Province level, this responsibility will lie with the MSD. At each LL-PMU across the 215 LLs, a dedicated environmental/social specialist will be the focal point for environmental and social matter at the local level, as outlined in Table 8-3 below.

Table 8-3 Role and Responsibilities in implementing the ESMF

Responsible Person/Agency	Responsible task
At the Federal Level	
Environment Specialist, Social Development Specialist, Gender/GBV Specialist at the PMU	• Coordinate and oversee E&S activities required under the project. • Review (and where required, conduct) environmental and social screening conducted by LL-PMUs at the local level. • Facilitate the preparation of environmental and social instruments, such as ESMPs. • Prepare periodic ES& monitoring reports. • Prepare quarterly ESMF and SEP compliance reports. • Communicate with the World Bank on environmental and social-related matters. • Design and deliver relevant capacity building and training, including on the World Bank ESS's, to effectively implement the ESMF to relevant project staff and stakeholders. • Ensure the implementation of environmental and social management plans, and functioning of the Grievance Redress Mechanism (GRM). • Address E&S risks and impacts including monitoring of the implementation of all E&S instruments, community health and safety measures. • Ensure the implementation of the SEP periodic stakeholder consultations, information disclosure and addressing feedback received from stakeholders. • Liaise with other government and non-government agencies at the federal, provincial and LLs to implement the ESMF and other management documents including the ESCP and SEP.
At the provincial level	
Project Monitoring Agent at the Ministry of Social Development	• Coordinate with provincial level governments and other agencies in the issues related to the project. • Liaise with PMU and LL-PMU to ensure smooth implementation of the project. • Support and monitor LL activities and progress on the field. • Enter necessary data related to project activities in the system.
At the Local Level	
Social/environmental staff at the LL-PMU	• Ensure implementation of the ESMF and SEP at the local level project activity. • Undertake environmental and social screening of potential subprojects and determine level of assessment required eg IEE. • Implement and monitor the mitigation measures as envisaged by the EMSF. • Organize periodic consultations with the project stakeholders including strategic engagement with the vulnerable groups. • Ensure regular dissemination of project-related information at the local level. • Ensure smooth functioning of the GRM system as envisaged by the SEP.

Responsible Person/Agency	Responsible task
	• Support the PMU in reporting and implementation of the ESMF, ESCP and SEP. • Provide project related information and data to province level coordination for the purpose of monitoring project activities. • Liaise with LL and provincial-level governments and other agencies on the issues related to implementing the ESMF and SEP. • Organize capacity building and training for the local level staff.

8.3. Capacity of the NPC and Other Agencies in Implementing the ESMF

This project represents the first time the NPC has been the implementing agency for a World Bank-supported project, and therefore has limited knowledge and experience in implementing the World Bank environmental and social policies including the ESSs. The NPC also has no dedicated environmental and social unit. The environmental and social management capacity of the NPC therefore needs to be strengthened to ensure the effective implementation of this ESMF and other environmental and social activities and plans. Similarly, both the MSD and LLs have limited experience and capacity in dealing with the environmental and social issues. Therefore all agencies involved in implementing the project required extensive capacity building and training support to ensure they can effectively monitor the implementation of the ESMF, ESCP and SEP, amongst others.

The project will finance capacity building programs at the federal and local levels and the program will be developed in coordination with various government agencies. It is expected that the capacity building support will contribute to an increase in environmental and social awareness among the project's team and encourage them to implement sound environmental and social practices and compliance requirements of the project activities. This will contribute to minimizing adverse environmental and social impacts, ensuring compliance with the applicable regulations and standards. Under the proposed capacity building activities, the PMU and then provincial levels, and the LL-PMU, including the E&S consultants, will receive trainings on the World Bank ESSs including on ESMF implementation. The training activities, which will be initially led and facilitated by the World Bank, will also focus on monitoring and reporting procedures, conducting meaningful stakeholder engagement, and on the use of Grievance Redressal mechanism and conducting stakeholder consultations. In addition, contractors associated with the project including their workforce will trained on ESMF compliance and basic Occupational Health and Safety considerations.

Table 8-4 Planning for Capacity Building Training

Training program	Targeted Audience	Conducted by	No. of training program
WB ESSs including implementation of the ESMF, management procedures, consultation and GRM, monitoring and reporting, OHS	PMU, Provincial project monitoring agent and LL-PMU	World Bank	One training program during initial phase of the project lifecycle
WB ESSs and implementation of E&S management plans	Staff of LL-PMU including Contractor and consultants' team	PMU	First session prior to the execution of the project and second after two years of execution

Training on OHS and SEA/SH	LL-PMU staff, Staff of executing agency at the local level	PMU	Two training sessions during project life cycle through external expert
Training on stakeholder engagement and GRM management	LL-PMU staff	PMU	Two training sessions during project life cycle

8.4. Monitoring and Reporting Plan

Each LL-PMU will carry out compliance monitoring and will submit ESMP compliance reports every month to the Project Monitoring Agent at the Ministry of Social Development of the respective province. The provincial level project monitoring agent will consolidate the report and submit a summary to the PMU every month. The PMU will then prepare a quarterly monitoring report and submit it to the World Bank. The PMU will also disclose the monitoring report on the project website. The regular monitoring report will cover the environmental, health and safety (EHS) performance of the project, and status of implementation of environmental and social mitigation measures, stakeholder engagement activities and functioning of the grievance mechanism, among others. A ESMP compliance report template is provided in Annex 3.

Internal ESMF Monitoring and Reporting

The monitoring reports on the environmental, 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 World Bank quarterly by PMU. Internal monitoring/reporting for ESMF will be the responsibility of the Environmental Specialist, and Social Development Specialist at the PMU. Internal monitoring reports will be aggregated at the LLs and then submitted to the PMU for the preparation of the required E&S reports. These reports will cover (for those activities that require application of environmental and social standards):

- List of consultations held (sites, dates, names or participants, details of participants consulted, for example, indigenous groups.
- Key issues raised during consultations.
- Description of mitigating actions/corrective actions (if required).
- Follow up monitoring visits will be required to ensure the effective implementation of any required mitigation measures and to assess whether the standards continue to be met.

External ESMF Monitoring and Reporting (Independent Audit)

An external or third-party ESMF monitoring (independent audit) will be conducted twice during project implementation - at mid-term and during the final year of project implementation - to ensure that all E&S issues are being properly addressed and that mitigation measures are being implemented as envisaged by the ESMF. The third-party ESMF monitoring will be able to identify and recommend any amendments to the approach embodied in this ESMF to improve its effectiveness. The third-party

monitoring will be done by an independent body procured by the PMU, external to the project, who is not a beneficiary nor part of the project management and implementation structure. The external monitoring will also validate and check the internal, project level monitoring systems. It will also ensure that the project's GRM system to address complaints is functioning effectively. Some site visits will be required by the Independent Auditors to determine the situation on the ground and to check on the measures that have been applied. The PMU will submit these ESMF monitoring reports to the World Bank. The reports will be disclosed in the GoN and World Bank webpages. ESMF monitoring reports during the project implementation will provide information on key environmental and social aspects of the project activities and on the effectiveness of ESMF and ESMPs. Such information will allow the PMU and the World Bank to evaluate the success of measures to mitigate adverse impacts within the project and allow corrective actions to be identified and taken.

Supervision by the World Bank

Supervision of ESMF-related project activities, including through field visits as appropriate, will be carried out as part of the World Bank's regular project supervisions. In the case of specific issues/complaints or non-compliance with the ESMF, the World Bank task team may wish to contract further independent monitors to carry out site-based investigations and prepare reports identifying further actions required.

ANNEX 1: ENVIRONMENTAL AND SOCIAL SCREENING FORM TEMPLATE

Environmental and Social Screening Form

Name of Subproject: _____

Type of Subproject (check): ____ECE Center Subproject ____ School Facilities

____Medical Store ____ WASH Facilities

_____ Others specify-

Location of Subproject:(Ward, Municipality, Province):

_____

A. Eligibility Criteria

Criteria Question	**Answer (Yes/No)**
1. Does the Subproject contravene Nepal's obligations under its international agreements?	
2. Is the Subproject going to encroach into national parks of protected area, including their buffer zone?	
3. Is the Subproject going to displace, modify or restrict/block access to cultural heritage sites, historical monuments, religious structure and other sites considered sacred by the local community?	
4. Is the Subproject going to convert or degrade critical natural habitats?	
5. Would involve acquisition of land by government?	
6.Would result in the exclusion/restriction of certain groups who are traditional users, from accessing an otherwise open-access resource which they have traditionally accessed such as public forests, lake or rangelands?	

Note: If the answer of at least one of the questions above is "Yes", then the subproject is NOT ELIGIBLE FOR FUNDING.

B. EPA/EPR Categorization

Please consult Schedule 1, 2 and 3 of EPR (2020) or the latest MoFE Screening/Scoping Protocol relevant to the Subproject, if any. Attach the completed protocol to this ES Screening Form.

What is the Subproject's Category (Check)?	EA Process Requirements
_____ Schedule 3?	The subproject would be required to undertake the national regulatory requirements of the EIA process and approved by MoFE or concerned provincial authority prescribed by provincial law.
_____Schedule 2?	The subproject would be required to undertake an IEE as per national requirements to be approved by appropriate agency
_____Schedule 1?	The subproject would be required to prepare a Concise Environmental Study and to be approved by appropriate provincial or local government agency

C. Issues

Questions	(Yes/No)
1. Labor and Working Conditions	
1.1 Is the number of laborers to be hired more than 50 at the peak of the activity/construction?	
1.2 Would the subproject during operations phase involve operation of equipment/factory tools?	
2. Pollution Prevention and Resource Efficiency	
2.1 Would the subproject involve substantial amount of earth works or hauling of materials?	
2.2 Would the subproject when operational generate substantial amount of liquid waste?	
2.3 Would the subproject when operational generate substantial amount of air emission?	
2.4 Would the subproject when operational generate substantial amount of solid waste?	
3. Community Health and Safety	
3.1 Would the subproject likely involve hiring/bringing in more than 12 laborers from outside the community during construction?	
3.2 Are there endemic infectious or vector-borne diseases in the project community?	
4. Biodiversity and Sustainable Management of Living Natural Resources	
4.1 Would the subproject involve clearing up any forested area?	
4.2 Would the subproject involve draining or conversion of any wetland?	
4.3 Would the subproject involve cultivation of or grazing in steep	
5. Involuntary Resettlement and Restriction of Access	
5.1 Would the subproject require any acquisition of private lands by any government unit/body?	
5.2 Are there homes within proposed site or right-of-way of the subproject?	
5.3 Are there crops and privately-owned trees in the proposed subproject sites or rights-of-way?	
6. Indigenous People*	
6.1 Is there presence of indigenous people (as defined in the World Bank ESF*) within the direct influence area of the subproject?	
6.2 Are there other ethnic minorities that have been marginalized from the mainstream in the project site?	
6.3 Are there vulnerable households or households with vulnerable persons within the beneficiary community?	
7. Cultural Heritage	
7.1 Is there a cultural heritage site/structure within or adjacent to the proposed subproject site or along the right-of-way?	
7.2 Would the subproject involve excavation and there is a high probability of encountering buried archaeological artifacts or objects paleontological value on the project site?	

