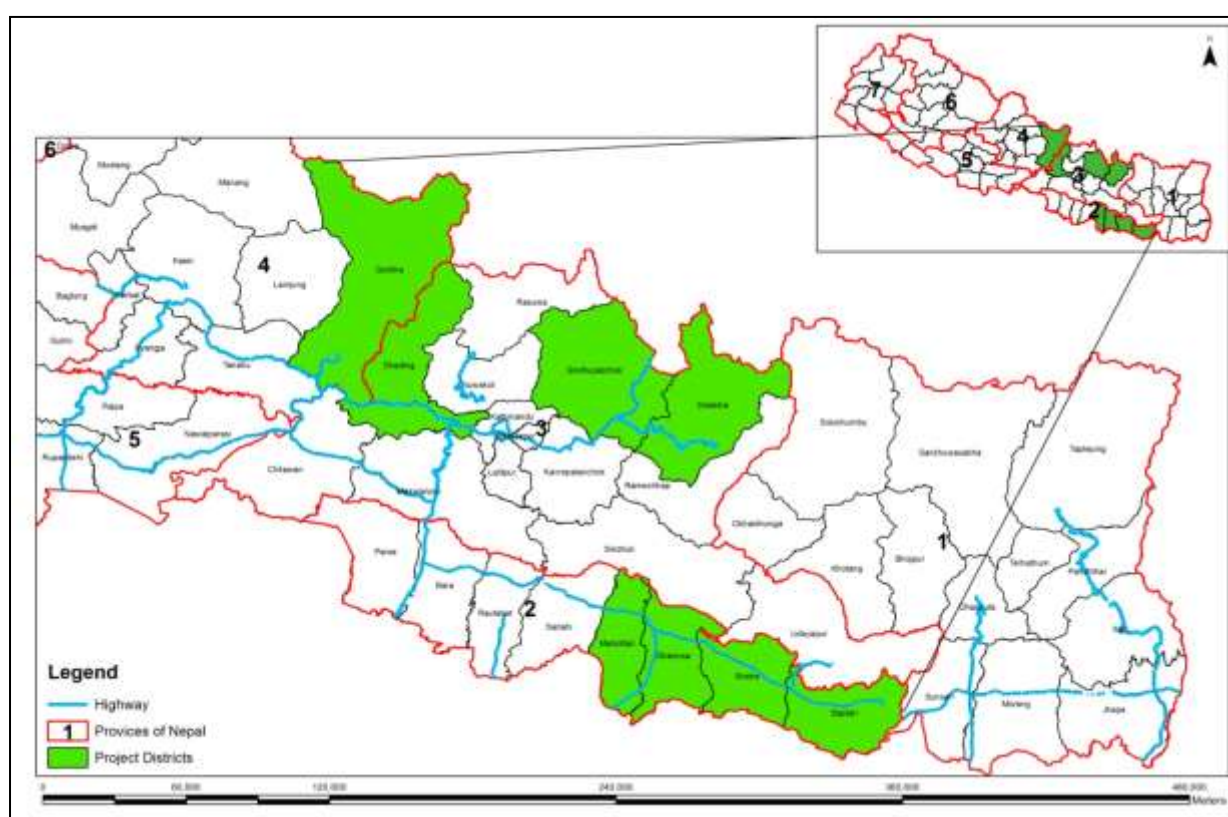


Food and Nutrition Security Enhancement Project
(FANSEP)- P 164319
2018/19-2022/23



Environment and Social Management Framework

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Abbreviations and Acronyms

ADS	Agriculture Development Strategy
ASFP	Agriculture and Food Security Project
CCAP	Climate Change Adaptation plan
CCN	Component Concept Note
CO	Cluster Office
CPS	Country Partnership Strategy
CSA	Climate Smart Agriculture
DFTQC	Department of Food Technology and Quality Control
DoA	Department of Agriculture
DoLS	Department of Livestock Services
ECoP	Environment Code of Practice
EIA	Environment Impact Assessment
EMP	Environment Management Plan
EPA	Environment Protection Act
EPR	Environment Protection Rule
ESA	Environment and Social Assessment
ESMF	Environment and Social Management Framework
ESMP	Environment and Social Management Plan
ESSM	Environment and Social Safeguard Measures
FANSEP	Food and Nutrition Security Enhancement Project
FANUSEP	Food and Nutrition Security Program
FAO	Food and Agriculture Organization
FCHV	Female Community Health Volunteer
FFS	Farmers Field School
FNCCI	Federation of Nepal Chamber of Commerce and Industry
GAfsp	Global Agriculture and Food Security Program
GAHP	Good Agriculture Husbandry Practices
GESI	Gender and Social Inclusion
GoN	Government of Nepal
GP	GaunPalika
HDI	Human Development Index
HNG	Home Nutrition Garden
HPI	Human Poverty Index
IEE	Initial Environment Examination
IPs	Indigenous Peoples
IPM	Integrated Pest Management
KIS	Key Informant Survey
LAPA	Local Adaptation Plan of Action
LGOP	Local Government Operation Act
MDG	Millennium Development Goal
MoALMC	Ministry of Agriculture, Land Management and Cooperatives
MoFE	Ministry of Forest and Environment
MoHP	Ministry of Health and Population
MSNP:	Multi-Sectoral Nutrition Plan
NAP	National Action Plan
NAPA	National Adaptation Plan of Action
NARC	Nepal Agriculture Research Council
NGO	Non-governmental Organization
NPC	National Planning Commission
PAD	Project Appraisal Document
PCN	Project Concept Note
PDO	Project Development Objective
PIP	Project Implementation Plan
PMP	Pest Management Plan
PMU	Project Management Unit
PMT	Proxy Means Test
RAP	Resettlement Action Plan
PRA	Participatory Rural Appraisal
RM	Rural Municipality (Gaun Palika in Nepali)

SAR	South Asia Region
SDG	Sustainable Development Goal
SIA	Social Impact Assessment
VCDP	Vulnerable Community Development Plan
WB	World Bank
WHO	World Health Organization
ZHC	Zero Hunger Challenge

Executive Summary

The Government of Nepal (GoN), Ministry of Agriculture, Land Management and Cooperatives (MoALMC) is set to implement the Food and Nutrition Security Enhancement Project (FANSEP) for a period of 5 years from the Fiscal Year 2018/19 in two selected GaunPalikas (Rural Municipalities) of each of eight districts of Nepal namely Siraha, Saptari, Dhanusha, Mahottari, Dolakha, Sindhupalchok, Dhading and Gorkha. The Global Agriculture and Food Security Program (GAFSP) and the GoN will finance this project with the World Bank as the supervising agency.

Of aforementioned eight districts, the first four are situated in Province 2; fifth, sixth and seventh districts in Province 3; and the last eighth district-Gorkha- is situated in Province 4. The overall objective of this project is to improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal. Although this project is comprised of five components, the fifth component (Contingency Emergency Response) is provisioned to enable the project to rapidly respond in the situation of emergency natural and man-made natural disasters and calamities such as flood, landslides, cool wave and hot wave. The following four are the key components of this project.

- COMPONENT A: Technology Adaptation and Dissemination, and Support to Producer Group
- COMPONENT B: Income Generation and Diversification through Market Access and Climate Risk Management
- COMPONENT C: Improving Nutrition Security
- COMPONENT D: Project Management, Monitoring and Evaluation, and Communication

This project is small and does not intend to invest in large, costly and complicated infrastructure having adverse impacts on environment and social harmony and cohesion. But given that the project targets vulnerable (earthquake affected, acute food insecure, landless, disadvantaged, marginalized and women headed) households, and intends to reach approximately 65,000 direct beneficiaries, robust environment and social management framework is needed. This project would not compromise to any types and scale of activities which degrade environment and likely to harm environment/natural resources/assets irreversibly and/or disturb social harmony and cohesion. Use of child labor will not be allowed. In addition, project activities will be monitored to avoid increase in workload for women as well as far as possible.

Not only the project and its activities have been so designed that they fully comply with environment and social safeguard measures (ESSM) but also to enhance awareness and capacity of its direct beneficiaries and stakeholders to comply and adopt practices on ESSMs. Hence, FANSEP's environment and social and environment framework (ESMF) includes unambiguous, doable and environment and social screening criteria. However, it is important to note that most of FANSEP's interventions contribute to improvements in soil and fertility, increase agricultural productivity and improvements in nutritional status of children, lactating mothers and pregnant women., This ESMF has reviewed all relevant laws, regulations, plans and policies including Constitution of Nepal 2015. Specifically, it needs to be reiterated that the proposed ESMF has been aligned with the Constitution and relevant laws and legislations of the country which, among others include the Environment Protection Act and the Local Government Operation Act 2017.

The objective of FANSEP's ESMF is to identify the potential environmental and social issues/risks related to the project activities. Specific objectives of this framework are to

- establish clear procedures and methodologies for screening, reviewing and managing environmental and social safeguards for the components to be financed under the FANSEP;
- provide guidance regarding Environmental and Social Assessment (ESA) requirements including the preparation of safeguards plans viz ESMPs, RAP, VCDP, IEE, EIA etc. as relevant.
- consolidate and facilitate understanding of all essential policies and regulations of the GoN as well as the World Bank's environmental and social safeguards regime that are applicable to this Project.

The emphasis of the ESMF is on vulnerable groups (poor, displaced, landless, elderly, women, children, indigenous people and ethnic minorities, and Dalits). A review of the plan, policies, legislations of the Government of Nepal and World Bank guidelines applicable to FANSEP was carried out to propose the ESMF. This ESMF provides clear steps, processes, procedures and responsibilities including various tools to be used during project implementation for ensuring environmental and social integration in the planning, implementation, and monitoring of project supported activities.

The ESMF has provided guidance on pre-investment works/studies (such as environmental and social screening, environmental and social assessment, environmental and social management plans, etc). This framework has proposed adequate environmental and social consideration and integration in each investment in the subproject-cycle; and has described the principles, objectives and approach to be followed to avoid or minimize or mitigate adverse impacts.

Ex-ante environment impact assessment shows that most of the activities proposed for this project are environment friendly and will have minimum adverse impact on environment to be undertaken. Nevertheless, the framework requires each small grant environmental and social screening to identify relevant environmental and social concerns and suggest appropriate mitigation measures. There will be a need to characterize each proposals/sub-projects or activities into Category I, II, III and IV based on rapid site visit and monitoring by the Environment Screening Team before the approval of the sub-project/grant. FANSEP will not finance sub-projects falling under Category I. In category II, sub-projects requiring EIA as per EPA will not be financed and may be funded for sub-projects requiring IEE subject to the submission of Environment Management Plan together with the IEE reports approved by the MoALMC. Category III sub-projects will be funded with submission of Environment Code of Practices (ECoP) and measures/plan to comply with environment safeguard measures. There will be no need of ECoP for Category IV sub-projects.

The ESMF requires social assessment to be undertaken as an integral part of Environmental and Social Safeguard analysis. This has two fold objectives. The first is to assess the social aspect of the project activities to facilitate project intervention and secondly to assess the potential constraints in the involvement of all sections of the population, particularly the vulnerable groups including Janajatis, Dalits, women, and landless.

