



Government of Nepal
Ministry of Forests and Environment

Nepal Forests for Prosperity Project
Environmental and Social Commitment Plan (ESCP)

March 8, 2020

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Government of Nepal will implement the Forests for Prosperity Project (the Project), with the involvement of the following ministries/agencies/units: Ministry of Forests and Environment (MoFE); REDD Implementation Center (REDD IC); Forests for Prosperity Project Management Unit (PMU); Ministries of Industry, Tourism, Forest and Environment (MoITFE) of Provincial Governments 2 and 5 and their respective Provincial Project Management Units (PPMUs); and selected Local Governments (municipalities) within Provinces 2 and 5. The International Bank for Reconstruction and Development (The World Bank), hereinafter the “Bank”, has agreed to provide financing for the Project.
2. The Government of Nepal, through MoFE, will implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (ESSs). This Environmental and Social Commitment Plan (ESCP) sets out these material measures and actions and any specific documents or plans, as well as the timing for each of these.
3. The Government of Nepal will also comply with the provisions of any other Environmental and Social (E&S) documents required under the Environmental and Social Framework and referred to in this ESCP, such as the Environmental and Social Management Framework (ESMF) (which incorporates an Indigenous Peoples Planning Framework and a Resettlement Policy Framework), the Stakeholder Engagement Plan (SEP) and the Environmental and Social Management System (ESMS) for Financial Intermediaries, and the timelines specified in those E&S documents. Framework referred to in this ESCP. This includes, for example, Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAPs) and Indigenous Peoples Plans (IPPs) according to the timelines specified in those documents.
4. The Government of Nepal is responsible for compliance with all requirements of this ESCP even when implementation of specific measures and actions is conducted by one or more of the ministries, agencies or units referenced in 1 above.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Bank by the Government of Nepal as required in this ESCP and by the conditions of the legal agreement. The Bank will monitor and assess progress and completion of the material measures and actions of this ESCP throughout the implementation of the Project.
6. As agreed by the Bank and the Government of Nepal, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes, unforeseen circumstances or in response to an assessment of Project performance conducted under the ESCP itself. In such circumstances, the Government of Nepal will agree to the changes with the Bank and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through an exchange of letters signed between the Bank and the Government of Nepal. The Government of Nepal will promptly disclose the updated ESCP.
7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Government of Nepal shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts. These may include negative environmental and social impacts related to sustainable forest management (SFM) and private forestry, e.g. biodiversity loss, monocultures, forest degradation; waste disposal and other pollution from forest-based enterprises; health and safety impacts, e.g. work-related accidents; cultural heritage (including chance finds and requests for cultural heritage

conservation or similar); and gender based violence and sexual exploitation and abuse as described in the table below.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
MONITORING AND REPORTING			
A	REGULAR REPORTING: Regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of Environmental and Social documents required under the ESCP and/or ESMF, stakeholder engagement activities and functioning of the grievance mechanism(s) will be prepared and submitted to the Bank.	<ul style="list-style-type: none"> Every six months from the start to throughout Project implementation. 	PMU
B	INCIDENTS AND ACCIDENTS: The Bank will be notified promptly of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, affected communities, the public or workers, including any accidents during harvesting and other SFM-related activities, forest fires, discharge of pollutants from any forest-based industries, as well as any public outcry related to Project-supported activities. Enough details regarding the incident or accident, indicating the immediate measures taken or that are planned to be taken to address the incident, and any information provided by any contractor or supervising entity, as appropriate will be provided. Subsequently, as per the Bank's request, a report on the incident or accident proposing any measures to prevent its recurrence will be prepared and submitted.	<ul style="list-style-type: none"> The Bank will be notified within 72 hours after learning of the incident or accident. A report will be provided within a timeframe acceptable to the Bank, as requested. 	PMU/PPMUs
C	CONTRACTORS MONTHLY REPORTS: All contractors involved in any Project activities will provide bi-monthly monitoring reports to the PMU/PPMUs, which will be submitted to the Bank upon request.	<ul style="list-style-type: none"> Bi-monthly or on request from the PMU/PPMUs (in the case of specific incidents or unexpected situations). 	Contractors/PMU/PPMUs. PMU/PPMUs to ensure that this requirement is included as a clause in the relevant contracts