Indigenous Peoples refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees:

1. Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and
2. Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; and
3. Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and
4. A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

The term still applies even if the group has already lost, within the lifetime of the members, collective attachment to distinct habitats or ancestral territories in the project area due to forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area. The term also applies to forest dwellers, hunter-gatherers, pastoralists or other nomadic groups, subject to satisfaction of the criteria above.

D. Summary of Screening Results

1. Eligibility (Base on item A above, please check those that apply below).

_____ This Subproject is eligible for funding as per eligibility criteria.

_____ This Subproject cannot be considered for funding due to (Please describe the reason/s):

_____

_____

_____ This Subproject is deemed ineligible for funding but may be revised and resubmitted for re-Screening with a change/changes on the following (Please specify the required changes):

_____

_____

2. Subproject will need to prepare the following instruments (Please check the ones that are required based on the answers in item B and C above):

_____ESIA/EIA _____Others please specify

_____IEE _____

_____ESMP

_____RAP

_____IPP

_____LMP

_____Change Find Procedure

_____Grievance Redress Mechanism

3. Scope of the assessments. Note that all subprojects must undergo some assessments (i.e. EIA/ESIA, IEE, Concise Environmental Study, and a Rapid Assessment as part of the ESMP. (Check the items that apply to the assessments. The assessments shall discuss/determine the significance of the risks regarding the checked items and if they are substantial, the ESMP must include a mitigation measure on that specific risk.)

_____Labor and Working Conditions

___Occupational Health and Safety Risk

___Child Labor

___Use of chemical including pesticide

___Pollution and Resource Efficiency

___Dust nuisance

___Noise nuisance

___Waterway sedimentation

___Generation of wastewater

___Solid waste

___Pesticide residue

___Vulnerable households

___Presence of households below National poverty threshold

___Households with small children

___Households with PWD

___Malnutrition rate indicator if available

___Impact displacement or conversion of HH's food gardens

___Community Health and Safety

___Risk of spread of diseases (Prevalence of HIV/AIDs, Other endemic infectious or vector-borne diseases in the community).

___Construction traffic and traffic routes

___Exposure of residents to safety issues at construction sites

___Risk of migrant workers clash with local community culture

___Land Acquisition, Involuntary Resettlement and Restriction of Access

___Acquisition of private lands/properties by a government entity

___Displacement of homes

___Displacement of trees and damage to crops

___Temporary possession of private properties during construction

___Indigenous People

___Presence of IP (as defined in WB ESS7)

___Stakeholder Engagement and Disclosure

___Stakeholder analysis

___Stakeholder engagement plan and disclosure

___Subproject level Grievance Redress Mechanism

Prepared by: _____

Screening Officer/Proponent ES Focal Person

Verified by: _____

Environmental Specialist

ANNEX 2: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) TEMPLATE

Environmental and Social Management Plan for Subproject

[Note that this ESMP should be accomplished for Category III Subprojects. Category II and III Subprojects may use this as reference in preparing their respective ESMPs which may need to follow their agreed format with the MoFE. The Screening Form shall be attached to this ESMP.]

Name of Subproject: _____

Address (Ward, Municipality, Province):

_____

Type of Subproject (): _____

Implementation unit: _____

I. Project Information

A. Subproject Components and Scale

Component (Specify if: ECEC, School facilities, WASH scheme and Medical Store etc.)	**Parameter (Specify if: Length, Width, Area, Capacity etc.)**	**Unit of Measure (km, m, kg, tons, etc.)**	**Value**
Examples:			
Building	Floor area	sqm	100

B. Subproject Location

Component (Specify if: Building, Road, Canal, Dam, Ropeway, Farm, etc.)	**Describe the site (Salient features such as topography, presence of/proximity with waterbody/drainage, vegetation, existing structures, roads, settlements, other locational issues, ownership status of lot, etc.)**
Examples:	*Example:*
Building	Flat, built up area along the highway.

II. ESMP Matrix

Activities	**Impacts/Risks**	**Assessment (Check Yes or "Not**	**Management Measure**	**Responsibility**	**Timeline**	**Budget**

		Applicable" Briefly describe why.)	**(Identified Impacts/Risk must have mitigation measure)**			
Construction Stage						
	Land Acquisition and Involuntary Resettlement	__Yes _Not Applicable [Briefly explain basis of the assessment]	Prepare Resettlement Action Plan (RAP) in accordance with the Resettlement Policy Framework			
	Presence of Indigenous People	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Undertake free and prior informed consultation/consent. Prepare with the IP community an IP Development Plan in accordance with the IP Policy Framework			
	Potential Chance Discovery of Artifacts and Objects of Paleontological and other scientific Value	__Yes _ Not Applicable [Briefly explain basis of the assessment]				
	Labor and Working Conditions					
	Hiring and/or involvement of children in the project activities	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Adoption of Labor Management Plan			
	Worker's exposed to unsafe working environment in constructions of project-	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Comply with the Nepal Labor Act. Adoption of OHS Standards			

	funded facilities					
	Workers being denied of employee rights.	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Comply with the Nepal Labor Act.			
	Possible occupational health and safety issues in the operation of ECEC, School Facilities, WASH Scheme and Medical Store	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Include strict adoption of OHS Standards in the Operations and Maintenance Plans Require simple manual of operations for all installed equipment or facilities and proper training of operators.			
	Pollution Prevention					
	Generation of dust and noise during construction of subprojects	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Require contractors to restrict construction activities within daytime hours. Require contractors to undertake dust suppression measures such as regular spraying of roads with water.			
	Possible sedimentation of waterways during construction of subprojects	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Prohibit dumping of boulders and soil materials in the river or along runoff channels. Immediately stabilize exposed soils or loose embankments.			
		__Yes _ Not Applicable [Briefly explain basis of the assessment]				

	Increased soil erosion and sedimentation of waterways due to cultivation of the hillsides and slopes.	__Yes _ Not Applicable [Briefly explain basis of the assessment]	PP participants engaged in crop production in hilly lands shall be provided technical assistance to undertake soil conservation measures such as terracing, contour farming or agroforestry.			
	Community health and safety					
	Spread of diseases among residents and workers such as HIV/AIDs during construction due to presence of non-resident laborers, triggering outbreak of epidemics.	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Require contractors to undertake medical screening of employees Undertake an awareness campaign through seminars and info materials of endemic diseases in the area and educate workers of ways to protect themselves Provide necessary protective equipment such as mosquito nets, rubber boots. Coordinate with MoH for disease surveillance.			
	Possible conflict between contractors and local communities due to migrant worker's behavior or lack of sensitivity of local culture.	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Require contractors to undertake awareness briefing on local sensitivities and culture and traditions.			
	Exposure of local	__Yes _ Not Applicable	Contractors to provide adequate			

	communities to safety issues due to construction activities (e.g. traffic accidents or a fall into deep excavations)	[Briefly explain basis of the assessment]	barriers and warning signs on deep excavations and other dangerous areas. Contractors to be required to slow down in residential areas and school zones.			
	...	...	...			
	...	...	...			
	Other impacts....	__Yes _ Not Applicable [Briefly explain basis of the assessment]	...			
Operation Stage						
	Possible generation of wastes during the operation of Medical facilities	__Yes _ Not Applicable [Briefly explain basis of the assessment]	Include a waste management plan in the subproject proposal. Incorporate Waste Management Plan in the Operations and Maintenance Plans/Manuals of PP facilities.			

ANNEX 3: LABOUR MANAGEMENT PROCEDURES

These labour management procedures (LMP) provide project workers under the project will be managed in accordance with the requirements of Government of Nepal legislation and World Bank Environmental and Social Standards. This LMP provides a summary of the category of workers under the project, an overview of the main risks and mitigation measures throughout project implementation in relation to labour, with particular reference to occupational health and safety (OHS) and grievance redress.

The objective of the LMP is to promote proper worker management relationships and enhance development benefits of the project by treating workers in the project fairly, and providing safe and healthy working conditions for project sustainability.

A. Overview of labour use on the project

The LMP applies to all types of workers to be engaged by the project whether they are full-time, part-time, temporary, seasonal or migrant workers. The World Bank Environmental and Social Standard (ESS) on Labour and Working Conditions defines four categories of workers:

Direct workers: People employed or engaged directly by the Borrower, including by implementing agency and partner, to work directly on the project

Contracted workers: People employed or engaged by contractors or sub-contractors to perform work related to the core functions of the project

Primary supply workers: These provision under ESS2 apply where the project has a sufficiently significant and ongoing relationship.

Community workers: People employed or engaged in providing community labour, generally voluntarily.

A Project Management Unit will be established within the National Planning Commission (NPC) which will be responsible for day-to-day management of the project, the set-up and implementation of the project, monitoring of activities, and production of implementation progress reports and assessments. A number of direct workers of different types will be employed by the PMU for the implementation of environmental and social issues, including planning and monitoring.

Direct workers: The PMU will recruit consultants and support staff to work on contractual bases. The terms and conditions of these consultants are guided by the prevailing Public Procurement Act 2007, and the Labour Act 2017. The consultants are guided by specific contracts with the HC Project. The LMP also apply to civil servants being those seconded for project implementation. These core PMU staff comprise: a project manager; a Financial Management Specialist; a Procurement Specialist; a Monitoring & Evaluation (M&E) Specialist; an Environmental Specialist, a Social Development Specialist, and a Gender/GBV Specialist.

At the Province level, the PMU is expected to hire or have staff appointed to work as a province-level coordination unit, and will include two staff – a project coordinator, and a project monitoring agent, who will be working at the Ministry of Social Development (MSD). The PMU will recruit these staff, or the MSD will allocate these, as the unit will be attached to the MSD to support monitoring and coordination activities across the sectors, supporting local-level implementation. At the Local Level, existing entities will provide program staff to work with the PMU to implement the program. A LL Project Management Unit (LL-PMU) with a composition of a project manager, accountant, procurement, and environmental/social staff will be in charge of project implementation. The project

will also have civil servants responsible for undertaking community outreach activities under Component 2.

Contracted workers: Based on subproject activities at Local Levels, the Local Levels may employ or engage contracted workers for the minor upgrading of human capital service units [*will workers be employed through contractors or subcontractor?].* It is likely that these will be employed locally to avoid labour influx and to reduce the need to set up labour camps. Given that subprojects have not been identified, it is not possible to determine at this stage the estimated number of contracted workers at each LL for the subprojects. The following contracted workers may be required: professionals (eg project manager, site engineer); logistics officer; monitoring and supervision officer; administrative office; finance officer; manual labourers (skilled and unskilled workers). The contracted workers are eligible to work for a fixed period.