The ESMF further proposes guidelines for the screening, implementation, monitoring and evaluation of the sub-project activities with clear delineation of the roles and responsibilities of the Project Management unit (PMU), cluster offices (COs) and GaunPalikas (GPs). When ESMP is formulated, the project will assess it for completeness, adequacy of information and clarity. The Project will make best use of proposed social planning approaches and ensure that the potential social issues are avoided or minimized to the extent possible. This would require deploying stringent measures for site selection at the early stage of project design and planning by undertaking environmental and social screening.

The ESMF further proposes to recruit independent third party to assess the status of ESSMs adopted by the provide in the mid-term and assist the project to ensure the implementation of appropriate measures. Lastly but not the least, the ESMF provides a high priority to the grievances redressal mechanisms as well and proposes to establish appropriate committees at GaunPalika, cluster and PMU levels.

1 PROJECT OVERVIEW

1.1 Country Context

1. Nepal is one of the poorest countries in the world with per capita income of US\$ 762 in 2015. Eighty percent of Nepal's population resides in rural areas, and 66 % are engaged in agriculture. Nepal ranks 197th in terms of Gross Domestic Product (GDP) per capita and 145th out of 186 countries in terms of Human Development Index. The country's agro-ecological areas are very diverse; they span the lowlands of Terai to the high mountains of the Himalaya through the mid-level hills area; these areas have specific potential for agro-economic development, and are populated by diverse ethnic groups with varied social norms. The nutritional status of Nepal's population is poor; it ranks 118 out of 162 in the world with an average daily dietary energy consumption of 2340 kilocalories per day and 2.3 million people (8.1%) are undernourished.

2. Agriculture is a major driver of Nepal's economy and the dominant source of employment; in the last two decades, agriculture growth has been instrumental for reducing poverty but insufficient to ameliorate people's nutritional status. Data show poverty rates in Nepal has declined from 42% in 1994/95 to around 25% in 2015 but most of this income growth is attributed to increased commodity prices (78%), rather than productivity increases (22%). As high global commodity prices have now largely abated, it becomes even more imperative to unlock agriculture productivity and value-addition potential as the key engine for growth, poverty reduction, and shared prosperity. Poverty is overwhelmingly rural and most of the country's poor are small-scale farmers with low nutritional status. Increase in rural incomes will continue to drive poverty reduction and improved nutrition over the medium- term.

3. In Nepal, Agricultural exhibits persistent vulnerability to shocks, including climate change evidenced by the 7.8 magnitude earthquake of April 2015 which has set back the country's development. The rural areas were particularly hard hit, with crop losses and loss of post-harvest storage infrastructure. In September 2015, a second shock to the economy came in the form of a near complete disruption of external trade by a seven-month long blockade of borders following the adoption of the new Constitution. These events have contributed to a slowdown in agricultural growth to less than 1% in FY 2015 and 1.3 % in FY 2016, compared to annual growth rates for agriculture GDP over the previous decade of about 3 % per annum. The Climate Smart Agriculture Country Profile (2017) points to climate projections for Nepal which suggest a continued increase in mean annual temperature, a faster warming of the country's western regions, (compared the eastern region), changes in precipitation during the monsoon period (with variations from -14 to 40%), as well as the increased likelihood of heavy precipitation events. Changes in precipitation patterns are likely to affect rain fed agricultural activities, causing significant annual yield variability and higher production risks. Climate change is also expected to increase the frequency of weather related hazards (e.g. droughts and floods), further affecting croplands and yields. Costs associated with the impacts of climate variability and extreme events are estimated at US\$ 270-360 million/year (expressed in 2013 prices), representing 1.5 to 2% of the country's GDP.

4. Poor nutrition, food insecurity, and malnutrition continue to pose risks to Nepal's population, despite the country's progress in reducing stunting in under five years children from 57 per cent in 2000 to 37.3 per cent in 2014 and 36 per cent in 2016 (NDHS 2016, MICS, 2014). There continues to be a need to accelerate the progress in this reduction in order to achieve the WHA target of reducing number of stunted children to 25 per cent by 2025. Inadequate maternal, infant and young child feeding (MIYCF) practices, untreated episodes of acute malnutrition, infections, and deficiencies in micronutrients all constitute

immediate and underlying causes of stunting in Nepal. Improving nutrition is therefore an important area as the country confronts various forms of nutritional problems ranging from deficits in energy intake to imbalances in consumption of specific macro and micronutrients.

5. Achieving food and nutrition security and reducing poverty are national goals of the Government of Nepal (GoN), in line with commitments to realize the Sustainable Development Goals (SDGs) and Zero Hunger Challenge (ZHC). The country's agricultural development priorities are aligned with these two main goals and the Sustainable Development Agenda – particularly SDG1 and SDG2 - focusing on access to increased employment opportunities, sustainable management of natural resources, supportive infrastructures development, new avenues creation for economic growth, coping with emerging effects of climate change, social inclusion, and the development of farmer-responsive governance.

6. The 14th Development Plan covers the period 2016/17-2018/19. It aims to make the agriculture sector competitive and move towards self-reliance through sustainable and commercial agriculture development. In addition, if the Multi-Sector Nutrition Plan I (MSNP I) had guided the GoN's investment in nutrition for the period of 2013 to 2017, the second MSNP recently announced in January 2018 will continue to do so for the period of 2018 to 2022. The alignment of the ADS with both the Development Plan and the MSNP I and II is evidence that the GoN is committed to achieving both agriculture sector development, and food security and nutrition objectives through concerted efforts. The ranking of Nepal under the Hunger and Nutrition Commitment Index (8th out of 45 countries) further testifies to the strong political commitment of the GoN to tackle hunger and malnutrition. Under that index, the country-level estimates of domestic allocation to nutrition ranged from 0.06 to 9.23 % in 2016 with a mean allocation of 2.1 %; Nepal ranked in the top five countries with a 3.59 % allocation. Yet, Nepal's food security situation is serious. Nearly 41% of the population of the country does not have access to minimum calorie intake (14th Plan, NPC). A recent FAO report indicated that almost two million people are undernourished in Nepal (FAO 2017). In terms of global hunger index estimated by the International Food Policy Report (IFPRI), Nepal's position is 72nd out of 118 countries in the list with index of 21.9. This, according to IFPRI, is serious¹

7. The Government of Nepal (GoN) is committed to achieve its development objectives set out by the Constitution of Nepal 2015, Fourteenth Development Plan (2016/17 - 2018/19) and the Sustainable Development Goals (SDGs), 2016-2030 including Agricultural Development Strategy (2015-2035), Nepal Zero Hunger Challenge Nepal Action Plan (2016-2025), the Food and Nutrition Security Plan of Action (2013-2022), Multi-sectoral Nutrition Plan (2018-2022), Health Sector Strategy (2015-2020).

8. Global Agriculture and Food Security Program (GAFSP)² is supporting the Government of Nepal (GoN) to implement the proposed Food and Nutrition Security Enhancement Project (FANSEP) for a period 5 year in 8 districts of Nepal from 2018 to 2023. This FANSEP is the second project financed by the GAFSP in Nepal. Before FANSEP, the Agriculture and Food Security Project (AFSP) was implemented in 19 districts of mid and far-western development regions of Nepal from 2013 to 2018 through GAFSP's assistance. The World Bank is the supervising body for the GAFSP projects in Nepal.

¹ According to IFPRI, GHI score higher than 20 are considered serious, more than 35- alarming and with 50- extremely alarming.

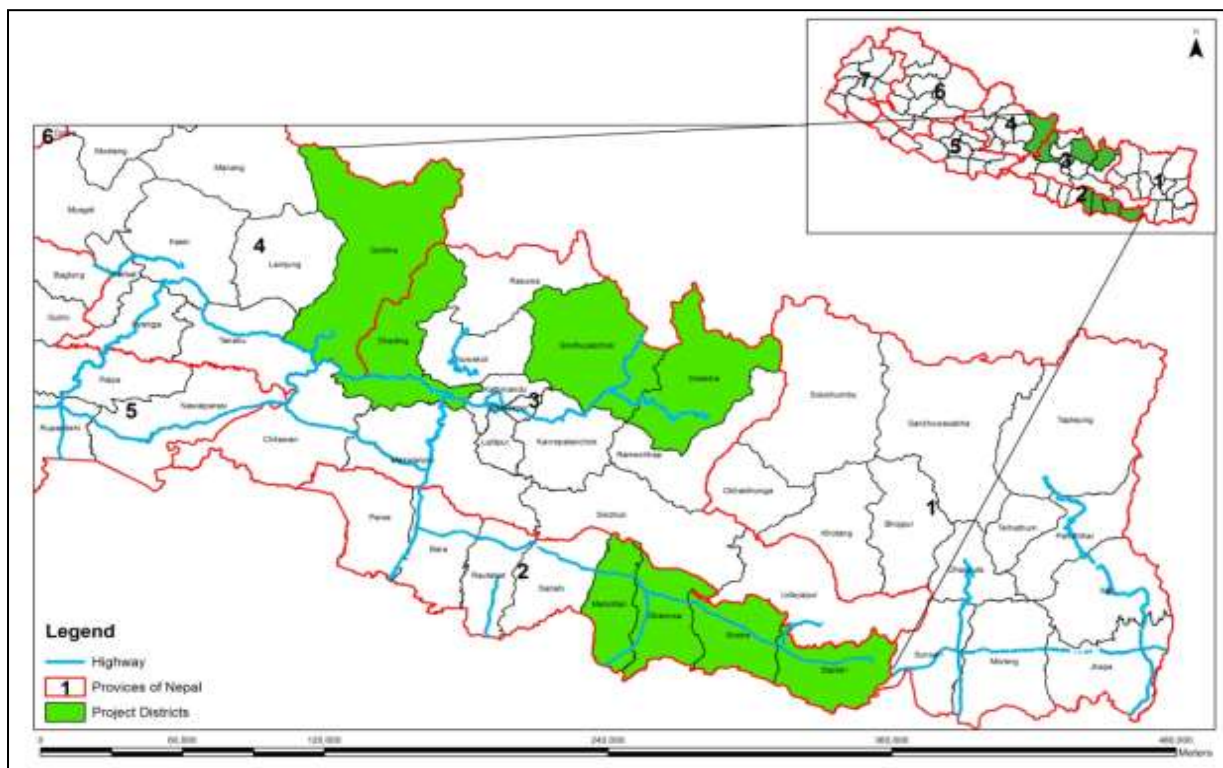
²A multilateral mechanism launched in response to the 2007-2008 food price crisis by G8 leaders in L'Aquila, Italy in July of 2009, and reaffirmed by the Summit of the G20 in Pittsburgh in September 2009

9. This Environment and Social Management Framework (ESMF) has been prepared by the Ministry of Agricultural, Land Management and Cooperatives (MoALMC) as the governance and policy framework for ensuring environment and social safeguard measures for the FANSEP. Central to this ESMF is to avoid, minimize and mitigate against any environmental and social impacts of activities which may occur during the implementation of the project and enhance positive impacts. Environmental and social impacts refer to (i) any change, potential or actual, to the physical, natural or cultural environment, and (ii) impact on people (including social aspects of labor, health, safety, equity and security) resulting from the project implementation. The emphasis of the ESMF is on vulnerable groups (poor, displaced, landless, elderly, women, children, indigenous people and ethnic minorities, and Dalits).