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
D	THIRD-PARTY MONITORING External or third-party ESMF monitoring (independent audit) will be conducted to ensure that all safeguards are being properly addressed and that mitigation measures are being implemented where these are required.	<ul style="list-style-type: none"> At mid-term and during the final year of project implementation (twice during the life of the project). 	PMU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ORGANIZATIONAL STRUCTURE: An organizational structure with qualified staff and resources to support the management of environmental and social risks of the Project will be established and maintained at the federal level (in the PMU) and at the Provincial Level (in the two PPMUs) to ensure full compliance with the ESMF and ESMPs, as relevant. Technical specialists in the PMU and PPMUs will have knowledge and experience covering all aspects of the ESSs and will have specific responsibility for ensuring that these Standards are met.	<ul style="list-style-type: none"> An organizational structure including Technical Staff with Environmental and Social Standards knowledge and relevant experience will be established within 60 days of Project effectiveness. The organizational structure, including Technical Staff with said specialist knowledge and experience, will be maintained throughout Project implementation. 	MoFE, Government of Nepal MoITFE
1.2	ENVIRONMENTAL AND SOCIAL ASSESSMENT: Regular updates as required for the adoption and implementation of the ESMF of the Project, including Environmental and Social Impact Assessment of Project activities and other instruments developed such as SEP and ESMPs, will be ensured.	<ul style="list-style-type: none"> The ESMF has already been prepared which includes the results of Environmental and Social Assessment for the Project and procedures for ESIA and E&S measures of all proposed Project activities. Implementation of the ESMF including the mitigating measures specified will continue throughout the project cycle. 	PMU/PPMUs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
1.3	<p>MANAGEMENT TOOLS AND INSTRUMENTS: ESMF and SEP for the Project have already been developed.</p> <p>Environmental and Social Screening of proposed activities in accordance with the ESMF prepared for the Project, and, thereafter, preparation, adoption, and implementation of site-specific Environmental and Social Management Plans (ESMPs) as required, will be implemented.</p>	<ul style="list-style-type: none"> • Environmental and Social Screening of activities will be done at the proposal stage, as specified in the ESMF, and consistent with ESS 1 which will determine the ESMP requirements for the activity. • If ESMP is required, it will be developed and disclosed before the activity is implemented. • ESMPs developed will be implemented throughout the Project implementation period. 	PPMUs and implementing units of participating Local Governments with support from PMU as required
1.4	<p>MANAGEMENT OF CONTRACTORS: All the relevant aspects of the ESCP and ESMF prepared for the Project including the Labor Management Procedures will be incorporated into the environmental, social, health and safety specifications of the procurement documents with contractors and service providers.</p> <p>Environmental and social obligations will be included in all bidding documents including the contractual agreements. It will be ensured that the contractors comply with the environmental, social, health and safety specifications of their respective contracts.</p>	<ul style="list-style-type: none"> • Prior to the preparation of procurement documents and prior to signature of contracts. • Implementation of the management tools and instruments required throughout Project implementation. • Supervision of contractors throughout Project implementation. 	PPMUs and implementing units of participating Local Governments with support from PMU as required
ESS 2: LABOR AND WORKING CONDITIONS			