Primary supply workers: It is not expected that the project will require the use of primary supply workers during the minor upgrading of service units. The primary supply worker provisions of ESS2 apply to those workers with whom the project will have a significant and ongoing relationship. In the context of Nepal in general, the types of materials primary suppliers provide include brick and cement.

B. Assessment of Key Potential Labor Risks

The major labor risks are associated with the minor upgrading of human capital service units. These risks comprise:

- **Occupational health and safety (OHS) risks:** expected risks relate to potential for injury, falling from heights, poor working conditions and lack of personal protective equipment (PPE). As the wearing of PPE is not general practice on work sites across Nepal, awareness raising and training will be provided to workers prior to commencement of work on the importance and use of PPE on work sites.
- **Labor influx:** Whilst some upgrading work or work in relation to technology upgrading may require technical experience from outside the local level, it is expected that given the small scale of works, and the priority will be to hire local labour, risks associated with labour influx are small. It is also not expected that labor camps will be required.
- **Child labour:** Based on expected project activities and the sector of work, the risk of child or forced labour is not significant. However the project will put in place mitigation measures to prevent against the risk of child labour, and it is also prohibited by GoN legislation. Workers below the age of 18 will not be hired to work in subprojects [confirm the age]. To confirm that workers are below the age of 18 years, workers will need to provide legally recognized documents such as a Citizenship Card or Birth Certificate.
- **Gender-based violence:** The GBV risk assessment for the project is rated as moderate. Increased risk of GBV is generally associated with labor influx, however given that the project is expected to use mostly local labor, GBV-related risks are reduced. Contracted workers will be required to sign a code of conduct (CoC) to mitigate against the risks of SEA/SH risks, and workers will receive awareness training on SEA/SH relates issues.

There are some risks associated with community outreach related activities such as exposure of infected workers to communities and beneficiaries, and SEA/SH, however these will be addressed through appropriate mitigation measures.

C. Brief Overview of Labour Legislation: Terms and Conditions

Nepal's policy and regulatory framework on labour and working conditions is evolving and responding to contemporary labor-related concerns at the workplace. Labor management rights are enshrined in the Constitution of Nepal 2015 through various articles such as Article 29 on the right against exploitation, Article 30 on the right to a clean and healthy environment, Article 34 on the rights to fair labour practice including appropriate renumeration, facilities and contributory social security; and Article 51 which includes policies related to labor and employment.

The Labor Act 2017 and Labor Regulations 2018 have addressed previous weaknesses in the previous Labour Act 1992 and Labour Rules 1993 with new requirements for employers to ensure workers against medical liabilities and worksite accidents, and represents the key legislation on labour in Nepal. The Labour Act 2017 provides all labour and workforce related provisions include wage, termination, redress, work environment, recruitment, unionization, and child labour (however it does not stipulate what age a child is for the purposes of the Act). Further labour management provisions are included in the Labour Rules 2018.

Main gaps between national system and WB ESSs

WB ESS	Gaps
ESS2: Labor and Working Conditions	(i) The *Labor Act 2017 does* not specifically require that development be assessed and reviewed in terms of labor and working conditions including OHS requirements before approval. (ii) The *Labor Act 2017* does not require development projects to prepare Labor Management Plans/Procedure or OHS Plan. (iii) The *Labor Act 2017* prohibits the employment of children (section 5), however the age of a child is not stipulated for the purposes of the Act. The *Child Labor (Prohibition and Regulation) Act 2000* prohibits the employment of any child below the age of 14 while children below the age of 16 are prohibited to work in hazardous work environments such as construction-related works.
ESS4: Community Health and Safety	Covered under environmental impact assessments (EIA) but the systems do not provide clear requirements for project development and implementation.

A comparison of the Labour Act 2017 with key features of ESS2 is provided below:

- **Contract for employment:** The Act stipulates the provision for employment including employment relationship, provision period, and work continuation for all short and long-term contract, and that no one shall be employed without an employment contract.
- **Working hours and overtime:** Work hours are 8 hours per day, 48 hours per week, per Article 28. If an employee works more than 48 hours per week, the worker is entitled to be paid overtime at the rate of one and a half times his ordinary wages. The maximum overtime an employee can work is 4 hours per day and 24 hours a week.
- **Payment of wages:** Every employer is responsible for wages to a worker employed by them. In the case where wages of a worker employed by a contractor are not paid by the contractor, the wages must be paid by the employer of the establishment. The maximum wage period is one month. Wages includes all economic benefits including salary, bonus, and renumeration for overtime work. Public sector wages are set by the National Pay and Wages Commission and may not be disputed. Private sector wages are set by the industry, and whilst workers have the right to involve or have an affiliation to a trade union organization, collective bargaining rarely occurs due to the high unemployment and labourers' concerns over job security. The minimum remuneration/wage of workers is NPR 13,450 as per Article 106 of the Act.
- **Timely payments:** Wages must be paid before the expiry of the seventh working day after the last day of the wage period.

- **Regular leave and benefits:** Every worker is entitled to sick paid leave, casual leave, festival holidays and mourning leave.
- **Maternity leave:** Female workers are entitled to up to 98 days paid maternity leave with full pay up to 60 days. The Act also provides for 15 days fully paid paternity leave.
- **Social security:** The Act requires gratuity and provident fund to be deposited in the Social Security Fund.
- **Notice periods:** A worker can voluntarily terminate their employment by submitting a resignation letter, which the employer must approve within 15 days and provide notice to the employee. Termination is considered a "discharge" in the case that a worker is fired for reasons of mental or physical incapacity, illness or other reason not related to misconduct by the worker. An employer must pay compensation when a termination is unrelated to discharge or dismissal and must give justification when they terminate on the grounds of discharge or dismissal.
- **Fair and unfair reasons for termination of employment:** Employment is protected other that provisions such as time-bond employment, self-resignation, work efficiency and bad health conditions.
- **Prohibition of the use of child and forced labour:** The Act prohibits the employment of children (section 5) however the age of a child is not stipulated for the purposes of the Act. The Child Labor (Prohibition and Regulation) Act 2000 is the main legal instrument prohibiting engaging children in risky activities, and makes necessary provisions regarding their health, security, services and facilities. The Act prohibits the employment of any child below the age of 14 while children below the age of 16 are prohibited to work in hazardous work environments such as construction-related works.
- **Sexual harassment and discrimination:** Section 132 of the Act prohibits sexual harassment and violence in the workplace, and breaches may result in termination.
- **Equal opportunity and non-discrimination: The** Act prohibits discrimination of any labour on the grounds of religion, colour, sex, caste, tribe, origin, language, ideological conviction or other ground. It also prohibits discrimination in renumeration on the grounds of sex. The Act Relating to the Rights of Persons with Disabilities 2017 provides rights to discrimination-free employment opportunities.
- **Primary supply workers:** The Act does not assign any responsibility to the project on the supplier's labourers and their working conditions.
- **Freedom of association:** Where 10 workers or more are engaged in an entity, the employer can constitute a Collective Bargaining Committee.
- **Access to a grievance mechanism:** The Act outlines provides the right for any employer, worker or other person to make a complaint to a competent authority about an act in violation of the Labour Act 2017.

The Labour Act 2017 is not applicable to these groups: civil service; Nepal Army, Nepal Police, Armed Police Force; Entities incorporated under other prevailing laws or situated in the Special Economic Zones to the extent separate provisions are provided; working journalists, unless specifically provided in the contract.

The Labour Act 2017 provides stringent sanctions for violations of these provisions. Sanctions include fines and/or imprisonment.

The project is required to introduce standard Codes of Conduct (CoC), conditions of contract agreement, by including all legal clauses, collective agreements and other special terms and conditions of labour, service providers, and other project parties.

D. Brief overview of Labour Legislation: Occupational Health and Safety

Specific provisions related to OHS and working conditions are stipulated in Chapter 12 of the Labour Act 2017 and include requirements for preparation of a Workplace Health and Safety Policy, formation of a Safety and Health Committee at sites hosting 20 or more workers, appropriate safety and health arrangements, providing personal safety means to workers as required, to disseminate relevant information and provide training related to safety, prevention of communicable diseases by barring workers from joining their regular duty until their treatment is complete, providing expenses for investigation and treatment for any work-related diseases. The Labour Act 2017 empowers DoLOS to conduct inspections of establishments to determine whether the employer has made safety and health-related arrangements. Where it is found that arrangements have not been made, to give direction for making the necessary arrangements, as well as to impose penalties for violations or non-compliance. There is no separate legislation in Nepal dedicated to OHS, and there is also a lack of industry-specific standards.

Despite an improved regulatory landscape, studies have shown that there is inadequate attention to OHS practices in Nepal. OHS practices remain ineffective due to an inadequate legal system, limited knowledge, poor implementation and resource constraints.[1] Studies undertaken in the transport sector to understand contractors' OHS practices noted improvements in OHS practices, however, general understanding of OHS amongst contractors is limited and therefore implementation of OHS procedures is weak.[2] OHS procedures require adequate surveillance of the work environmental and risk assessment, which are often not undertaken in Nepal. General understanding of OHS amongst the employers as well as workers is limited to providing personal protective equipment (PPE) to workers, regardless of whether they wear the appropriate protection for work.

E. Responsible Staff

The functions and individuals responsible will be further described in subproject environmental and social management plans (ESMPs) or screening reports. An overview of arrangements is provided below. The Project Management Unit (PMU) will have overall responsibility for overseeing all aspects in relation to labour and working conditions including the implementation provisions of this LMP including on working conditions, OHS and community health and safety, monitoring training of workers, and ensuring that the grievance mechanism for project workers is established and monitoring its implementation. At the PMU, the Environmental Specialist and the Social Development Specialist will be specifically responsible for overseeing these aspects. The Gender Specialist will oversee the SEA/SH related aspects including training to workers on SEA/SH awareness and resolution of SEA/SH grievances in relation to workers.

Labour and working conditions: The LL-PMU will be directly responsible at the LL for ensuring compliance of their subprojects with the provision of this LMP, including ensuring compliance of contractors engaging in LL subprojects. The Environmental and Social Specialist within the LL-PMU will be specifically responsible for overseeing these aspects. The manager at the project site will be responsible for ensuring compliance with OHS, and includes ensuring that employees receive the relevant OHS training, and that workers sign CoCs.

[1] Rudra Prasad Gautam and Jiba Nath Prasain, 'Current Situation of Occupational Safety and Health in Nepal: A Study Report' (Kathmandu: General Federation of Nepalese Trade Unions (GEFONT), 2010

[2] ILO 2017, Contractor's Occupational Safety and Health Practices Under Strengthening the National Rural Transport Programme (SNTRP) Analysis I (Unpublished)

Engagement and Management of Contract Workers: The contractor will be responsible for the management of its workers and any subcontractors in accordance with this LMP. This includes ensuring compliance with key aspects in particular those relating to COVID-19 mitigation measures and OHS, and including the provision of training to contract workers and ensuring that their contract workers sign CoCs. Contractors will be supervised on a monthly basis or at shorter intervals as defined in ESMPs or screening reports. The LL-PMU may at any time require records to ensure that labour conditions are being met. The PMU will review records on a regular basis and may require remedial actions if warranted. A summary of issues and remedial issues and actions will be included in [quarterly] reports to the World Bank.