1.2 Project Description

1.2.1 Location of the Project

10. Of the seven provinces, the project covers 8 districts of the three provinces with four districts- Dhanusha, Mahottari, Siraha and Saptari of Province 2, Sindhupalchowk, Dolakha and Dhading of Province 3 and Gorkha district of Province 4 representing Terai, Midhills and Mountain. Figure 1.1 shows these districts in a map of Nepal. Nevertheless, the project will be implemented in 2 GaunPalikas of each of 8 districts with a total of 16 GaunPalikas (Rural Municipalities). Socio-economic conditions of these 8 districts are shown in **Annex 1**.



1.2.2 Project Districts

11. **Siraha:** Located in province two of the country, Siraha district is situated in the southern plain (Terai) of the country with the altitude below 300 masl and hot tropical climates. With a land area of 1188 Km², and population of 636,360 people, living in 117,929 households, about 13.53% of the total population are indigenous people (IPs) detail districtwise population of IPs is given in **Annex 2**, the Siraha district has been divided into 6 municipalities and 11 rural municipalities. Madeshi community with many castes and sects

are the dominant population in this district with Maithili being the most common language spoken. With the cultivable area of 80,766 ha, agriculture is the predominant occupation of more than 90% of the population, but the production system is traditional and mostly subsistence. Integrated crop-livestock farming is the predominant production system. Rice and wheat are the predominant crops cultivated in 36000 ha and 15715 ha respectively, producing about 95300 MT of rice and 37500 MT wheat. Buffaloes predominate the domestic livestock species with 28599 milking animals and 26650 MT of buffalo milk produced during 2014/2015 (MoAD, 2014/2015). The human development indices of the district have not been very encouraging with adult literacy rate of only 60.04%, under 5 year malnutrition of 39.7% and human poverty index of 42.62.

12. **Saptari:** Saptari district is located in the eastern boundary of Siraha district and west of Koshi River. With a geographical area of 1213 Km² divided between eight municipalities and nine rural municipalities in the federal structure of the country, the district lies in province two. The population of the district has been estimated to be 625,573 with 121098 households. About 20.60% of the total populations are indigenous people (IPs). Detail districtwise population of IPs is given in **Annex 2**. The climatic conditions are similar to Siraha district but the district is much prone to flooding from the Saptakoshi and other rivers and streams during the summer monsoon months. The district has an estimated cultivated land area of 79796 ha used for cultivating paddy (35000 ha) and wheat (15000 ha) as the predominant crops producing 95000 MT and 40000 MT respectively during the year 2014/2015 (MoAD, 2014/2015). In addition, jute, sugarcane, oilseed and potato are other important cash crops of the district. Crop-livestock integrated farming is the standard practice adopted by almost all farmers with buffaloes, cattle and goats being the predominant livestock species reared by the farmers. The 2014/2015 statistics shows that the district has a population of 164847 cattle, 108870 buffaloes and 182180 goats, producing 36046 MT milk and 2199 MT goat meat during 2014/2015 (MOALMC, 2014/2015). The communities and their distribution, language, culture and social systems are similar with Siraha district. The human development indices of the district show the adult literacy rate of only 54.56%, under 5 year malnutrition of 33.4% and human poverty index of 38.34.

13. **Dhanusha:** This district lies west of Siraha and with similar topography and climatic conditions as of Siraha and Saptari. Dhanusha is the ancient kingdom of king Janak and the birth place of Janaki, the daughter of Janak; the centre of Maithili culture as well. With a total land area of 1180 Km² divided into one sub-metropolitan (Janakpur), eight municipalities and eight rural municipals, the district is inhabited by 754,777 people mostly belonging to Madhesi communities of different castes and groups. About 10.59% of the total population is indigenous people (IPs) detail districtwise population of IPs is given in **Annex 2**. Agriculture is the backbone of the economy of Dhanusha district with 90% of people involved in cultivation of wheat and rice. Two third area of Dhanusha district is cultivable, 90% of which (67,169 ha) is cultivated by 56536 land owners and 16455 tenants. In addition to rice and wheat, pulses, oilseeds and sugarcane are also the important crops. Only 44% of the cultivated land is irrigated and remaining is dependent on rain fed agriculture. In addition, livestock rearing is another important aspect of farming as integrated agriculture. The total livestock population of 89012 cattle, 64334 buffaloes and 178114 goats are the predominant livestock species reared by the farmers in the district producing 25000 MT milk and 5000 MT meat during 2014/2015. The health indicators in the district has not been very satisfactory with 43% women and 47% of children below 5 years suffering from anemia, 41% stunting, acute malnutrition in 10% and malnutrition in 43.6% in children below 5 year. The human poverty index shows the adult literacy rate of 58.11% and human poverty index of 41.72%.

14. **Mahottari:** Mahottari district is situated in province two with Jaleshwar as its district headquarters, covers an area of 1,002 km² and had a population of 627,580 (in 2011) living in 111316 households, of which, 8.5% are female headed households. The district has been divided in three municipalities and 12 rural municipals in the recent state restructuring of

federal system. The district is bordered by Dhanusha district in the east, Sarlahi in the west, Sindhuli in the north, and Indian state of (Bihar) on the south. About 13.75% of the total population are indigenous people (IPs). Detail districtwise population of IPs is given in **Annex 2**. The population density of the district is 630/Km². Being located in the plains of Terai, the climatic conditions of the districts are tropical throughout the district. Agriculture is the predominant occupation of the population working on 62944 ha of cultivable land area adopting traditional agricultural practices under subsistence mixed farming system of crops and livestock. Rice and wheat are the predominant crops and the district produced about 90500 MT of rice paddy, 76500 MT of wheat during 2014/2015. The district has the livestock population of 87641 cattle, 66000 buffaloes as predominant species producing 29000 MT milk. In addition, goats constitute important farm livestock species with 140000 populations (MoAD, 2014/2015), most households use firewood (56%) or cow dung (36%) for cooking, and electricity (63%) or kerosene (35%) for lighting. Among the households, 51.7% are without toilet. The adult literacy rate is 62.96%, malnutrition in below 5 year old is 43.6% with human poverty index of 44.75. The Food poverty incidence in the district has been 20.3% with low kilocalorie intake of 21.8% and wasting of 11.9%. The human development index of the district is quite low and the district lies at 69th position among the 75 districts of the country.

15. **Dhading:** Dhading district, located in province three covers an area of 1,926 square kilometers with a population of 336,067 (2011). The district spreads from the mountain range of Ganesh Himal along with many other peaks over 7,000 meters. The district is bordered to Kathmandu and Rasuwa in the east, Gorkha in the west, Rasuwa and Tibet in north and Makwanpur and Chitwan in the south. The elevation ranges from 488 meter to 7409 meter above sea level. Dhading is the only district of Nepal which spreads from the Himalayan Mountains to the Terai (Chitwan). The population of Dhading was 338,658, primarily composed of Brahmin and Chhetri in the south and Ghale, Gurung and Tamang in the north. About 53.89% of the total populations are indigenous people (IPs). Detail districtwise population of IPs is given in **Annex 2**. The district consists of 2 municipalities and 11 rural municipals. The major climatic zones found in Dhading include sub-tropical, temperate to alpine according to the altitude range. The total cultivated land in the district is about 44383 ha, being used for the cultivation of paddy (50000 MT), maize (37000 MT), and wheat (10000 MT) produced during 2014/2015. In addition, potato is another important crop with 23000 MT produced during 2014/2015. Farm livestock are important component of integrated agriculture system adopted by the farmers. During the year 2014/2015, the domestic livestock population in the district was 131000 cattle, 110000 buffaloes and 150000 goats being reared by the farmers producing about 36000 MT milk and 4800 MT meat. It is one of the backward district in the country with 41st rank in Human Development Index (HDI) among 75 districts of Nepal. The district statistic shows only 39% of the population in the district has access to clean drinking water and only small percentages of them have sanitary toilets. Most of the populations are dependent on subsistent agriculture and have low income for basic livelihood. The main marginalized ethnic communities in the district are Tamang (19%), Dalits (9%), Chepang (3%), and Kumal (1.2%). These ethnic communities have poorer socio-economic condition than average population of the district. The human development index of the district is poor with the adult literacy rate of only 46.73%, 26.3% children below 5 years are malnourished with human poverty index of 33.38%.

16. **Gorkha:** Gorkha district is situated in province four of Federal democratic republic of Nepal. The district stretches from the mid hill mountains to the high Himalayas with altitude ranging between sub-tropical to temperate and alpine. The district has been divided into two municipalities and nine rural municipals in the recent state restructuring. The total population of the district has been estimated to be 271,061, living in 66,506 households. The major ethnic groups include Gurung, Magar, Newar, and Tamang (44%), Brahmin and Chhetri (37%) and Dalit (19%). About 52.20% of the total populations are indigenous people (IPs). Detail district wise population of IPs is given in **Annex 2**. The total cultivated land area in the

district is 41482 ha being cultivated with a production of 45000 MT of maize, 39000 MT rice and 16000 MT millet as the important crops. In addition, potato is an important crop being produced about 26000 MT during the year 2014/2015. Farm livestock are important components of crop-livestock farming system reared by the farmers, with the predominance of goats (132000), followed by cattle (101000) and buffaloes (85000) producing about 17000 MT milk and 4000 MT meat during 2014/2015. The human poverty index of the district was reported to be 33.58 with adult literacy rate of 41.83% and 37% population without safe drinking water and 31.3% children below five years being malnourished. This status was further affected by the mega earthquake (7.8 magnitude) of 2015, with the epicenter at Barpak, Gorkha, causing massive destruction and severe casualties. Gorkha was one of the severely affected districts with casualties including 470 deaths, 952 injured, and the complete destruction of more than 59,573 houses (89.5%), 3,074 school classrooms, and 79 health posts.

17. **Sindhupalchok:** Sindhupalchok district is located in province three, with an area of 2,542 km² inhabited by 287,798 people (2011) living in 66,688 households depending mostly on agriculture. About 59.57% of the total populations are indigenous people (IPs). Detail districtwise population of IPs is given in **Annex 2**. The district has been divided into three municipalities and nine rural municipals in the recent state restructuring. Climatically, Sindhupalchok can be divided into two areas; mountains (with elevations of above 3,500 meters) and the more densely populated hilly areas. The lower hill areas has sub-tropical climate and the upper mountainous regions has temperate to alpine climate. The cultivable land in the district is about 41485 ha with potato (64000 MT), maize (53000 MT), paddy (28000 MT) and millet (22000 MT) being the important most crops produced during 2014/2015. In addition, livestock rearing is an important farming in the district with 164000 goats, 81000 buffaloes and 78000 cattle as main farm livestock species reared in the district with the production of 25000 MT milk and 4000 MT meat from the district during 2014/2015. The adult literacy rate of the district was 50.5%, with 46.6% children below 5 years malnourished and human poverty index of 38.03, the district is well behind in the overall development. This was further compounded by severe losses inflicted by the earthquake of 2015, damaging (96.8%) or 64,565 of houses fully or partially. This district suffered heaviest casualty with the death of more than 3,550 people and injury of thousands of people.