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

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT: Resource efficiency and pollution prevention and management measures, including recycling and re-use options, water/energy efficiency features for the Project, are discussed in the ESMF will be incorporated, wherever applicable, into the design of each activity, and implemented through the ESMPs prepared under action 1.3 above.	<ul style="list-style-type: none"> ESMPs will be developed as required before the activity is commenced. Stand-alone Pest Management Plans (PMP) will be prepared in all cases of significant direct purchasing and usage of pesticides or if significant pest management issues are anticipated; otherwise, it will be included as part of the ESMPs. Screening of activities will determine if a PMP is required. The Pest Management Plans will be acceptable to the Bank. Once approved, the measures therein will be continued throughout the implementation period of the activity. 	PMU/PPMUs and implementation units of Local Governments. FIs, i.e. lending institutions for FBEs/ SMEs receiving Project support
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY: As required, measures and actions to assess and manage traffic and road safety risks during timber, fuelwood and other forest products transportation within the Project or its activities will be developed and implemented. Assessment and management of traffic and road safety risks will be included in the ESMPs to be developed under action 1.3 above.	<ul style="list-style-type: none"> ESMPs will be developed as required before the relevant activities are implemented. 	PMU/PPMUs and participating Local Governments and Contractors.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
4.2	<p>COMMUNITY HEALTH AND SAFETY:</p> <p>Measures and actions to assess and manage specific risks and impacts to communities arising from Project activities, including, inter alia, behavior of Project workers, response to emergency situations, forest fires, accidents during logging and harvesting, leakage of gas, chemicals and other pollutants from FBEs, etc. will be ensured by including the measures and actions specified in the site-specific ESMPs that will be developed and implemented in accordance with the ESMF and consistent with the relevant national laws.</p>	<ul style="list-style-type: none"> Requirement for ESMPs will be determined during the screening of activities including for FBEs receiving Project support. If required, site-specific ESMPs will be prepared before the relevant activities are implemented. ESMPs will be implemented throughout the Project implementation. 	<p>PMU/PPMUs and participating Local Governments and Contractors.</p> <p>FIs, i.e. lending institutions for FBEs/ SMEs receiving Project support</p>
4.3	<p>GENDER BASED VIOLENCE AND SEXUAL EXPLOITATION AND ABUSE:</p> <p>A detailed Gender Action Plan with activities, budget, targets and indicators will be developed. As one way to address gendered risks/ barriers and constraints for women and vulnerable groups in Project interventions, Gender Based Violence (GBV) risks of Project activities will be assessed during the screening of the activities. If the risk is Moderate, Substantial or High, stand-alone GBV Action Plans will be prepared, adopted and implemented to assess and manage the risks of GBV and sexual exploitation and abuse (SEA).</p>	<ul style="list-style-type: none"> The Gender Action Plan will be prepared within six months of project approval. If required, GBV Action Plans will be prepared before the relevant activities are implemented. The GBV Action Plans will be acceptable to the Bank. Once approved, the measures therein will be continued throughout the implementation period of the activity. 	<p>PMU/PPMUs</p> <p>FIs, i.e. lending institutions for FBEs/ SMEs receiving Project support</p>
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
5.1	<p>RESETTLEMENT PLANS:</p> <p>It is highly unlikely that Project activities will require [involuntary] land acquisition or restrictions on land use leading to physical and/or economic displacement. Just the same, a Resettlement Policy Framework (RPF) has been prepared and annexed to the ESMF for the Project, as a precautionary measure.</p> <p>Preparation, adoption and implementation of Resettlement Action Plans (RAPs), as required in accordance with ESS 5 and consistent with the requirements of the RPF, will be implemented in a manner acceptable to the Bank in the event this should be required¹.</p>	<ul style="list-style-type: none"> • RAPs will be prepared and disclosed prior to issue of bids for corresponding civil works. • Any RAPs prepared will be acceptable to the Bank prior to the commencement of the works. 	PMU/PPMUs
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.	<p>BIODIVERSITY RISKS AND IMPACTS:</p> <p>As per ESMF requirements, screening of each activity will be carried out and biodiversity-related risks and impacts of the activities will be identified. Accordingly, the Project will implement the mitigation hierarchy to avoid adverse impacts, minimize and restore biodiversity. For any activities with the potential to have significant adverse impacts on biodiversity, a stand-alone Biodiversity Management Plan will be prepared.</p>	<ul style="list-style-type: none"> • Measures and actions to assess and manage risks and impacts on biodiversity will be carried out during the preparation of site-specific ESMFs and within the planning and implementation of activities being supported by the Project. • Biodiversity Management Plans will be prepared before the relevant activities are implemented. • The Biodiversity Management Plans will be acceptable to the Bank. Once approved, the measures therein will be continued throughout the implementation period of the activity. 	PMU/PPMUs
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			