Workers GRM: The project will establish a GRM specifically to receive workplace concerns and grievances from project workers, as required under ESS2 [will the GRM for workers be at the central level or local level, or both]. Details of worker grievances will be recorded including the occurrence date, details of grievance, date submitted, actions taken and dates, resolution and follow up. The PMU will keep abreast of worker grievances and will review the status of worker grievances on a monthly basis. The PMU will reflect the status of grievance resolution in [quarterly] reports provided to the World Bank. The national system will be used in case that a grievance cannot be resolved.

F. Policies and Procedures

Minor incidents will be reported directly to PMU on a monthly basis and will be reflected in quarterly reports, and serious incidents will be reported immediately and will be flagged to the World Bank. Given that most labour related risks and impacts results from actions of contractors, mitigation measures will be largely implemented by contractors. Therefore, ensuring that contactors at the LL implement mitigation measures is a key activity of LL-PMUs and of the PMU at an overall level. The PCU will incorporate standardized E&S clauses into bidding documents and contracts including measures in relation to SEA/SH prevention and risk mitigation and on codes of conduct, so that contractors are aware of their obligations in this regard, and are contractually obligated to comply with them. The LL-PMU will enforce compliance with these clauses.

Occupational Health and Safety

The project is committed to: complying with the provision of the Labour Act 2017 and other relevant national legislation and policy, as well as requirements under ESS2 and ESS4; enabling active participation in OHS risk elimination, through training and awareness raising of appropriate skills, knowledge and attitudes towards risks; and continually improving OHS management systems and performance.

To further avoid workplace incidents the contractor will:

- provide protective masks, helmets, overalls, shoes, and safety goggles and other personal protective equipment (PPE) as appropriate;
- provide workers in high noise areas with ear plugs or ear muffs; higher levels of protection will be provided for more hazardous work, including the use of PPE
- demarcation of workplace and notices for hazardous areas where applicable
- accident reporting, notification and investigation of work practices at each workplace required
- ensure availability of first aid box
- properly dispose of solid waste as designated permitted landfill sites allocated by local authorities and cleaning funds
- comply with national legislation, WB ESS2 and other applicable requirements

- all workers to be covered by insurance against occupational hazards and COVID-19, including access to medical care and take paid leave if they need to isolate as a result of contracting COVID-19
- procedures confirming workers are fit to work, which may include temperature testing and refusing entry to sick workers (with insurance in place to cover payment as described above).

All project workers will need to follow all relevant measures in relation to COVID-19 which follow both the WHO guidelines along with the World Bank's interim note, "Covid-19 Considerations in Construction and Civil Works Projects".

Further to enforcing compliance of environmental management, contractors are responsible and liable for the safety of site equipment, workers attending worksite sites, and safety of community members at each subproject worksite.

The LL-PMU will ensure that the [project manager – confirm who is responsible for OHS at the subproject sites] for the subproject sites supervises and monitors the adherence of workers to OHS provisions. This includes identifying hazards and the appropriate mitigation measures; investigating causes of workplace accidents in coordination with the LL-PMU; inspect the workplace, including machinery and materials, to ensure the safety of workers.

Sexual exploitation and abuse and sexual harassment (SEA/SH)

Whilst labour influx is not expected, contractors will need to maintain labor relations with other workers and local communities through a Code of Conduct (CoC). The CoC will commit all persons engaged by the contractor, including sub-contractors and suppliers, to acceptable standards of behaviour. The CoC will include sanctions for non-compliance, including non-compliance with specific measures in relation to SEA/SH. The CoC should be written in plain language and signed by each worker. A copy of the CoC will be displayed in a location easily accessible to the community. It shall be provided in Nepali. Workers will also receive awareness training on SEA/SH-related issues. The project's GRM will also include a channel to allow SEA/SH-related grievances to be received and addressed. SEA/SH related processes will be overseen by the Gender/GBV Specialist within the PMU at the central level, [and monitored on the ground by the Environmental and Social Specialist within the LL-PMU, confirm roles at LL-PMU].

G. Age of Employment

No children under the age of 18 will be allowed to work on the project [confirm minimum age of workers]. If any contractor employs a person under the age of 18 years, that contractor's will not only be terminated but also be reported to the authorities for legal prosecution. Evidence such as birth certificate or citizenship, monitoring and inspection and other documents need to be produced to demonstrate the age and to confirm compliance with legal requirements.

H. Terms and Conditions

As stated in Section 3 of this LMP, terms and conditions of employment are governed by the Labour Act 2017. This includes the non-discrimination and equal opportunity in the employment of workers. Terms and conditions of direct workers are set out in contracts in line with national legislation. Terms and conditions of contractors are determined by their contracts. Contractors will need to comply with national legislation such as in terms of wages, working hours and leave entitlements, such as a maximum of 48 hours per week, with up to 24 hours per week overtime.

As a core requirement, the contractor is required to ensure that all documentation related to environmental and social management including in relation labour management is available for inspection at any time. The contractual arrangements with each project worker must be clearly defined. The LL-PMU will be responsible for ensuring appropriate messaging around COVID-19 mitigation and OHS measures are available for project workers.

The Labour Act 2017, has protected the right of labour to involve or affiliation to the trade union organization, and gives effect to collective bargaining.

I. Grievance Mechanism

Based on national legislation and ESS2, the project will have a formal mechanism and procedure to enable workers to submit workplace grievances. The grievance mechanism for workers will include transparent channels for submitting workplace grievances, explicit standards and deadlines to respond to grievances, effective institutional structures and processes to receive, address and resolve grievances. The procedure will allow workers to escalate grievances to a senior level if it not resolved at the LL, and also to give the worker the right to lodge a dispute with the PMU and then to the MoLESS [for further detail]

Provisions related to SEA/SH and gender-based violence (GBV) are outlined in section 6 and 132 of the Labour Act 2017. All SEA/SH related complaints, with the survivor's consent, will be referenced to the project identified service provider who will further manage the case in a survivor centric approach and will report back to the project GBV GRM once the case is solved.

J. Contractor Management

The PMU will use the World Bank's 2018 Standard Procurement Documents for contracting, and these include labour and OHS requirements. The tendering process will require contractors to demonstrate E&S experience including OHS and labour management. Contractual provisions will include the following requirements:

- Monitor and keep records on terms and conditions in relation to labour management, including specific aspects related to COVID-19
- Ensuring there is a health and safety focal point responsible for OHS and COVID-19 related issues
- Keep records regarding labor conditions and workers engaged under the project
- Record safety incidents and corresponding Root Cause Analysis (lost time incidents, medical treatment cases), first aid cases, remedial and preventative activities (eg training, new or different equipment)
- Report evidence that no child labour is involved
- Training/induction dates, number of trainees and topics
- Insurance for workers against occupational hazards and COVID-19, including ability to access medical care and take paid leave if they need to self-isolate as a result of contracting COVID-19
- Details of any worker grievances including occurrence date, grievance, date submitted, actions taken to date, resolution and follow up
- Signing CoC.

Monitoring the performance and management will be the responsibility of the LL-PMU. LL-PMU will be responsible for oversight of labour management provisions as well as contract supervision. The LL-PMU, specifically the Environmental and Social Development Specialist, will monitor the compliance

of the subproject with the LMP including management of worker-related grievances [monitoring reports will be submitted regularly to the PMU, who will submit with other reports to the World Bank. Contractors will keep records in accordance with this LMP.

Occupational Health and Safety

All project workers will receive training on OHS as well as COVID-19 prevention, social distancing measures, hand hygiene, and relations with local community. The trainings will be facilitated by the World Bank, PMU and/or LL-PMU as accordance with the training requirements. The LL-PMU will undertake regular visits to sub-project worksites to ensure the subproject is in compliance with the LMP. OHS measures include ensuring workplace OHS standards in compliance with national law, ESS2 and this LMP as detailed in Section F above.

ANNEX 4: RESETTLEMENT FRAMEWORK

A. Overview

The Unlocking Human Capital for a Prosperous Nepal project aims to enhance the capacity of Local Level Governments for delivering human capital services and provide access to a stimulation package to encourage behavioural change and use of human capital services particularly for poor and vulnerable households, in selected disadvantaged areas of Nepal. The project will involve, amongst other activities, improvements to physical resources supporting human capital services, including minor upgrading of human capital services, such as health and early childhood education centres (ECEC), and WASH facilities, under Component 1 on Improving capacity of Local Level Governments for delivering human capital services. This is the only civil works activity planned for under the project. All civil works are expected to take place on existing premises therefore it is not expected that land acquisition will be required, such that any permanent or temporary physical or economic displacement is not expected. However, given that site-specific subproject activities under the project have not been determined, and that there may be some small amount of potential land acquisition for future subprojects, this Resettlement Framework (RF) has been prepared to guide any required resettlement activities. In this circumstance, potential negative impacts include the relocation of squatters, encroachers and street markets existing with the area of the proposed physical improvement works including, households notably poor and vulnerable households, and small businesses. However, any displacement is likely to be small-scale and any impacts avoided or mitigated.

This RF represents a "living document" which can be revised throughout the project lifecycle based on the new project information. Given the rapid nature in which the ESMF, including the RF, was prepared, comprehensive consultations with project stakeholders, including poor and vulnerable groups, and Indigenous groups, have not yet been carried out. These consultations will be undertaken prior to project effectiveness. Details and outcomes of these consultation, including how they have been incorporated into project design, will be captured in revised iterations of the SEP, this RF and other relevant environmental and social management plans prepared for the project.

As any further potential resettlement impacts are determined, this RF will be updated, consulted upon by stakeholders including community members, and redisclosed.

B. Land acquisition and resettlement policy under the project

This Resettlement Framework (RF) sets out the policies, processes, and procedures for addressing and managing impacts for involuntary resettlement impacts occurring under the Unlocking Human Capital for a Prosperous Nepal Project. This RF has been prepared as part of the ESMF to provide guidance in the circumstance that any potential future civil works related to improving physical resources requires some land acquisition. This RF will then be used to inform the preparation of Resettlement Action Plans (RAPs) for those subprojects requiring land acquisition.

The project's land acquisition and resettlement policy is based on the World Banks' Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, particularly: (i) the provision for the avoidance or minimization of involuntary resettlement impacts; (ii) the preparation of a Resettlement Action Plan (RAP) which would allow for the consultations of PAPs and consideration and resettlement options; (iii) support to be provided to poor and vulnerable groups. Whilst as noted above land acquisition is not expected under the project, the following will apply to any subprojects in the case where environmental and social screening determines that there will be some involuntary resettlement, as undertaken during project

identification. This RF will be expanded into a specific RAP proportionate to the potential subproject risks and impacts. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the World Bank.