18. **Dolakha:** Dolakha district is located in province three with Charikot as its district headquarters, covering an area of 2,191 km² adjoining Solukhumbu and Ramechhap to the east, Ramechhap and Sindhupalchok to the south, Sindhupalchok to the west and Tibet to the north. The topography of the district varies between 723 masl to 7134 masl (Mt. Gauri Shankar), which governs the climatic variability of the district. About 35% area of the district lies in High-Himalaya, 40% in High -Mountain and 25% in mid-mountain range, thus the climatic conditions varies between sub-tropical to temperate to the alpine. In the recent state restructuring, the district is divided into two municipalities and seven rural municipals. The population of the district is 186,557 (2011 census), living in 45688 households, belongs to various caste and ethnic groups, predominated by Chhetri (33.4%), Tamang (16.8%), Newar (9.4%), Brahmin Hill (9.2%) and Thami (8.9%). About 47.34% of the total populations are indigenous people (IPs) detail districtwise population of IPs is given in **Annex 2**. The cultivatable land in the district is about 29423 ha with cultivation of various crops but predominated by maize (12825 MT), wheat (7050 MT) produced during 2014/2015. In addition, potato constitutes an important crop in the district cultivated in 3000 ha producing 36150 MT during 2014/2015. The livestock population of the district is predominated by goats (152000), cattle (79000) and buffaloes (52000) during 2014/2015. The district also has a sizeable population of yaks and chauries. Dolakha produced about 17000 MT milk, 2800 MT meat during 2014/2015.

1.3 Lessons Learnt from Agriculture and Food Security Project (AFSP)

19. The lesson learnt from the on-going Agriculture and Food security Project (AFSP) is summarized as follows:

- Sensitizing field staff/grassroots level staff is crucial to ensure inclusion and appropriate ethnic composition of beneficiary when the project does not have indicator on inclusion. Further, this should be backed by robust monitoring. Otherwise, the project could slip to maintain ethnic composition as proportionate to the population.
- Though there is increase in the yield of potato due to treatment effect, the yield of potato is still very low in comparison to national average yield (13.70 t/ha¹¹) of 2014 and that of Far western region was (13.65 mt/ha). Thus, focus needs to be given to increase yield of potato either through the promotion of improved varieties and improved seed or through improved management practices, or by both.
- The ownership pattern of animals (high number of local breed) per household for all three types of animals (goat, cow and buffalo) both in treatment and control VDCs show that there is predominance of subsistence production. Given the big gap in productivity of local and cross breed animals (Ag. Statistics, MoAD- 2014), there exists a great scope for breeding improvement. This is the main basis of productivity improvement.
- BCC nutrition activities have recently initiated in the project VDCs. The increase in intake of vegetable & animal protein by Pregnant and Nursing Women reveals that crop and livestock activities such as Village model farm, Homestead nutrition garden and rural poultry production package have helped a lot for increasing such food intake. Thus, additional focus should be given to such activities, which helps people to get access to nutritious foods directly.
- The use of improved crop varieties is around 39% in treatment VDCs, which reveals that efforts need to be focused on increasing adoption of improved crop varieties at farmers' level.
- The annual production of vegetable is estimated at 272 kg/ household, which reveals that it is below the standard requirements, which comes around 533kg/household/ in year 2014. Therefore, project should provide additional focus on vegetable production.

20. In this connection the AFSP has produced documents that would be relevant to the FANSEP also and that are presented below in Table 1.1.

Table 1.1: List of different Guidelines and Training Manual published by AFSP

1	Environmental Management Framework
2	Environment Safeguard Guideline
3	Environment Screening Training Manual
4	Social Screening Training Manual.
5	Social Management Framework
6	Social Safeguard Guideline
7	Samajik Parichalan (Social Mobilization) Training Manual
8	Small Grant Operational Guidelines
9	Documents of Printed Nutrition Training Manuals (Farmers)
10	Document of Printing of Food Based Nutrition and Recipe Manual for Complementary Feeding and Other Promotional Materials
11	Document of Printed Nutrition Training Manuals (Mother's Group)
12	Environment and social technical guideline

1.4 Project Development Objectives and Outcome Indicators

21. The project development objective (PDO) of FANSEP is to improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.

22. Specifically, the project targets vulnerable (earthquake affected, acute food insecure, landless, disadvantaged, marginalized and women headed) households, and intends to reach approximately 65,000 direct beneficiaries. The nutrition interventions will mainly target households with young children, adolescent girls, pregnant and lactating women. The project expects that at least 65% of the direct beneficiaries will be female.

23. The PDO-level expected outcome indicators are as follows:

- Farmers adopting improved agricultural technologies (including CSA) of which at least 65% will be female (core indicator);
- Farmers reached with agricultural assets/ services, of which at least 65% will be female (core indicator);
- Increased crop and animal productivity by direct beneficiaries (disaggregated by crop and animal species);
- Increased dietary diversity among nursing mothers and children under two years (NRs 1000 day mother target).

1.5 Project Institutional and Implementation Arrangement

24. The implementing agency for FANSEP is the Ministry of Agriculture, Land Management and Cooperatives (MoALMC). A Project Management unit (PMU) will be established under the MoALMC. As stated earlier, financed by GAFSP, the supervising entity for this project is the World Bank. Fig.1.1 shows the simplified proposed implementation structure. The detail governance structure is shown in Annex 3.

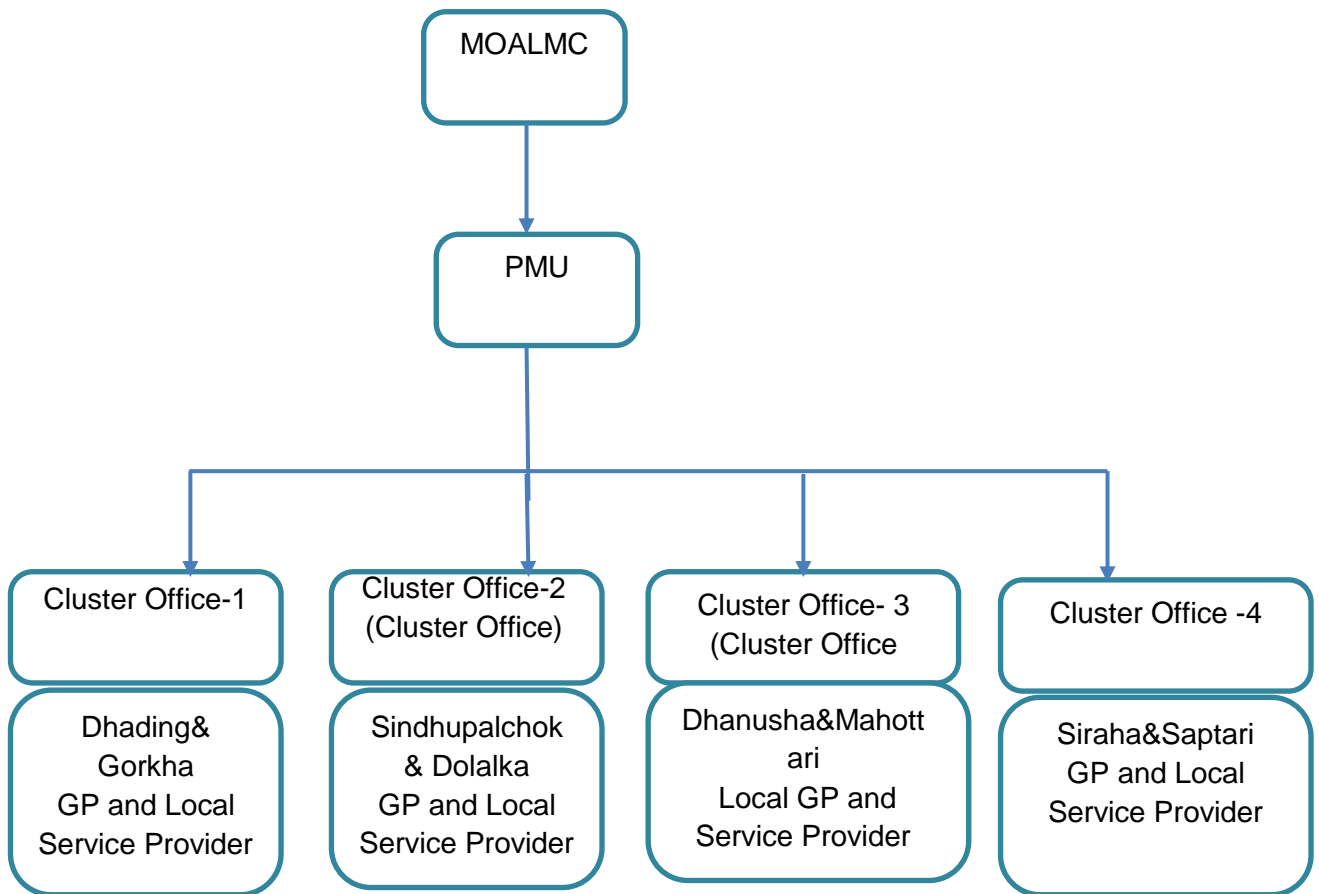
25. Despite that the PMU will be established under the MoALMC, by nature of its objectives, components and activities, it will work closely with the Ministry of Health and Population (MoHP), Ministry of Forests and Environment (MoFE) and the National Planning Commission (NPC) as well. The four Cluster Offices (CO) represent PMU at the cluster level. These government entities oversee project activities in 2 districts as shown above. They will work closely and ensure coordination with the respective GaunPalikas and related Provincial Ministries.

1.6 Type and Nature of Components/Activities Supported Under the FANSEP

26. The Project has four components—(A) Technology Adaptation and Dissemination, and Support to Producer Groups (B) Income Generation and Diversification through Development of Market Linkages and Risk Management; (C) Improved Nutrition Practices; (D) Project Management, Communication and M&E. These interrelated components contribute to sustained improvement in the key dimensions of food and nutrition security (i.e., availability and stability of food supply), accessibility and food safety.

27. Apart from above four components, the project has fifth component (E), Contingency for Emergency Response. But this set a side provisionally to enable the project to mobilize funds rapidly in the event of a crisis or emergency following an adverse natural or manmade event.

Figure 1.1: Proposed Implementation Structure for the FANSEP



1.6.1 COMPONENT A: Technology Adaptation and Dissemination, and Support to Producer Group

28. The objective of Component A is to improve productivity and post-harvest management of crops and livestock by promoting the introduction of appropriate climate smart technologies through improved extension and research services and efficient dissemination to producer groups by strengthening the decentralized government structures to ensure effective service delivery at the local level.

Sub-component A1: Technology adaptation and testing

29. This sub-component aims to test and adapt appropriate CSA technologies, improved inputs (foundation seeds, and animal breeds) and improved agronomic, husbandry and post-harvest practices, with farmers’ participation. The project will capitalize on technologies and innovations developed under the ongoing GAFSP project.

Sub-component A2: Technology dissemination and farmers’ skills development.