¹ No activities implemented through this project will restrict the use of natural resources in parks or protected areas.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
7.1	INDIGENOUS PEOPLES PLAN: If required, Indigenous Peoples Plans (IPPs) will be prepared, disclosed and implemented consistent with the requirements of the Indigenous Peoples Planning Framework (IPPF) that has been prepared for the Project, consistent with ESS 7.	<ul style="list-style-type: none"> • IPPs will be prepared and disclosed prior to the commencement of the designated activities. • The IPP will be implemented as needed in the Project. 	PMU/PPMUs
7.2	FPIC: Under particular circumstances, free, prior and informed consent (FPIC) will be obtained from indigenous peoples affected by Project activities, consistent with the requirements of the IPPF and ESS 7.	<ul style="list-style-type: none"> • As and when required. 	PMU/PPMUs
ESS 8: CULTURAL HERITAGE			
8.1	CHANCE FINDS: A chance finds procedure for cultural heritage, consistent with the relevant national legislation and ESS 8, will be part of all contracts or activities involving any excavation, movement of earth or related changes in the physical environment under the Project.	<ul style="list-style-type: none"> • The chance finds procedure will be developed before the relevant activities are implemented. • The procedure will be implemented as needed throughout the Project cycle. 	Contractors/PMU/PPMUs
8.2	CULTURAL HERITAGE MANAGEMENT PLANS: If required, Cultural Heritage Management Plans will be prepared, adopted and implemented consistent with the requirements of ESS 8.	<ul style="list-style-type: none"> • If required, the Plans will be prepared and disclosed after the screening of activities and before the commencement of the works. • The Plans will be implemented throughout the Project cycle. 	PMU/PPMUs
ESS 9: FINANCIAL INTERMEDIARIES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
9.1	ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM: It will be ensured that any FI that will be involved in channelling financing to SMEs/FBEs, together with the wholesaler, has established an ESMS satisfactory to the Bank and the FIs have established sufficient organizational capacity and competency to maintain the ESMS throughout the life of the Project.	<ul style="list-style-type: none"> • Within 12 months of project effectiveness. • Once established, the ESMSs will be maintained throughout Project implementation. 	PMU/PPMUs, FIs
9.2	SENIOR MANAGEMENT REPRESENTATIVE: It will be ensured that senior management representatives are designated from the FIs that will on-lend to SMEs/FBEs to have overall accountability for the environmental and social performance of the forest enterprise activities.	<ul style="list-style-type: none"> • Within 12 months of project effectiveness. 	PMU/PPMUs, FIs
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN: A draft Stakeholder Engagement Plan (SEP) has already been prepared for the Project. It will be updated, adopted and implemented consistent with the ESS 10.	<ul style="list-style-type: none"> • The SEP will be finalized and disclosed before Project appraisal. • The SEP will be implemented throughout the Project implementation period. 	PMU/PPMUs
10.2	PROJECT GRIEVANCE REDRESS MECHANISM: A Grievance Redress Mechanism (GRM) for the overall Project has been prepared as part of the SEP. This will be improved as required, adopted, and maintained as described in the SEP.	<ul style="list-style-type: none"> • The GRM, forming part of the SEP, will be acceptable to the Bank prior to Project appraisal. • The GRM will be implemented throughout the Project implementation. 	PMU/PPMUs/Local Government Judicial Committees
CAPACITY SUPPORT (TRAINING)			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBILITY
CS1	<p>Various capacity-building events and trainings have been proposed in the ESMF and SEP for different target groups. All the trainings proposed will be provided as specified in these documents.</p> <p>Furthermore, it will be ensured that capacity building events and trainings for Indigenous People and Local Communities (IPLCs) in the Project areas will be conducted through and in coordination with the Dedicated Grant Mechanism (DGM) Steering Committee so that funds allocated for DGM are utilized efficiently for the effective capacity building of IPLCs for the implementation of the Project.</p> <p>The trainings will be provided for stakeholders, communities, and Project workers on different topics such as:</p> <ul style="list-style-type: none"> • Stakeholder mapping and engagement • Specific aspects of environmental and social assessment • Emergency preparedness and response • Community health and safety. 	<ul style="list-style-type: none"> • Capacity building and training activities will be initiated within six months of effectiveness of the project. 	PMU/PPMUs
CS2	<p>Capacity building events and trainings for Project staff in Federal, Provincial and Local Governments will be provided on various topics including:</p> <ul style="list-style-type: none"> • Occupational health and safety • Stakeholder mapping and engagement • Specific aspects of environmental and social assessment • Emergency preparedness and response • Community health and safety. • Content and implementation of the ESMF and ESCP • Other topics as relevant. 	<ul style="list-style-type: none"> • Capacity building and training activities will be initiated within six months of effectiveness of the project. 	MoFE, MoITFEs, PMU/PPMUs