The objectives of ESS5, which are also applied to this project, are as follows:

- Involuntary resettlement will be avoided, or when unavoidable, will be minimized by exploring project design alternatives
- Forced eviction will be prohibited
- Unavoidable adverse social and economic impacts from land acquisition or restrictions on land use will be mitigated by: (a) providing timely compensation for loss of assets at replacement cost[3], and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of the project implementation, whichever is higher
- Living conditions of poor or vulnerable persons who are physically displaced will be improved through provision of adequate housing, access to services and facilities, and security of tenure
- Resettlement activities will be conceived and executed as sustainable developed programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant
- Resettlement activities will be planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

The RF provides guidance to the project management unit (PMU) including Environmental and Social Specialists, local level PMUs (LL-PMU), other project staff, and project stakeholders and beneficiaries, in the acquisition and compensation of private property and in the management of involuntary resettlement impacts arising from these acquisitions. This is, in particular, to address the address the needs of individuals and households who are potentially adversely impacted due to involuntary resettlement. This may involve impacts triggered by the acquisition of land and other private property for the purpose of implementing activities under the project, resulting in the loss of shelter, assets, livelihoods and/or loss of productive resources.

Each RAP should be based on identifiable, basic information collected, and will include the following aspects: those whose houses are wholly or partly affected by proposed civil works (who may or may not be residing on government land); those who commercial enterprises wholly or partly affected by proposed civil works (which may or may not be on government land); crops and ground attachments wholly or partly affected by the project. All impacts may be permanent or temporary.

C. Preparation and approval of Resettlement Action Plans

Where a subproject environmental and social screening determines that there will be involuntary resettlement impacts, the LL-PMU will prepare a resettlement action plan (RAP) in accordance with this RPF, and submit these to the PMU and World Bank [confirm process for approving RAPs] for review and approval. The preparation and implementation of the RAPs (including the payment of all resettlement costs) will be the responsibility of the NPC, and more specifically, the LL-PMU [confirm this point]. The RAPs will cover the following information:

- General description of the subproject and identification of potential impacts
- Objectives of the resettlement program

[3] See ESS5 footnote 6 for a definition of “replacement cost”

- Census survey and baseline socioeconomic studies: The findings of socioeconomic studies to be conducted in the early stages of subproject preparation and with the involvement of potentially displaced people
- Legal framework: the findings of an analysis of the legal framework, covering the scope of the power of eminent domain and the nature of compensation associated with it, the applicable legal and administrative procedures, environmental and social legislation and regulation and any legal steps necessary
- Institutional framework: including the identification of agencies responsible for resettlement activities and non-government organizations (NGOs) that may have a role in project implementation; an assessment of their institutional capacity, and any steps that are proposed to enhance their institutional capacity
- Eligibility: definition of affected persons and criteria for determining their eligibility for compensation and other resettlement assistance
- Valuation of and compensation for losses
- Community consultation and participation
- Implementation schedule, costs and budget
- Grievance redress mechanism: affordable and accessible procedures for settlement of disputes arising from resettlement
- Monitoring and evaluation

Only after the NPC and the World Bank hav accepted RAPs can resettlement and rehabilitation activities begin. Such activities must be completed before commencement of civil works.

D. Legal Framework

The legal framework guiding the implementation of RAPs is based on World Bank's ESS5 and applicable laws, regulations and policies of the national and relevant LLs.

National legislation and policy

Nepal has various legislation and regulations at the national level to guide land acquisition and resettlement activities. Key national legislation and policies which the project will need to follow in the case of any land acquisition are as follows:

Key relevant provision under national framework

Legislation/policy	Key relevant provisions
Constitution of Nepal 2015	Article 25(1) establishes the right to property for every citizen of Nepal, whereby every citizen is entitled to earn, use, sell, and exercise their property rights under existing laws Article 25 (2) provides that except for public interest the state will not requisition, acquire or otherwise create any encumbrances on property of a person Article 25 (3) provides that when the state acquires or establishes its right over private property, the state will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws
Land Acquisition Act 1977	The key legislation for land acquisition and resettlement. The Act empower the GoN to acquire land for development purposes through payment of compensation to landowners. Some key provision: Compensation is generally provided in cash (lump sum) at market value, or land for land where land is available. The public notification process is undertaken by the executing agency. To determine compensation amount, a Compensation Determination Committee (CDC) is established under the chairmanship of the Chief District Officer In determining the compensation, the CDC considers the loss incurred by persons due to land acquisition process, shifting of residence or other place of business

Land Reform Act 1964	The Act establishes the rights of land-owners and tenants over land. Key provisions include that a landowner may not be compensated for more than he is entitled to under the law; it also outlines compensation rights of registered tenants on land sold by the owner or acquired for development purposes. When the state acquires land under tenancy, the tenant and landlord are entitled to 50 percent of the compensation amount.
Land Revenue (land administration and revenue) Act 2034	Provides for the administration, maintenance of land including keeping of records, collection of land revenue and settlement of land disputes. It authorises the Land Revenue Office (LRO) to undertake registration, ownership transfer and deed transfer of land.
Land Use Policy 2015	A policy documents of the GoN regarding the limits and protection of land and land resources, optimum use and management.
Land Acquisition, Resettlement and Rehabilitation Policy for Infrastructure Development Projects, 2015	Key relevant points: Persons affected by land acquisition should be provided with training on life skills, income generating activities, saving and credit schemes to enable affected persons to establish their own business Vulnerable groups including IP groups, landless, women, differently-abled groups should receive special benefits and assistance packages in addition to compensation and resettlement

Following the transition to federalism, local levels have also commenced developing their laws and regulations, including laws to manage land acquisition and resettlement [please confirm]. Subprojects will need to therefore follow any promulgated local laws and regulations developed when designing and implementation subprojects including any resettlement plans. These should be detailed in site-specific RAPs.

Gaps with the national system and ESS5

There are a number of notable gaps between national legislation and ESS5 is that national legislation. These include a narrow definition of eligibility, which for example does not include squatters/information settlers, eviction may be permitted under some circumstances, there is no compensation for temporary displacement with few exceptions, requirements for consultations are focused on public notices and hearing, and there are no regulatory commitments in terms of livelihoods restoration. Key gaps are provided below:

Key gaps of national system with ESS5

Aspect of resettlement	Relevant provisions under ESS5	Gaps with ESS5 and national system
Planning	Preparation of Resettlement Action Plan required through participatory process or consultation	No explicit requirement for design, preparation and disclosure of resettlement plans (list of compensatees must be published)
Consultation and participation	Requirement for the disclosure of relevant information; meaningful consultations with affected persons communities, and other stakeholders; consultations must be on-going and inclusive	Scope of consultations is limited and linear; emphasis on public notices and public hearings; no requirement for ongoing consultations with affected persons and other stakeholders
Mode of acquisition	Forms include: negotiated purchase; donation; expropriation	Forms include: negotiated purchase; donation; expropriation. Eviction is permitted under some circumstances
Impacts considered	These impacts include: loss of assets; disturbance costs and associated expenses; loss of access to resources; and broader socio and economic consequences (physical and economic displacement)	Impacts considered are limited to: loss of assets; and disturbance costs and associated expenses

Aspect of resettlement	Relevant provisions under ESS5	Gaps with ESS5 and national system
Compensation	Options developed in consultation with PAPs through consultation. Cash or in-kind at 'replacement value' eg replacement land, replacement houses, rehabilitation program, community/livelihood support program (for economically displaced), other forms of assistance Compensation provided for temporary acquisition or restrictions on use of land	Cash compensation favoured. Replacement land in defined circumstances, for example, if land is available, at discretion of GoN Compensation valued at prevailing 'market rate' as against 'replacement value' No compensation for temporary acquisition or restriction of use of land with few exceptions No regulatory commitments in relation to relocation (housing), livelihood restoration
Delays in accessing compensation	On an exceptional basis, with prior agreement from the Bank, the Borrower may deposit compensation funds as required by the RAP (plus a reasonable amount for contingencies) into an interest-bearing escrow account or other deposit account and proceed with the relevant project activities.	Time limit is prescribed for taking compensation
Vulnerable PAPs and gender considerations	Particular attention is paid to the needs of vulnerable groups. Consultations need to ensure that women's perspectives are obtained and that their interests are factored into all aspects of resettlement planning and implementation.	No special provision for vulnerable groups or gender considerations
Eligibility for compensation	All legal claimants and informal occupants and structures on land	Eligibility for compensation is narrowly defined - only legal claimants including registered tenants entitled to compensation; excludes 'squatters'
Grievance redress mechanism	Access to grievance mechanism required regarding any project related complaint, no time limit	Provided but restricted to a few key aspects/decisions and only for a limited period
Support during transition	Monitoring and evaluation system is required as part of the RAP; status of PAPs needs to be monitored and evaluated; transitional support provided to economically displaced as necessary	No such provisions provided

Key principles of this RF are as follows:

Land acquisition and resettlement should be avoided, minimized and mitigated and compensated where feasible, exploring all viable alternative project designs

As of baseline survey, all affected persons are entitled to restoration to help them improve or at least restore their living standards, ability to earn income and production level; lack of legal title will not be a bar to their entitlement to resettlement measures;

All options for compensation should be kept open; decisions should be made only after detailed project analysis, meaningful consultation, and accepted by project affected households, based on full information made available to them about the implications of their various options; cash compensation will be the preferred form of compensation

All affected persons who are physical or economically permanently or temporarily displaced, including squatters and unregistered tenants, are entitled to full compensation at replacement value for lost assets and entitled to livelihoods restoration where impacted by economic displacement. All compensation will be paid promptly before evacuation. In the case of residential land, current market

price of similar sized land must be provided together with transfer arrangements in the case of displacement, and cash compensation in the case of partial loss without displacement. Tenants residing on residential land will be compensated in cash and assisted in finding suitable alternative residence.

Wherever necessary, financial and material resources for resettlement and restoration must be available; the budget in the RAPs should include contingencies;

The institutional and organizational arrangements should ensure that assets and resettlement are designed, planned, consulted and implemented in a timely manner

The implementation of RAPs shall be supervised, monitored and evaluation effectively

Capacity building measures shall be detailed and provided to specialists and officers involved in assessing land acquisition impacts, and in designing and implementing RAPs.

E. Eligibility and entitlement

Eligibility

The purpose of preparing RAPs is to ensure that affected persons have sufficient opportunities to replace their lost assets, and to improve or at least restore their income level and living standard. To realize this purpose, all affected persons should be identified, and the subproject should ensure that all affected persons consider that remedies outlined in the RAP are fair and appropriate.