30. This sub-component will enable farmers to master the management skills (Good Agricultural Practices-GAPs) required for sustainable production and intensification of agriculture practices and post-harvest processing. It aims to give farmers the practical skills required for informed decision-making based on accurate problem analysis in their local contexts. This will be achieved using such methods as the Farmer Field School (FFS) approach which is best suited for enlisting farmer participation based on circumstances prevailing on the ground.

1.6.2 COMPONENT B: Income Generation and Diversification through Market Access and Risk Management

31. Component B's objective is to improve and diversify the income generating capacity of targeted beneficiaries by increasing their competitiveness and resilience, reducing transaction costs through investments in critical market infrastructure, supporting value-added activities and building market linkages.

Sub-component B1: Strengthening Producer Groups

32. This sub-component aims to organize and strengthen producer groups representing the targeted small and marginal farmers by organizing them around commodities of common interest, and enhance their capacity in terms of leadership skills, group dynamics, decision-making, problem-solving and risk management, book-keeping, meeting organization, agricultural seasonal planning, marketing, value addition, preparation of simple business plans, and simple monitoring and evaluation.

Sub-component B2: Market linkages through Productive Alliances (PAs)

33. This sub-component aims to consolidate the linkages between Producer Organizations (POs) and Agri-Business Enterprises (ABEs), including micro, small and mid-size enterprises (MSMEs), traders, and Rural Financial Institutions (RFIs). A matching grant scheme will be established to finance the Business Plans (BPs) developed under sub-component B1. These investments will focus on BPs that have not only significant potential for marketing and income generation but will also contribute to building resilience, ensuring food security and nutrition for smallholder farmers and their households.

1.6.3 COMPONENT C: Improving Nutrition Security

34. This component aims to help address the underlying causes of malnutrition by making the food system responsive to these causes with the view to providing adequate, safe, diversified and nutrient-rich food. Established approaches and methodologies developed by FAO, and piloted in other food security and nutrition projects will be pursued under this component.

Sub-Component C1: Nutrition Field Schools and Home Gardens

35. This sub-component will establish Nutrition Field Schools (NFSs), as part of a participatory and skills-based learning program involving groups of adolescent boys and girls enrolled in secondary-level schools, as an entry point for the communities to promote nutrition home gardens, household level consumption of healthy and diversified food, sanitation and hygiene, and food safety.

Sub-Component C2: Use of Nutrition Services and Promotion of Healthy Diets

36. This sub-component will promote appropriate nutrition, health and hygiene practices through public awareness campaigns and skills-based training. This will complement the ongoing Maternal, Infant and Young Child Nutrition (MIYCN) related education and promotion activities by the health sector in the communities, and make use of the Behavioral Change and Communication (BCC) materials developed under the ongoing GAFSP project. Existing health mother groups, and particularly the '1000-day' households will specifically be targeted for these activities.

1.6.4 COMPONENT D: Project Management, Monitoring and Evaluation, and Communication

37. Component D's main objectives are to: (i) ensure effective strategic and operational planning, implementation, and Monitoring & Evaluation of project activities, and attendant

efficient use of funds, as well as coordination of interventions across components A,B and C implemented by participating stakeholders and partners (e.g. FAO); (ii) evaluate the Project's outcomes and impacts on beneficiary groups, with special focus on mid-term and final results; and (iii) communicate efficiently to various public and private entities on project activities, outcomes, best practices and lessons learnt.

1.6.5 COMPONENT E: Contingency Emergency Response

38. This component with no funding assigned currently is provisioned to enable a rapid mobilization of funds in the event of an eligible crisis or emergency following an adverse natural or manmade event.

2 PLAN, POLICIES, LEGISLATIONS AND DIRECTIVES APPLICABLE TO FANSEP

2.1 Applicable Policies, Acts, and Regulations

Constitution of Nepal, 2015

39. The Constitution is the fundamental law of the country. Promulgated on September 20, 2015, this constitution establishes Nepal as an independent, indivisible, sovereign, secular, inclusive, democratic, socialism oriented, and federal democratic republican state. Any law inconsistent with this Constitution shall, to the extent of such inconsistency, be void. FANSEP's ESMF is directed by the constitutional provisions. Key legal provisions that have direct bearing on FANSEP's ESMF are briefly described below:

Part 3: Fundamental Rights and Duties

- **Right to equality:** Article 18 states that the State shall not discriminate citizens on grounds of origin, religion, race, caste, tribe, sex, economic condition, language, region, ideology or on similar other grounds.
- "Nothing shall be deemed to prevent the making of special provisions by law for the protection, empowerment or development of the citizens including the socially or culturally backward women, Dalit, indigenous people, indigenous nationalities, Madhesi, Tharu, Muslim, oppressed class, backward class, minorities, the marginalized, farmers, labours, youths, children, senior citizens, gender and sexual minorities, persons with disabilities, persons in pregnancy, incapacitated or helpless, backward region and KhasArya."
- "No discrimination shall be made on the ground of gender with regard to remuneration and social security for the same work".
- **Right to clean environment:** Article 30 states (1) every citizen shall have the right to live in a clean and healthy environment. (2) The victim shall have the right to obtain compensation, in accordance with law, for any injury caused from environmental pollution or degradation.(3) This Article shall not be deemed to prevent the making of necessary legal provisions for a proper balance between the environment and development, in development works of the nation.
- **Right relating to food,** Article 36 states (1) Every citizen shall have the right relating to food.(2) Every citizen shall have the right to be safe from the state of being in danger of life from the scarcity of food.(3) Every citizen shall have the right to foods over eighty in accordance with law.
- **Rights to housing:** Article 37 states (1) Every citizen shall have the right to an appropriate housing.(2) No citizen shall be evicted from the residence owned by him or her nor shall his or her residence beinfringed except in accordance with law.
- **Rights of child:** Article 39(4) states no child shall be employed to work in any factory, mine or engaged in similar other hazardous work.
- **Right to social security:**Article 43 states the indigent citizens, incapacitated and helpless citizens, helpless single women, citizens with disabilities, children, citizens who cannot take care themselves and citizens belonging to the tribes on the verge of extinction shall have the right to social security, in accordance with law.

Part-4: Directive Principles, Policies and Obligations of the State

40. **Directive Principles,** Article 50 (3) states, the economic objective of the State shall be to achieve a sustainable economic development, while achieving rapid economic growth, by way of maximum mobilization of the available means and resources through participation and development of public, private and cooperatives, and to develop a socialism-oriented independent and prosperous economy while making the national economy independent, self-reliant and progressive in order to build an exploitation free society by abolishing economic inequality through equitable distribution of the gains.

Policies relating to political and governance system of State.

41. Article 51 (b) states that the State shall guarantee good governance by ensuring the equal and easy access of the people to the services and facilities delivered by the State, while making public administration fair, competent, impartial, transparent, free from corruption, accountable and participatory.

Policies relating to agriculture and land reforms, Article 51 (e).

42. Enhance product and productivity by carrying out land pooling, while discouraging absentee land ownership, make proper use of lands, while regulating and managing lands on the basis of, inter alia, productivity, nature of lands and ecological balance, make land management and commercialization, industrialization, diversification and modernization of agriculture, by pursuing land-use policies to enhance agriculture product and productivity, while protecting and promoting the rights and interests of the farmers, provide for the farmers' access to agricultural inputs, agro-products at fair price and market

Policies relating to protection, promotion and use of natural resources Article 51 (g):

43. (1) protect, promote, and make environmental friendly and sustainable use of, natural resources available in the country, in consonance with national interest and adopting the concept of intergenerational equity, and make equitable distribution of fruits, according priority and preferential right to the local communities,(2) make multi-purpose development of water resources, while according priority to domestic investment based on public participation,(3) ensure reliable supply of energy in an affordable and easy manner, and make proper use of energy, for the fulfillment of the basic needs of citizens, by generating and developing renewable energy,(4) develop sustainable and reliable irrigation by making control of water induced disasters, and river management,(5) conserve, promote, and make sustainable use of, forests, wildlife, birds, vegetation and bio-diversity, by mitigating possible risks to environment from industrial and physical development, while raising awareness of general public about environment cleanliness,(6) maintain the forest area in necessary lands for ecological balance,(7) adopt appropriate measures to abolish or mitigate existing or possible adverse environmental impacts on the nature, environment or biological diversity,(8) pursue the principles of environmentally sustainable development such as the principles of polluter pays, of precaution in environmental protection and of prior informed consent and (9) make advance warning, preparedness, rescue, relief and rehabilitation in order to mitigate risks from natural disasters.

44. Environment Protection Act in Nepal, Environment Protection Act 1996 (EPA 1996) and the corresponding Environment Protection Rule 1997 (EPR 1997) regulate environmental issues. The purpose of the EPA is to regulate the protection of the environment and to execute proper utilization of natural resources. This act has defined the terms such as environment, pollution, protection, proposal, proponent, Initial Environmental Examination, Environmental Impact Assessment, garbage, emission, biodiversity and national heritage. According to this Act, the proponent making a proposal shall have to carry out an initial environmental examination (IEE) or Environmental Impact Assessment (EIA) in the prescribed manner. Provisions for submission of a proposal for approval and conditions of approval are provided in the Act. The Act has the provision for the prevention and control of environmental safeguards and pollution control. For this purpose, this Act intends to appoint an environmental inspector with defined power, duties and functions. This Act also has provisions for the protection of national heritage and environmentally sensitive areas as well. Definitions of the key terms used in the EPA are provided in Box 1.1 below.

45. The act has the provision of a separate Environment Protection Council to issue guidelines, and provide views and suggestions to the Government of Nepal. Similarly, various committees may also be formed to handle the technical work. An Environmental Protection Fund is also established by the Act. A provision is also provided in the Act for compensation to the persons affected by environmental pollution.

Environment Protection Rule (EPR), 1997.

46. This has come into force by virtue of the power given by Section 24 of the Environment Protection Act. The rule has the provision for Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) before establishing an industry, and developing physical infrastructure and any other works that may create environmental damage. A list of such industries and works requiring EIA and IEE are mentioned in the schedules. The government has the authority to prescribe pollution control standards for different industries. The methods and procedures for IEE and EIA are laid down in the rules. This rule has made IEE/EIA mandatory for the governmental as well as the private sector. Prior to this, this was mandatory only for the government sector. However, with the enforcement of EPR, the opportunity for the involvement of stakeholders has increased.

47. The rule has made provisions for establishing laboratory, handling of funds, and compensation. It provides seven different schedules. Industries related to agriculture also fall under the scope of environmental assessment and these are listed in the schedules.

Box 1: EPA's Definitions of Important Terms used in It.

"Environment" denotes the interaction and interrelationship among the components of natural, cultural and social systems, economic and human activities and their components.

"Protection" denotes the safety, care, maintenance, promotion, management and proper utilization of the environment and national heritage.

"Proponent" denotes a person, governmental agency or institution applying for a approval of a proposal and getting approval for the implementation of such a proposal

"Initial Environmental Examination" denotes a report on analytical study or evaluation to be prepared to ascertain as to whether, in implementing a proposal, it does have the significant adverse impacts on the environment or not, whether such impacts could be avoided or mitigated by any means or not.