The World Bank's ESS5 provides compensation for the loss of assets at replacement cost to both title and non-titled owners. Examples of non-titled owners include squatters, encroachers and unregistered tenants. Resettlement assistance and rehabilitation is also provided for lost income and livelihoods. Special measures will be taken for any poor and vulnerable affected persons. Vulnerable persons are those who because of their particular circumstance may be disadvantaged. Under the project, vulnerable persons include: IP groups, Dalits, women (including female-headed households, women of low-income households, landless women), children, youth and the elderly; people with disabilities; those who identify as lesbian, gay, bisexual, transexual, or intersex (LGBTI); religious minorities; and households living in poverty.

Persons affected by land acquisition, and relocation and/or rehabilitation of assets are entitled to a combination of compensation measures and resettlement assistance, depending on the nature and extent of loss and impact, to enable them to return to their pre-displacement levels. The cut-off date for eligibility for entitlement is when the census survey is complete. Persons encroaching into the area after this time are not entitled to compensation or other form of resettlement assistance. During planning and design of subproject activities, efforts will be made to minimize the impacts on land, people and property. However, where screening determines that land acquisition will be required, processes in line with this RF, ESS5 and national legislation will be followed.

Entitlement matrix

The general entitlements of PAPs by ownership status and type of asset affected are outlined in below. This entitlement matrix is a generic representation of entitlements in compliance with ESS5. A complete entitlement matrix will be prepared as part of the site-specific RAP and may contain different entitlements, depending on local conditions. This entitlement matrix is prepared based on the expected resettlement impacts, if any, which will likely be restricted to small areas of land, or locations on which squatters are located for either housing or commercial purposes.

Entitlement matrix applicable for the project

Type of loss	Status of PAP	Entitlement
Permanent loss of private land	Titleholder Encroacher	Cash compensation for affected assets or land-for-land compensation; resettlement assistance in lieu of compensation for land occupied; compensation at replacement cost[4]
Temporary loss of private land	Titleholder Encroacher	Compensation for crop, land productivity and other property losses for duration of temporary occupation, and for other disturbances Land to be restored to owner at end of temporary acquisition period, restored to its original or improved condition, as agreed with the owner
Displacement of informal dweller	Informal dweller/squatter	Compensation for structure of abode (if owned by the dweller) equal to replacement cost without depreciation; assistance in relocation; transportation assistance.
Loss of structures or part of house	Owner of affected structure	Replacement value without depreciation
Permanent loss of business or livelihood source	Business/livelihood owner	Cash compensation of loss during disruption; resettlement allowance; livelihood development assistance/program as part of subproject
Temporary loss of business or livelihood	Business owner	Cash compensation for duration of loss of income
Loss of trees or crops	Recognised owner of trees and crops	Replacement value

Valuation of affected assets

Compensation for all affected assets will be determined based on replacement value. All affected assets will be recorded and verified in the presence of the owner of the assets. Geo-referencing of assets is also recommended. Each asset will be enumerated and inscribed on a register. The valuation of the assets will be undertaken by the Compensation Fixation Committees (CFC). Values will be captured in the register of affected asset and will be explained to the owner. When valuing assets, the CFC will take account of rates on the open market, and information gathering during consultations with PAPs to ensure that compensation is at replacement value. The final valuation will be based on the principle of improving, or at least restoring, their livelihoods and living standards, in real terms, to pre-displacement levels. Compensation payments will be made by cheque and deposited into the joint bank account (that is, husband and wife) of project-affected households. The RAP will include a detailed implementation schedule to outline the time by which resettlement-related activities will be completed which will ensure timely payment of compensation. Specific considerations taken into account include the following:

Considerations in valuing assets

Type of asset	Considerations

[4] Replacement cost is broadly defined as the market price plus necessary transaction costs associated with asset replacement

Land	Review recent value of land transfer Determine whether established rates are sufficient to purchase same size and quality of land in a similar location
Structures	Evaluate whether compensation will enable the PAPs to acquire or rebuild the affected structure, based on a review of: Types of structures, sizes, levels, land, in a similar location, and the nature and quality of materials used Cost of labour to rebuild Cost of materials and transport costs Comparison with other assets in area
Trees and crops	Collect information to determine average price of items eg currently market prices in consultation with District Agricultural Office and Division Forest Office

F. Public participation and consultation

Public participation will run through the whole process, especially through social assessment of affected assets, evaluation of assets, compensation determination and resettlement implementation. During the process of RAP preparation, consultations will be held with project affected persons, as well as with affected families, institutions, and representatives of directly affected municipalities. The Stakeholder Engagement Plan developed for the project outlines the measures for public participation and meaningful consultation with project stakeholders, including project affected persons, throughout the lifecycle of the project.

The RAPs must describe all measures taken or to be taken, involving the affected persons in the proposed resettlement arrangements. To ensure that affected persons opinions and suggestions are fully considered, public participation should be undertaken prior to project design and implementation of relief measures. Engagement and consultation must run through the whole RAP planning, implementation and external monitoring process.

During RAP drafting and finalization stages, the LL-PMUs should disclose the RAP to the affected persons and in public place. Information should be disseminated throughout the project lifecycle using various channels including: printed information displayed on notice boards at municipal and ward offices, clinics and schools; via radio, and electronic media such as via Facebook. Information should be disseminated in local languages where relevant.

Special measures will be followed to ensure meaningful participation and consultation with poor and vulnerable groups including women, Dalits, and IP groups who are impacted by any land acquisition activities. Different forms of consultations will be undertaken with these groups, and may involve consultations with representatives of these groups, to identify particular concerns around the land acquisition activities, and to ensure the any compensations measures required for these groups are appropriately designed and provided. Relevant information will be disclosed in the local language as required. The timing and location of consultations with these vulnerable groups will be determined as appropriate to the needs of the groups. A summary of the RAPs will be disclosed in local languages as required, and in locations accessible to all stakeholders and in particular poor and vulnerable groups.

G. Grievance mechanism

A project-level grievance redress mechanism (GRM) will be established to enable stakeholders to raise any questions or concerns. In particular, the GRM will allow the questions and grievances in relation any land acquisition or compensation process to be raised and addressed. As part of consultations, PAPs will be made aware of the GRM and their ability to access the GRM to raise complaints in regards to land acquisition such as asset valuation, compensation entitlement and livelihoods programs. The

GRM is outlined further in the SEP and comprises a multi-step process for the raising and escalation of complaints, where complaints are unsatisfactorily addressed. The LL-PMU will designate a grievance officer at the subproject level to receive, record, conduct evaluation, and forward grievances as required for resolution to the appropriate committee or body. As per capacity building mechanisms in the ESMF and SEP, the grievance officer will receive training on dealing with grievances related to land acquisition and resettlement, and livelihood restoration. In addition, the grievance officer will be orientated on basic legislation related to land acquisition, gaps in comparison to ESS5 and international good practice, and additional measures that may be required to meet the ESF. The project will set up local committees at the ward level to hear and resolve grievances. Grievances that cannot be resolved at the ward level will be escalated to the Local Level, and then to the PMU as required. If the PAP is not satisfied with the resolution received under the project GRM, the PAP may escalate to the PM. More information around the function of the GRM will be detailed in each RAP. PAPs are also able to file complaints directly with the Chief District Officer (CDO) regarding the amount of compensation being offered and after the list of land acquisition has been published, a 15-day window to file an appeal with the Ministry of Home Affairs (MoHA) through the CDO for exclusion in the land acquisition. If the PAP is not satisfied with a decision reached in the GRM they may submit at any time their complaint through the judicial system

H. Monitoring and evaluation

Subprojects will have their own individual monitoring plans regarding land acquisition and resettlement activities and will be provided in the RAP. The LL-PMU and PMU will undertake internal monitoring and supervision and will: check the progress of implementation, including checking baseline information, valuation of asset losses, and the implementation of compensation and resettlement according to the RF and the RAP; monitoring if the RAP is being implemented as designed; check if funds for RAP implementation are appropriately timed and full used in a manner consistent with the RAP; record all complaints and ensure their resolution in a timely manner. The PMU will provide monitoring reports including on any RAP activities. The PMU will appoint an independent agency to undertake external monitoring as required to perform periodic M&E to assess the extent to which RAP objectives and activities have been met.

I. **Institutional arrangements**

At the central level, a project management unit (PMU) established within the National Planning Commission (NPC) will be responsible for day-to-day management of the project, monitoring of activities and production of implementation progress reports and assessments. Specifically the PMU will include an Environmental Specialist, a Social Development Specialist and a Gender/GBV Specialist responsible for managing environmental and social risks and impacts, and Gender and GBV related issues. The PMU will be responsible for overall planning, budgeting, approval and implementation of RAPs developed for subprojects. The Social Development Specialist in particular will oversee the screening of subprojects including on any land acquisition and resettlement impacts, where such impacts arise, will oversee the preparation of the RAPs in line with this RF, ESS5 and national systems. This includes ensuring that poor and vulnerable people are appropriately and meaningfully consulted in resettlement preparation and implementation activities. All aspects relating to resettlement and land acquisitions will be addressed in close consultation and collaboration of the PMU environmental and social specialists. At the Local Level, the LL-PMU will be directly responsibility for the preparation and implementation of site-specific RAPs.

Non-government organizations (NGOs) experienced in resettlement, rehabilitation and livelihoods restoration will be engaged to provide support in implementing RAPs including implementing specific activities and undertaking consultations and information dissemination.

J. Capacity building

The NPC as lead implementing agency does not have previous experience working as an implementation agency with the World Bank, including in undertaking land acquisition and resettlement activities under World Bank-supported projects. Details of capacity building on implementation of the RF is captured within the project Environmental and Social Management Framework (ESMF). For the individual subprojects involving land acquisition, the LL-PMU will be required to nominate a focal person on land acquisition activities. This focal person shall be required to attend orientations on RF implementation before preparation of the subproject, in particularly on eligibility, RF criteria, and gender considerations. The focal person will also be required to attend other relevant trainings to be conducted during project implementation. The LL-PMU and PMU, in particular the Social Specialist, will be required to undertake any capacity building sessions on the ESF, and in particularly on ESS5, including in assessing impacts on land, identifying affected persons, undertaking consultations, determining compensation, and implementing RAPs. Any NGOs supporting the implementation of resettlement activities will also be required to undergo orientation and trainings in resettlement policy particularly on the World Bank's ESS5.

ANNEX 5: SUBPROJECT ESMP COMPLIANCE REPORT TEMPLATE

Subproject ESMP Compliance Report

Reporting Period: _____

Name of Subproject: _____

Address (Ward, Municipality, Province): _____

Type of Subproject (): _____

Name of Implementing Organization: _____

Impacts/Risks	**Management Measure**	**Status/Implementation Issue/Constraints**
Land Acquisition and Involuntary Resettlement		
Presence of Indigenous People		
Potential Chance Discovery of Artifacts and Objects of Paleontological and other scientific Value		
Labor and Working Conditions		
Hiring and/or involvement of children in the project activities		
Worker's exposed to unsafe working environment in construction and operation of project-funded facilities		
Workers being denied of employee rights		
Possible occupational health and safety issues in the operation of ECECs, School facilities, WASH scheme and medical store		
Pollution Prevention		
Generation of dust and noise during construction of subprojects		
Possible sedimentation of waterways during construction of subprojects		
Potential erosion of slopes particularly road cuts and embankments as well as slope cuts on sites of buildings and facilities		
Possible generation of wastes during the construction and operation of project-funded facilities		
Community health and safety		
Spread of diseases among residents and workers such as HIV/AIDs during construction due to presence of non-resident laborers, triggering outbreak of epidemics		
Possible conflict between contractors and local communities due to lack of sensitivity of local culture		
Exposure of local communities to safety issues due to construction activities (e.g. traffic accidents or a fall into deep excavations)		
Other issues if any		

ANNEX 6: RESPONSIBILITY AND OBLIGATIONS OF CONTRACTORS FOR SUBPROJECTS

Checklist of ES Risk Management Obligations for Contractors of Subprojects

[This checklist shall be reflected and/or made part of the contractor's contract]

The Contractor of UHCPN Subproject shall be responsible for complying with the following:

1. The implementation of the management measures in the Subproject's Environmental and Social Management Plan (ESMP) for which the Contractor is identified as responsible.
2. Compliance with the Nepal Labor Act (2017) and ILO/International Labor Standards, giving special attention to the following:
    i. Compliance with Occupational Health and Safety (OHS) Regulations of the Department of Labor and Occupational Safety. The contractor should provide to its workers: (a) appropriate gears and personal protective equipment (PPE); (b) access to safe drinking water; and (c) toilet and washroom facilities at workers' camp.
    ii. No hiring of minors below 14 years of age. Minors below 18 years old shall not be assigned to perform heavy or hazardous tasks or to work in hazardous areas. Minors should not be required to work beyond standard working hours.
    iii. No gender-based or caste-based discrimination in hiring of workers and in the provision of wages and benefits.
3. It shall be the responsibility of the Contractor to ensure that all its subcontractors including labor subcontractors comply with the Labor and OSH Standards. The Contractor shall be responsible for Health and Safety, and SEA/SH prevention and mitigation of all workers in the construction site, including workers hired through informal labor contracting (e.g. Naike system).
4. The Contractor should provide a Grievance Redress Mechanism which are accessible to all its workers on site. It should designate a Grievance Officer among his HR personnel to receive grievances from workers, and to relay the same to the concerned managers.
5. The Contractor shall brief its workers about local endemic diseases and how to avoid contracting them.
6. The Contractor shall adopt the following Code of Conduct for their workers.

<u>Worker's Code of Conduct for Subprojects</u>

A. Health and Safety at Work and Living Quarters

i. Wear prescribed Personal Protective Equipment (PPE) when required by Superiors or Safety Officers.

ii. Be aware of endemic diseases in the area and take the necessary precautions as provided by your Health and Safety Officer

iii. Avoid wading through streams and pools of water if area is infested with Schistosomiasis.

iv. Use mosquito repellent lotion when working in Malaria infested area. Use mosquito nets when sleeping at night.

v. Avoid open defecation or urination. Use latrines or sanitary toilets when available at work site.

vi. Practice personal hygiene daily.

vii. Inform your employer of any personal health issues and conditions. Immediately inform your Health and Safety Officer when feeling sick. Separate living quarters, toilets and facilities for male and female workers. 24-hour well-lit camp site, quarters, facilities.

B. Community Relations and Community Health and Safety

i. Slow down your vehicles in residential area. If you are not the one driving, remind your driver to do so.

ii. Respect the local culture: customs and traditions. Be aware of the local regional sensitivities.

iii. Respect women. Avoid making remarks or actions which could be misconstrued as sexual harassment and abuse. No catcalls. Lewd and lascivious remarks and behaviors towards women in the workplace or in the community are strictly prohibited.

iv. Do not engage in debate over religion or politics with any community member.

v. At work, do not discriminate any members of your team, including community hired workers and volunteers. Treat everyone as equals.

vi. Any act of SEA/SH violation (with children, members of the community of the project area, inside and outside working area and during and after working hours) will result in the breach of contract and punishable by existing laws.

C. Sanctions

Anyone caught violating this Code of Conduct shall be subject to appropriate disciplinary actions.

ANNEX 7: E&S REGULATORY FRAMEWORK ANNEX 5: E&S REGULATORY FRAMEWORK

Constitution of Nepal, 2015

Promulgated in 2015, the constitution establishes the right relating to health for all the citizens of Nepal. Article 35 of the constitution states that every citizen will have the right to free basic health services and articulates that every citizen will have equal access to health services and every person will have the right to get information about his or her medical treatment. Article 38, which establishes rights to women, says that every woman will have the right to safe motherhood and reproductive health while Article 40 ensures special provision to ensure the health and social security to the Dalit community. Under the policies relating to the basic needs of the citizens, Article 51 h (5) pledges that the state will make the necessary investment in the public health sector to have healthy citizens. Article 51 h (9) says that the state will focus on health research and maintain the required number of health institutions and health workers to ensure wide availability of qualitative health services while Article 51 h (15) vows to ensure health insurance to all citizens. The constitution says that no one will be deprived of emergency health services. Article 271 of the constitution has a provision of declaring a state of emergency in case of a grave emergency such as epidemic in a specific part of the whole country. The constitution mentions "infectious diseases control" in Schedule 5 as one of the functions to be undertaken by the federal government. The constitution also envisions environmental protection for pollution prevention and its management.

Environment Protection Act, 2019

Nepal new Environmental Protection Act 2019 prohibits carrying out of any project proposal without getting the environmental studies approved the concerned. All project proposals will have to conduct environmental studies, but the capacity, output or investment of the proposed project determine whether a project requires Environment Impact Assessment (EIA), Initial Environment Examination (IEE), or Concise Environmental Studies (CEA). As part of the efforts to promote stakeholder engagement and information disclosure, the new act makes it mandatory to undertake public hearings at the project site. Moreover, it has a provision to establish an Environmental Protection Fund. The act also allows the government to declare a specific area where harmful materials or waste is stored or disposed of as a 'polluted' area and restrict it to the general public. The brief/Concise environmental study (BES) report is an addition in the Environment Protection Rules (EPR), 2020. As per EPA 2019, the proposal includes a plan, project, or program; and Strategic Environmental Analysis (SEA) is proposed to carry out for policy or program or project. As mentioned above, a program or project may require BES, IEE, EIA, or SEAn. BES, IEE or EIA are carried out for projects, and Strategic Environmental Assessment (SEA) is for policy, plan, or program.

Environmental Protection Rules, 2020

The EPR and its schedules clearly provide various stepwise requirements to be followed while conducting the Brief IEE, IEE and EIA study. EPR contains the elaborative provisions on the process to be followed during the preparation and approval of projects requiring EIA, IEE and Brief IEE including scoping document, terms of reference, information dissemination, public consultation and hearing,

and environmental monitoring and auditing. EPR calls for the public consultation prior to the preparation of scoping document and Terms of Reference and public hearing prior to the approval of EA Reports. Detail procedure for approval of EIA, IEE and Brief IEE concerning to the LLs, province and Central government is notified. The preparation of Environmental Management Plan (EMP) is determined as a key part of the EA report. The proponent is required to implement the mitigation measures, while the environmental monitoring works should be performed by the concerned agency (ministries), and auditing by the then Ministry of Forest and Environment (MoFE) in accordance with the provisions of the EPR, 2020.

Environment Policy, 2019

The new environmental policy that aims to ensure the rights of people to live in a clean and healthy environment by controlling, lessening and preventing all types of environment pollutions, managing household, and industrial wastes, expanding parks and greenery in the urban area, and ensuring environmental justice to the pollution affected population. The policy also aims to protect human health and the environment from hazardous waste by regulating and controlling chemicals in products. Similarly, the policy calls for establishing a national environment council, which will be responsible for policy coordination among all the stakeholders on all types of environment-related activities. On the distribution of authority among the three tiers of governments, the policy has made the federal government responsible for looking after national policy, law, and standards required for protection and management of environmental. Similarly, the provincial government has been made responsible for formulating state-level policy, plans, rules and regulations, and standards to control and pollution. Similarly, the local level has been made responsible for implementing national environmental policy at the local level and coordinate with different stakeholders to engage in environment-related activities for creating and undertaking environment awareness activities at the local level.

Laws on Resource Efficiency and Pollution Prevention and Management

The EPA/EPR provides for the prevention and control of pollution, prohibiting emission and discharge of pollutants that are harmful to human health and requiring registrations/permits of operations that emit pollutants. The law also provides for the appointment and powers of Environmental Inspectors to enforce the law. The Motor Vehicle and Transport Management Act (1993) and Nepal Vehicle Mass Emission Standard (2012) which prescribes standards for vehicles emissions and fuel. The Solid Waste Management Act (2011) provides for the management of the solid waste in a systematic and effective way by reducing at its source, re-use of materials, recycling and discharge. There is a National Ambient Air Quality Standards (NAAQS) which was passed in 2003. The Water Resource Act (1992) is a comprehensive law on the development, use and conservation of water resources in Nepal. It requires the conduct of IEE& before granting license to use water resources for any purpose. The law also requires compliance to quality standards in making use of water resources and prohibits the pollution of water resources. Under the Act are two regulations for drinking water purposes: (i) Water Resources Regulation, 1993, setting out the implementation procedures for the Act; and (ii) the

Drinking Water Regulation, 1998, which specifies compliance with the drinking water quality standards and control of water pollution as it affects drinking water. Two guidelines have been issued: Nepal Water Quality Guidelines for the Protection of Aquatic Ecosystem and Nepal's Drinking Water Quality Standards. There are also nine (9) individual industry's effluent standards, and one generic (1) standard. The key gaps include lack of legislation on resource use efficiency. In September 2018, the GoN approved National Energy Efficiency Strategy. However, there is currently no law which compels or encourages by way of incentives, project proponents to implement measures for energy or water consumption efficiency.

Solid Waste Management Act, 2011

The Act makes individual solid waste-producing institutions, such as health institutions and industries themselves responsible for the processing and managing the waste within the set standards. The Act allows industry and health institutions to request the local body to manage the residue left after processing by charging a pre-fixed service fee. Similarly, the Act asks to take all necessary measures to manage such sites to prevent possible impact on the environment and public health and to stop the spread of bad odor while operationalizing transfer centers. The concerned agency authorized to grant permission to establish health institutions needs to ensure before granting permission that the institution has made appropriate provision for the waste management, says the Act.

Climate Change Policy 2019

The government of Nepal has recently amended Climate Change Policy 2019 to integrate climate change mitigation and adaptation into policies and programs of central, provincial, and local governments under the federal structure. The policy is guided by the UNFCCC provisions and aim to contribute to socio-economic prosperity of the nation by building climate resilient society by reducing the risk of climate change impacts and supporting and collaborating in the spirits of country's commitments to national and international agreements related to climate change.