"Environment Impact Assessment" denotes a report on detailed study and evaluation to be prepared to ascertain as to whether, in implementing a proposal, it does have the significant adverse impacts on the environment or not, whether such impacts could be avoided or mitigated by any means or not.

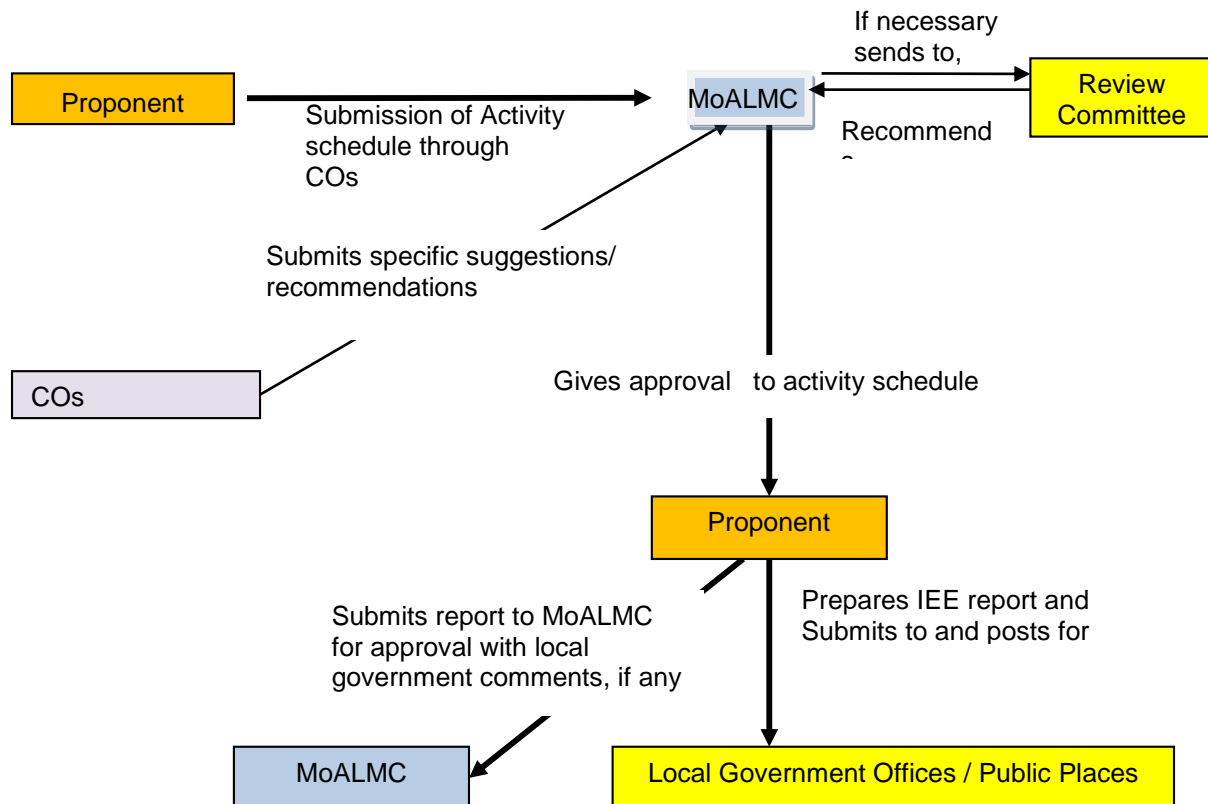
"National Heritage" denote any such object, site, plant and animal related with the environment available within the territory of Nepal as is likely to be important to the human beings from natural, cultural, historical, archaeological, scientific, spiritual, aesthetic or social point of view.

48. The Environment Protection Act of 1996 and rules 1997 have made initial environmental examination (IEE), or environmental impact assessment (EIA) mandatory in forests, agriculture and hydropower development based on investment and the capacity of the industry.

49. Besides these national level policies, sectoral development policies have also emphasized, the need of environmental management, including the adoption of EIA process. For instance, the Irrigation Policy, 2003 includes commitments regarding the design and implementation of irrigation projects based on the recommendations of the EIA and IEE reports, prepared as per EPR 1997. Similarly the sectoral policies of agriculture, forests, industry, tourism, and solid waste management have accorded high priority to integrate environmental aspects in the respective development projects and programs.

50. In accordance with the EPA 1996 and EPR 1997, the MoAD has issued the Guidelines for IEE in the agricultural sector. For agricultural projects, the MoALMC is responsible for approving the IEE reports. However, EIA reports will be approved by the Ministry of Forests and Environment (MoFE). The following flow diagram shows the process of IEE approval as per MoALMC's IEE guidelines and the actors/agencies involved in it. The proposer receives MoALMC's approval through respective.

Figure 2.2: IEE Process within MoALMC



51. Box 2 below shows the agricultural sector projects for which IEE has to be undertaken IEE pursuant to MoAD guidelines 2008, EPR 1997 and EPA 1996.

52. Proposals requiring EIA in the agricultural sector are mentioned below pursuant to Schedule 2, Rule 3 of the EPR 1997.

Local Government Operation Act 2017

53. Promulgated with the objective of institutionalizing legislative, executive and judicial powers and authorities of the local governments (LGs) developing local leadership through strengthening local governance system, the Local Government Operation Act (LGOA) 2017 mandates the local governments (executive offices of metropolitan cities, sub-metropolitan cities, municipalities and GaunPalikas) to formulate, implement, monitor, evaluate and regulate policy, legislation, standards, norms related to the development projects and programs including FNS sector. Specifically, the LGOA mandates local governments to implement the projects and delivery of services related to (a) agriculture and animal husbandry (b) formulation of local policies, legislations, standards, planning, implementation, monitoring and evaluation of agricultural production management (b) agricultural and livestock market information, infrastructure construction of market and weekly market (Haat Bazar), construction of small irrigation, training, technology extension/dissemination, agricultural inputs supply and capacity development of farmers, in their respective constituencies. Therefore, this act will have several implications to this project and that there will be a need to implement this project in harmony with this Act.

Box 2: Proposals Requiring IEE in the Agricultural Sector

1. Any proposals requiring clearance of national forest up to 5 Ha in Terai and 1 Ha in hills for agricultural purposes.
2. Construction activities involving the following:
 - (a) Domestic fowls keeping with more than 30,000
 - (b) Big cattle numbering more than 1,000
 - (c) Small cattle (sheep and goats) numbering more than 5000
 - (d) Establishment of agricultural wholesale market in more than 1 Ha of land in Metropolitan and sub-metropolitan areas of Terai and 0.5 Ha in other areas
 - (e) Construction of approved slaughter house
3. Storage and disposal of obsolete (date expired) pesticides
4. Production, formulation, storage, repackaging and disposal of inorganic fertilizers and inorganic pesticides
5. Establishment of blending industry of chemical fertilizer and chemical pesticides
6. Above mentioned proposals and those below the standards of such proposals as well as the proposals below the standards of those mentioned in - Schedule 2 of the EPR 1997 (see below) and those small scale development activities and projects, programs and activities related to physical infrastructure works and land use change which involve investment from NRs 5,00,00,000 (Five Crore) to 25,00,00,000 (Twenty Five Crore).

Source: IEE Manual for Agricultural Sector, 2008, MoAD

54. Likewise, LGOA has authorized LGs to formulate, implement and regulate policies, legislations, standards related to basic health, sanitation and nutrition, local market management, environment conservation and biodiversity as well. This necessitates the FANSEP to work very closely with the GaunPalikas (rural municipalities) to achieve synergistic result. The Act further provides an opportunity for FANSEP to enhance their capacity and ensure the sustainability of the results/outputs in the long run. Therefore, support and cooperation of local government agencies will be crucial to implement environment safeguard measures in the FANSEP areas.

Solid Waste Management Act, 2068 (2011)

55. Solid Waste Management Act, 2068 (2011) was promulgated by the Constituent Assembly in the capacity of Parliament under Article 83 of the Interim Constitution of Nepal, 2063 to make the management of the solid waste in a systematic and effective way by reducing at its source, re-use, processing or discharge and for maintaining a clean and healthy environment through the reduction of adverse effects that may be caused to the public health.

56. Section 5 of this act dealing on the issue related to the reduction of generation of solid waste states that (1) any individual, organization or body shall, as far as possible, reduce the production of solid waste while carrying out some transaction or activity and (2) it shall be the duty of every individual, organization or body to reduce the amount of remaining solid waste by making arrangement for disposal or reuse of solid waste which might have been otherwise disposed off on such individual, organization or body's own area.

Plant Protection Act, 2029 (1972) and Regulations, 2031(1974)

57. This Act requires individuals and organizations importing plant products, biological control agents, beneficial insects, and medium for growing plants such as soil should obtain

permission from the designated authorities. As per the Act the government can declare certain area as pest affected areas and adopt necessary measures to destroy pests in those areas.

Pesticides Act, 2048 (1991) and Regulations, 2050 (1993)

58. This Act requires all importers, exporters, users, sellers, and producers of pesticides to register pesticides with the authority designated by the Government of Nepal. National Plant Quarantine Office is the designated authority to register pesticides. The authority publishes names of allowed pesticides in the national Gazette. As per the Pesticides Regulation 1993, the registration agency is responsible to evaluate the impacts of pesticides on human, animal, and environment. The authority can cancel registration at any time if the general use of those pesticides is found to make adverse impacts on human, animal, and environment.

Animal Health and Animal Services Act, 2055 (1998) and Regulations, 2056 (1999)

59. This Act requires individuals and organizations importing animals and animal products to obtain quarantine certificates from the designated authorities. The Act also makes provisions for the issuance of quarantine certificates for the exporters of animal and animal products.

Slaughterhouse and Meat Inspection Act, 2055 (1998) and Regulations, 2056 (1999)

60. This Act is promulgated to protect human health by regulating meat quality through proper management of slaughterhouse and meat sale. This Act prohibits establishing a slaughterhouse or becoming a meat seller without obtaining license under this Act. This Act shall come into force at the prescribed area from the prescribed date as notified by the Government of Nepal in the Gazette.

Forestry Policy (2015)

61. The GoN has promulgated Forest Policy 2015 by repealing previous policy of 2000. All forest sector policies and strategies including forest, wetland, vegetation, wildlife, biodiversity, NTFP and Soil and watershed conservation are directed by this policy. "Forest, biodiversity, plants resources, wildlife, watersheds and other ecosystems are protected, sustainably managed and climate resilient through an inclusive, decentralized, competitive and well-governed forestry sector providing equitable employment, incomes and livelihoods opportunities" is the goal of this policy. This policy, among others, emphasizes enhancing climate resilience capacity of the society and forest ecosystems. It promoted payment for ecosystem services (PES) and biomass based renewable energy. This policy further emphasizes diversification and optimum utilization of forest products and services. Central to this policy is to manage and utilize land and forest resources according to their ecological advantage. It includes contribution to food production through effective interaction between forestry and farming practices; and protection of land from degradation by soil erosion, landslides, desertification, and other ecological disturbances.

62. Table 2.1 below briefly shows the applicable plans, policies, acts and their salient features in addition to aforementioned three key legislations.