Land Acquisition Act1977

The Land Acquisition Act 1977 is key legislation applicable to the acquisition of land and other physical assets law of Nepal. The Act guides the compulsory acquisition of land in the country and enables the Government to acquire land for public purposes and provides for fair and just compensation to private landowners. The Land Acquisition Guidelines (1989) together with the guidelines pursuant to Sections 16 and 17 of the Land Acquisition Act provide a detailed process for the acquisition of land for use in government projects which has most of the elements of ESS5, including provisions for the compensation of loses of assets and grievance redress. The laws and guidelines have the following features: (i) assessment of the impacted assets and businesses (ii) valuation of land and asset lost based on market values and (iii) compensation for temporary use of lands by the project which is limited to damage of assets only.

Local Government Operation Act 2017

The Act vows to implement the authority granted to the local level by the constitution by promoting partnership, coexistence, and coordination among the federal, provincial, and local levels to ensure the extension of participatory, accountable, transparent, accessible, and quality services to the general public. Under the Duty, Responsibility, and Authority of the Rural Municipality and Municipality, the Act defines a wide range of health-related activities that the local levels are supposed to undertake. The activities include determination of health-related targets and quality as per the federal and provincial target and standards registration, operation, approval, and monitoring of general hospital, nursing home and health clinics; local level production, processing and distribution of medical plants and herbs, management of social security programs, such as medical insurance, fixation of the minimum price of medicines and other medical production produced at the local level, purchasing, storage and distribution of medicines and medical equipment at a local level and management of health information system at a local level.

Labor Act, 2017

The Act remains a key document governing the regulatory framework for labor in Nepal and ensures non-discrimination in employment and remuneration and establishes minimum wage level. It bars employers to employ workers without a contract and incorporates provisions of public holidays, annual leave, and maternity and paternity leave. As per the law, the employer is obliged to prepare and implement an Occupational Health and Safety Policy and requires the formation of a Health and Safety Committee if the number of workers in more than 20. Similarly, the Act and its rule also ensure an adequate supply of clean and fresh air and light, provision of separate modern toilets for male and female workers and employees, the supply of safe drinking water, provision of appropriate ventilation, lighting, temperature and sound, measures to protect from dust, smoke, fumes and other impurities, and provision of extinguishing a fire.

Nepal fifteenth five years plan

Fifteenth five-year plan of 2019/20-2023/24 has carried the vision of a clean, health, and greenery environment. This can be achieved by setting the goal of pollution control, waste management and plantation of the tree to ensure the right to clean and healthy environment. Management of all kinds of waste generating from health facility including household, industry has remained under the prime objective of this plan.

Nepal Health Sector Strategy Implementation Plan

Ministry of health aims in improving the health care waste management system through Nepal health sector strategy Implementation Plan 2016-2021 Outcome 2 “Improved Quality of care at the point of delivery”, where it has clearly stated improved infection prevention and health care waste management as one of its output. It further proposes the key intervention activities to achieve these outputs as review and revise infection prevention and health care waste management and promote state non-state partnership models for waste management.

Health Care Waste Management Guideline, 2014

This document provides a detailed health care waste management procedure, ranging from the generation of the waste to the final disposal. It mostly focuses on efficient segregation, categorizing the health care waste into various categories as per their potential hazards and promotion of environment-friendly technologies for the treatment of the health care wastes. This guideline further points out the need for the formation of a health care waste management committee under the leadership of the Chief Medical Person in hospitals for efficient coordination and implementation of activities. Similarly, the guideline proposes various methods of health care waste treatment options depending upon the types of health care facilities, such as teaching hospitals, clinics, pharmacies, immunization camps, and others.

Public Health Service Act, 2018

To make necessary legal provisions for implementing the right to get free basic health service and emergency health service guaranteed by the Constitution of Nepal and establishing access of the citizens to health service by making it regular, effective, qualitative and easily available, this The Public Health Service Act, 2075 (2018) was promulgated by GoN. It dealt with Rights, Duties of Service Recipients and Responsibilities of Health Institutions where Access to and certainty of health service, Emergency treatment, Referral service, provide quality health service, provide service recipient with information and Liability of health institution are well discussed. There is clear provision for Relating to Health System and Management of Service where Operation and regulation of health institutions, maintain quality by health institution, Human resource management and development and Health finance and social security are detailed. Separate section for Social, Cultural and Environmental Determinants for Protection, Promotion and Improvement of Public Health is provisioned with clear statements like; Quality of consumable goods, Noise and air pollution, Sanitation and waste management, Public health friendly residence, public transport and road infrastructure and safety, Safety of health of workers working in risky zone, Social, cultural superstitions affecting public health and Special social security and programs for target groups are included.

National Water Supply and Sanitation Sector Policy 2014

The New Water Supply and Sanitation Policy was promulgated with due respect of two separate Policy documents, namely, i. Rural Water Supply and Sanitation National Policy 2060 (2004) and ii. Urban Water Supply and Sanitation Policy 2066 (2009). The policy was introduced to reduce urban and rural poverty by ensuring equitable socio-economic development, improving health and the quality of life of the people and protection of environment through the provision of sustainable water supply and sanitation services. It focused on ensuring the availability of safe and adequate water supply and sanitation services to all according to the coverage targets with defined service levels. The Policy recognizes that the scope of water and sanitation services extends beyond fulfilling the basic human needs, which aims towards achieving improved quality of life through providing safe, reliable, adequate and enhanced services at affordable prices to all consumers, including poor and marginalized. Compatible infrastructure, appropriate institutional setup, rationalized cost recovery, favorable financing environment, full user participation in decision making and fruitful partnership

with the private sector are recognized as core elements towards achieving the sectoral objectives in a sustainable manner. The policy also aims to adopt effective measures to safeguard the environment and emphasizes achieving a balance with other competing uses of water through adoption of demand and supply management measures. Basic level service coverage, Up gradation of service level, Rehabilitation of non-functional schemes, Consumers' involvement in decision making, Accessibility of all to services, Drinking water source protection and conservation, Protection of surface and ground water sources from wastewater pollution, Compliance with environmental protection laws, Use of cost effective and affordable alternative technologies, Strengthening local institutional and Strengthening local capabilities are key area to be addressed with strategic programs.

Social Security Act and Regulation 2018

The Government of Nepal ("GoN") has framed the Contribution Based Social Security Regulations, 2018 (2075) ("Social Security Regulations") by exercising the power conferred to it under Section 69 of the Contribution based Social Security Act ("Social Security Act"). For effective compliance of the act, The Social Security Regulations has been published in Nepal Gazette on November 2018 with immediate effect. The Social Security Regulations has prescribed certain matters as required by the Social Security Act. Such matters include (a) the procedure for participation in Social Security Schemes (b) registration of the employer and employee with Social Security Fund (c) operation of fund, etc. It has detailed the entitlement for social security and are; (a) Senior citizens, (b) Indigent, (c) Incapacitated and helpless persons, (d) Helpless single women, (e) Citizens with disabilities, (f) Children, (g) Citizens unable to take care themselves with category of allowances to be provided. Detail provision for Offences and Punishment, comprising make complaint, appeal, Punish imposable under the prevailing law.

Gender Equality and Social Inclusion Strategy, 2009

The strategy aims to develop policies, plans, and programs to create a favorable environment for integrating GESI in Nepal's sectoral programs and advocates the need to include GESI in development policies along with associated strategies, plans, and required resources. The strategy also seeks to review the existing policy, laws, and guidelines to make them GESI inclusive and asks for necessary policy provisions to include GESI related issues in plans, programs, and budgeting. The strategy also seeks to include GESI related issues in a program implemented by service providers. There is also a need for coordination and participation of organizations dealing with issues of GESI, says the strategy. The strategy urges to establish a GESI unit/desk at different levels of the health sector by improving service delivery mechanisms by service provided for poor, vulnerable, and marginalized groups.

Child Labor (Prohibition and Regulation) Act, 2000

This Act defines a child as a person who has not achieved the age of 14 years and the act bans employing a child below the age of 14 to work as a laborer. However, the law allows limited and selected use of persons between 14-18 as workers but prohibits working in a hazardous work environment. Enterprises are required to obtain approval for employing workers age between 14 to 18 and no child is allowed in work for a period after six o'clock in the evening to six o'clock in the

morning, according to the act. The child workers are not allowed to deploy in work for more than 6 hours per day and 30 hours of work per week and are entitled to the leisure of half an hour after working for three consecutive hours in a day. They are entitled to a one-day leave every week. The act has also provisioned a labor officer to inspect an enterprise engaging children.

National Foundation for Development of Indigenous Nationalities Act, 2002

The National Foundation for Development of Indigenous Nationalities Act, 2002 has recognized a total of 59 different nationalities as indigenous nationalities, representing 37.2 percent of the total population in 2011. The Act defines ethnic groups and communities as those having their own mother language and traditional rites and customs, distinct cultural identity, distinct social structure and written or unwritten history that traces their line of descent back to the occupants of territories before they were integrated into Nepal. The majority of the indigenous nationalities socially, economically, politically and educationally marginalized. The act has given significant emphasis on delivering basic services and special attention to the disadvantaged and indigenous people, scheduled occupational castes, and other vulnerable groups.

ANNEX 8: ESF/SAFEGUARDS INTERIM NOTE ON COVID-19 CONSIDERATIONS IN CONSTRUCTION/CIVIL WORKS PROJECT

This interim note is intended to provide guidance to teams on how to support Borrowers in addressing key issues associated with COVID-19 in construction activities. Projects involving construction/civil works frequently involve a large work force, together with suppliers and supporting functions and services. Given the complexity and the concentrated number of workers, the potential for the spread of infectious disease in projects involving construction is extremely serious, as are the implications of such a spread. Depending on what kind of contract exists (between the Borrower and the main contractor; between the main contractors and the sub-contractors) the Contractor will be responsible for health and safety of workers.

The PMU (borrowers) should confirm that projects (i) are taking adequate precautions to prevent or minimize an outbreak of COVID-19, and (ii) have identified what to do in the event of an outbreak. Addressing COVID-19 at a project site goes beyond occupational health and safety and is a broader project issue which will require the involvement of different members of a project management team. In many cases, the most effective approach will be to establish procedures to address the issues, and then to ensure that these procedures are implemented systematically. The issues especially pertinent in preparing the project response procedures to COVID-19 include:

(a) Assessing workforce characteristics

(b) Entry/exit to the work site and checks on commencement of work

(c) General hygiene

(d) Cleaning and waste disposal

(e) Adjusting work practices

(f) Project medical services

(g) Local medical and other services

(h) Instances or spread of the virus

(i) Continuity of supplies and project activities

(j) Training and communication with workers

(k) Communication and contact with the community