Table 2.1: Other Relevant Plans, Policies and Legislation from the Perspective Environment Safeguard Measures

Plan/Policies/Act/Regulations	Key Features	Applicability
The Fourteenth Plan (2017-2020)	<p>(a) First plan prepared by the Government (i) after the promulgation of the Constitution of Nepal which adopts a federal governance system comprising of the three tiers of the government- federal, provincial and local government and (ii) committed to achieve sustainable development goals (SDGs). Of sixteen goals of SDGs, goal 2 is focused on zero hunger, improving food security and reducing malnutrition.</p> <p>(a) Provided continuity to the result framework concept initiated in 13th Plan and identified 15 major result areas, of which one of the result areas is essentially “Agriculture Production Increase and Food Security”.</p> <p>(c) Orientated towards socialism, self-reliance, independent and progressive, and committed to raise the status of the country from least developed to middle income country by 2030 achieving SDGs</p> <p>(d) Most of the agriculture development tasks delegated to the local government followed by the provincial and federal government.</p> <p>(e) the four strategies set by this plan includes the following: (1) make arrangements to resolve short-term and long-term food crisis targeting food and nutrition insecure areas and groups (2) ensure food and nutrition security through the conservation, maintenance and proper utilization of agro-biodiversity and maintaining the continuity in the availability of food stuff and stability in utilization by developing and expansion of technologies on climate change adaptation (3) gradual increase in diversification and specialization in agriculture for increasing food availability and (4) emphasize nutrition and food habits based on cereals expanding processing and utilization technologies.</p>	Yes
ADS (2015-25)	<p>(a) Government’s commitment to make this document as an overarching policy framework for the agricultural sector as a whole</p> <p>(b) The ADS covers the agricultural crop, livestock, fisheries, forestry, water resources (for irrigation) and land that provide the natural resource base for the farming systems</p> <p>(c) Strategies for developing the agricultural sector (crops, fisheries, livestock, irrigation and community forestry) are provided in this document</p> <p>(d) Formulation of 10 Year Action Plan (2015-2025) has provided opportunity to harmonize this plan with the SDG2</p> <p>(e) Food and Nutrition Security considered as one of the five pillars.</p> <p>(f) Acknowledges on farmers’ right</p> <p>(g) Higher productivity included as one of the outputs of the ADS.</p>	Yes

Plan/Policies/Act/Regulations	Key Features	Applicability
	<p>(h) High priority to environment safeguard measures and adoption of climate sensitive agriculture</p> <p>(i) A GESI Strategy has been prepared for the ADS through UN Women assistance</p>	
<p>Nepal Zero Hunger Challenge_ National Action Plan (2016-2025)</p>	<p>(a) Level of commitment very high starting from the Rt. Hon. Prime Minister</p> <p>(b) Aligned with Rio+20 Conference on Sustainable Development in Brazil in 2012.</p> <p>(c) Aligned with Multi-Sector Nutrition Plan Recognizes the interconnectedness of food systems with the use of natural resources that impact poverty, hunger and malnutrition.</p> <p>(d) Contributes to SDG2, but implementation of NZHC-NAP may not necessarily support monitoring of SDG2</p> <p>(e) Consistent with the ADS</p> <p>(f) All of the five pillars of the plan are relevant to this project:</p> <p>Pillar-1: Access to adequate food for all year round</p> <p>Pillar-2: Zero stunted children less than two years of age</p> <p>Pillar-3: All food systems are sustainable</p> <p>Pillar-4: 100% increase in smallholder productivity and incomes</p> <p>Pillar-5: Zero loss or waste of food</p>	Yes
<p>The Food and Nutrition Security Plan of Action (FANSP)(2013-2022)</p>	<p>(a) Formulated as an integral part of the ADS,</p> <p>(b) Focused on reduction of hunger, malnutrition and poverty among the poorest households by improving sustainable agricultural-based livelihoods</p> <p>(c) Addresses issues related to severe malnutrition among the vulnerable population</p> <p>(d) Built along 10 components namely, agronomy/food grains, horticulture, animal health and livestock products, forestry, micro-credit and micro-insurance, food quality and safety and trade, nutrition education and training, gender equity and social inclusion (GESI) and Legislation</p>	Yes
<p>Multi-Sector Nutrition Plan II (2018-2022)</p>	<p>(a) Prepared by five key government sectors (MoAD, MoE, MoFALD, MoH and MoUD) under the lead of the National Planning Commission (NPC)</p> <p>(b) Government's key plan document for improving maternal and child nutrition and reducing chronic malnutrition.</p> <p>(c) Support socially inclusive and gender and child friendly approaches in the design and implementation of programs related to the reduction of mal-nutrition</p> <p>(d) Focused on inclusion of improved maternal, adolescents and child nutrition, rights-oriented inclusiveness and gender equity, adoption of flexible and process-oriented approach, and transparency and accountability</p>	Yes

Plan/Policies/Act/Regulations	Key Features	Applicability
National Land Use Policy, 2012	Facilitate optimal use of land for agriculture by classifying the country's land territory into seven land use categories—agricultural, forest, residential, commercial, public, industrial, and others.	Yes
The National Adaptation Plan of Action (NAPA) for Climate Change 2010	Provided processes and methodologies for the preparation of National Adaptation Plans of Action (NAPAs) for Climate Change	Yes
The Climate Change Policy of 2011	Provided methodologies/ process for the preparation of Local Adaptation Plans of Action (LAPAs) for Climate Change. This was followed by the preparation of a LAPA Manual in 2011, which provides guidance to the local-level agencies for the preparation of LAPAs	Yes

2.2 Applicable World Bank Policies

63. World Bank's environmental and social safeguard policies are highly relevant to the purpose of this project and also crucial for sustainable poverty reduction. The objective of these policies is to prevent and mitigate negative implications to the people and environment in the development process. These policies provide guidelines for the identification, preparation, and implementation of programs and projects.

2.2.1 Environmental Assessment (OP/BP 4.01)

64. Environmental Assessment is used by the World Bank to identify, avoid, and mitigate the potential negative environmental impacts associated with the Bank's operations early on in the project cycle. The policy states that Environment Assessment (EA) and mitigation plans are required for all projects having significant adverse environmental impacts or involuntary resettlement. Assessment should include analysis of alternative designs and sites, including the "no project option" and require public participation and information disclosure before the Bank approves the project.

65. In World Bank-funded operations, the purpose of Environmental Assessment is to improve decision making, to ensure that project options under consideration are sound and sustainable, and that potentially affected people have been properly consulted and their concerns addressed. The World Bank's environmental assessment policy and recommended processing are described in Operational Policy (OP)/Bank Procedure (BP) 4.01: Environmental Assessment.

2.2.2 Natural Habitats OP/BP 4.04

66. This policy aims to promote rehabilitation of degraded natural habitats, and prohibits WB's support to projects that involve the significant conversion or degradation of critical natural habitats.

2.2.3 Forests OP/BP 4.36

67. This policy prohibits the Bank from financing projects that "would involve significant conversion or degradation of critical forest areas or related critical natural habitats."

2.2.4 Pest Management 4.09

68. This policy favors the use of biological or environmental control methods for controlling pests. It recommends that the integrated pest management (IPM) be used for controlling agricultural pests with limited and safe use of pesticides when it is necessary. If a project leads to significant use of pesticides, a pest management plan is needed.

2.2.5 Physical Cultural Resources OP/BP 4

69. This policy advocates for the conservation and preservation of the natural resources and its judicious use.

2.2.6 Indigenous Peoples OP/BP 4.10

70. This policy directs to look into the rights of the indigenous people and ensuring their participation in the project activities.

2.2.7 Involuntary Resettlement OP/BP 4.12

71. This policy directs for the development of appropriate mechanism for the relocation and resettlement of household/community displaced directly or indirectly by project activities.

72. The following 6operational policies of the World Bank are relevant for FANSEP from an environmental and social viewpoint:

Safeguard policies triggered by the FANSEP	Relevant	Not relevant
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04	X	
Forests OP/BP 4.36	X	
Pest Management	X	
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10	X	
Involuntary Resettlement OP/BP 4.12	X	
Safety of Dams OP/BP 4.37		X
Projects on International Waters OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

3 POTENTIAL IMPACT OF PROJECT ACTIVITIES ON ENVIRONMENT

73. As stated earlier, the GoN is set to implement FANSEP from the fiscal year 2018/19. This chapter assesses the positive/favorable and negative/adverse impact of project activities on environment. Table 3.1 below ex-ante assesses the environment impact by components.

Table 3.1: Ex-ante environment impact assessment

SN	Components and Sub-components	Potential Environmental Impacts
Component A. Technology Adaptation and Dissemination, and Support to Producer Group		
A.1	Technology adaptation and testing	<p>This component basically includes trainings and other awareness programs. Therefore, activities to be undertaken under this sub-component will have neither positive nor negative impact on environment. However, it could further minimize any likely impact through the inclusion of awareness on environment safeguard measures. This, sub-component, will make sure that it would not include trial and adaptation of any technologies that may have negative impact on environment. Likewise, focus on climate smart technologies will further contribute to enhance positive impact on environment.</p> <p>Activities like on-farm testing of component technologies (variety, soil management, pest management, water management, post-harvest management, etc.) may not have adverse impact on water conservation, biodiversity conservation</p>
A.2	Technology dissemination and farmers' skills development	Similar to sub-component A1, activities to be implemented as part of this sub-component may not have adverse impact on environment. Methods such as FFS and IPM will further contribute to environment. Therefore overall impact of component A on environment will be positive.
COMPONENT B: Income Generation and Diversification through Market Access and Risk Management		
B.1	Strengthening Producer Groups/cooperatives	As part of strengthening producer groups/cooperatives, project will provide training and capacity building relative activities to them to enable them to comply with environment safeguard measures and make them aware for not to submit proposals for small grant that may have negative/adverse impact on environment. Therefore, impact of could Implementing the activities of this component knowledge of environmental management should be imparted through the training and other awareness programme
4	Market Linkages through productive alliance	Environment screening will be required for this sub-component since sub-projects may have adverse negative impact during the construction and implementation and later use of the resources. Although the level of financial assistance is small, but it is important that any infrastructure built or rehabilitated will not destroy/damage national and international heritage, dry water sources, use community forest or any other natural resources. Therefore, this sub-component may have adverse impact if not carefully planned and implemented.

SN	Components and Sub-components	Potential Environmental Impacts
COMPONENT C: Improving Nutrition Security		
C1	Nutrition Field Schools and Home Gardens	Adverse impact of this sub-component on environment will be nil since the focus of this component will remain on establishing nutrition field schools and home nutrition garden. Rather, it will contribute to greenery and keep the environment clean. Meanwhile, the project will assist the target groups to grow nutritious green vegetables in such a way that it will not overexploit the nutritious
C2	Use of Nutrition Services and Promotion of Healthy Diets	Like sub-component C1, there will be no adverse impact of this sub-component on environment. Key activities to be undertaken as part of this sub-component are training and awareness related activities.
COMPONENT D: Project Management, Monitoring and Evaluation, and Communication		
Given that the purpose of this component is to facilitate the implementation of first three components and coordinate intra and inter-components, this component will ensure that there will be no adverse impact on the environment through any activities implemented under this project. In addition, this component will assist independent monitoring and evaluation of environment and social safeguard measures (mid-term) so that environment and social safeguard issues will receive priority throughout the project period.		

4 ENVIRONMENTAL AND SOCIAL MANAGEMENT

74. The four key components of the project discussed in chapter 1 and subcomponents briefly reflect the project intervention areas partly suggesting the nature of activities. No components involve major infrastructure works or other interventions that will have adverse social and environmental impacts. Nevertheless, there will be a need to undertake site specific assessment of social and environmental implications of project activities during the implementation as the project activities and interventions are not clearly known at this stage. Experience suggests that the project activities irrespective of their nature and types might cause some degree of adverse impacts warranting appropriate social and environmental planning and management. The activities under FANSEP components, particularly Component 1, 2 and 3 may trigger ESMF screening requirements. Such screening and other aspects are elaborated in ESMF as ready to use by the Project and relevant stakeholders.

75. This ESMF provides clear steps, processes, procedures and responsibilities including various tools to be used during project implementation for ensuring environmental and social integration in the planning, implementation, and monitoring of project supported activities. The purpose of the ESMF is to provide guidance on pre-investment works/studies (such as environmental and social screening, environmental and social assessment, environmental and social management plans etc.); ensure adequate environmental and social consideration and integration in each investment in the subproject-cycle; and describe the principles, objectives and approach to be followed to avoid or minimize or mitigate adverse impacts.

4.1 Rationale for Environment and Social Management Framework

76. In the above context, a safeguard framework document is needed to 'guide' the planning, design and construction elements of the project activities. A guiding document or a framework would help in integrating and harmonizing the environment and social management principles at the various stages of project preparation and execution. In this context, this Environment and Social Management Framework (ESMF) has been prepared for the FANSEP.

77. This ESMF forms part of the comprehensive environmental and social management approach that has been adopted for addressing the potential environmental and social impacts even when these are considered minor in nature. Reconnaissance visits to the proposed project districts show that there will be a need to assess the environment and social impact of the project interventions/activities even it is well known at this stage that the impacts could be minimal.

78. This ESMF defines (a) the approach for identifying the environmental and social issues associated with the FANSEP activities, (b) the requirements for conducting environmental and social screening and environment and social assessment studies, and (c) measures to prevent, mitigate and manage adverse impacts and enhance positive ones. This ESMF includes an exclusion list and a simplified screening checklist, which will be used to determine what types of environmental and social assessment are required for the proposed initiatives. Environmental Management Plans/Social Action Plans (EMP/SAP) for specific initiatives will be prepared if required. This ESMF includes a resettlement policy framework describing mechanisms for addressing the possible temporary disruption of services and income (e.g., temporary displacement of informal vendors), and temporary restrictions on access to facilities while the construction work is on-going in the project area. The ESMF includes a vulnerable community development plan, a gender development framework, and capacity building measures and a monitoring mechanism.

4.2 Objectives of the ESMF

79. Primarily, the environmental and social screening exercise will be undertaken to determine the key environmental and social issues/concerns. The nature and magnitude of the potential environmental impacts that are likely to arise is influenced by the type, location, sensitivity and scale of the project activities. The main objectives of the environmental and social screening are as follows:

- Identify the potential environmental and social issues/risks related to the project activities
- Establish clear procedures and methodologies for screening, reviewing and managing environmental and social safeguards for the components to be financed under the FANSEP.
- Provide guidance regarding Environmental and Social Assessment (ESA) requirements including the preparation of safeguards plans viz ESMPs, RAP, VCDP, IEE, EIA etc as relevant.
- Consolidate and facilitate understanding of all essential policies and regulations of the GoN as well as the World Bank's environmental and social safeguards regime that are applicable to the Project

4.3 Application and implementation of the ESMF

80. The ESMF will be applicable to the sub-projects as follows:

1. Support integration of environmental aspects into the decision making process at all stages related to planning, design, execution, operation and maintenance of FANSEP investments, by identifying, avoiding and/or minimizing adverse environmental impacts at the early stage of the project.
2. Minimize environmental degradation to the extent possible resulting from either directly FANSEP component activities or through indirect, induced and cumulative effects of project activities.
3. Enhance the positive/sustainable environmental and social outcomes through improved/appropriate planning, design and implementation of activities of the project components.
4. Consider the level of environmental and social risk of each type of FANSEP component in allocating time and resources to be dedicated for stakeholder consultation.
5. Build the capacity of the MoALMC to take-up and coordinate responsibilities related to the application and implementation of the ESMF, including the preparation of the FANSEP component specific Environmental Assessment and Management Plans .
6. Provide guidelines and procedures for further consultations during project implementation, in particular in defining and designing FANSEP component specific activities.
7. Provide a systematic guidance to address potential risks and to enhance quality, targeting, and benefits to the surrounding communities.
8. Ensure that those stakeholders, irrespective of whether they benefit from or are adversely affected by the project interventions, are well informed and are able to participate in the decision-making process.
9. Support compliance with applicable legal/regulatory requirements of GoN as well as of the requirements set forth in the relevant Bank policies.

4.4 Processes Adopted for Preparing the ESMF

81. The process adopted for the preparation of this ESMF includes: (a) review of project specific documents, relevant environmental and social policies, acts, regulations and

guidelines of GON, safeguard policies of World Bank, and (b) interactions and consultations with all concerned stakeholders.

82. Given that this ESMF has been prepared by using mainly from the secondary source of information and review of related plan, policies, legislations, guidelines, including review of similar projects with limited data collected from the field (primary source), there will be a need to screen environmental and social safeguard issues carefully prior to the implementation. Given the diversity of the project activities, the site specific physical, natural and social environmental factors may affect the implementation. This needs to be taken into account while assessing and supporting sub-projects.

4.5 Revision/Modification of the ESMF

83. The ESMF will be an 'up-to-date' or live document enabling revision, when and wherever necessary. Unexpected situations and/or changes in the project or components design would therefore be assessed and appropriate management measures will be incorporated by updating this ESMF. Such revisions will also cover and update any change/modification introduced in the legal/regulatory regime of the country. Also, based on the experience of application and implementation of this framework, the provisions and procedures would be updated, as appropriate, in agreement with the World Bank and the MOALMC.

4.6 Limitations of the ESMF

84. This ESMF has been developed in line with World Bank's Operational Policies (Ops) and is based on GoN laws and regulations, as applicable at the time of preparation of this document. The ESMF is mainly based on the secondary source of information. Site specific subproject level data collection will be necessary to assess the impacts and devise appropriate management plan during the project implementation.

85. The new political and government structures are in place at the federal, provincial and local level with the provincial government and municipalities as per the constitution of Nepal. The government has decentralized its authority to the local bodies through the Local Governance Operation Act 2017. However the local bodies lack managerial, financial and technical capabilities to carry on with the activities it has to perform at present. The government agencies at local level are to provide the support to the local bodies but due to the recent reorganization of government offices at provincial and municipality level, it will take some time for them to become operational. Thus, the project will have to take additional measures for the implementation of project activities and also in strengthening the respective local and provincial offices by closely working with them.

5 OPERATIONALISATION OF ESMF IN PROJECT ACTIVITIES

86. Project has developed ESMF as a policy guideline for decision-making to ensure that all the activities under FANSEP are systematically assessed. The framework requires that each project activity, particularly small grant apply adequate environmental and social safeguard measures. The ESMF recognizes the need for early environmental and social consideration and mainstreaming these aspects throughout implementation phase. The ESMF will be applied during implementation so that any potential or likely environmental and social impacts would be identified early-on and appropriately incorporated in detailed proposals and satisfactorily managed during implementation. In brief, the ESMF includes:

5.1 Rapid Social and Environmental Review/Planning

87. Cluster office with the support of the environment and social specialists will prepare initial list of vulnerable communities together with their rapid environmental and social reviews and planning. A rapid environmental and social analysis of each of the identified community is required to identify likely environmental and social issues in the selected activities. The rapid environmental and social analysis is subject to review and endorsement by the Project Management Unit (PMU) with support and participation from the Gender Equity and Environment Division of MoALMC.

5.2 Environmental and social screening

Each small grant will go through environmental and social screening to identify relevant environmental and social concerns and **suggest appropriate mitigation tools. The screening will also determine the National environmental requirements.** Proposals requiring IEE or EIA should have the respective examination or assessments done before approving them for funding (as part of pre-investment studies).

88. Based on the defined criteria, the proposal may fall in one of the following four categories:

- **Category I-** Sub-projects with significant adverse environmental impacts for e.g. Sub-projects using banned pesticides in Nepal or fall in the WHO classes IA and IB, subprojects requiring EIA, subprojects located inside protected areas, critical habitat, world heritage sites and Ramsar sites will be rejected during screening. Likewise sub-projects which are located in high risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to flooding annually and in areas causing large-scale soil erosion will also be rejected. Any activity that involves land clearance on slopes greater than 45 degree will fall under this category. This category includes proposals/sub-projects which are likely to eliminate indigenous plant species of ecological significance. Negative list of pesticides is presented in Annex4.
- **Category II-** Activities requiring IEE. Threshold on environmental and social criteria for activities requiring IEE are identified on the basis of Environment Protection Act and Regulations 1997 as well as based on potential short-to-long-term adverse environmental and social impacts and their sensitivity. Quick visit of the proposal site and quick review of the contents of proposal will be made by the Environment Screening Team to ascertain level of investigation as well as to indicate likely issues/impacts.

Proposals requiring IEE should prepare Environment and Social Management Plan (ESMP) for approval. The proponent would furnish an IEE report along with the project proposal. In addition to thresholds defined by government regulation, potential adverse impacts and environmental/social sensitivity will be duly considered while conducting IEE or EIA study and writing IEE or EIA reports. The TOR for an IEE as well as IEE report will be approved by the MoALMC with necessary support from the PMU while Ministry of Forest and Environment (MoFE) will approve these in the case of an EIA.

- **Category III** – Subproject /Activity to adapt Code of Practices. The eligible project activities that are not under the IEE or EIA requirements, but their implementation could still have some adverse environmental and social impacts fall under Category III. These activities will be recommended for FANSEP funding with contractual agreements to fully adopt environmental code of practices. Some generic social and environmental practices that may have universal application are identified (page 95 Category II: sub-project required to adopt codes of practices, and page 100 7.3.2 Environmental codes of practice, the WB). However, the screening should specify the environmental and social code of practices to be adhered to in the respective activity of this category and approved by PMU/subproject/ MoALMC.
- **Category IV** – Proposals to be recommended for approval without any environmental assessment. Proposals, which do not fall under any of the above category, and the screening, do not indicate any adverse environmental and social impacts/sensitivity could be recommended for approval without further environmental and social investigation. However, environmental and social monitoring mechanism will regularly monitor samples of such grant/ activity to ensure that they are not having adverse environmental and social consequences during implementation.

89. FANSEP will ensure that all the activities implemented through GAFSP proceeds are environmentally sound and socially responsive. Therefore, FANSEP will not compromise to the environment safeguard measures and compliance with the ESMF prior to financing any activities.

90. As part of the ESMF, FANSEP will give a high priority to the environment awareness related activities, in particular educating the proposer on social and environmental requirement of the project. Therefore, prior to submission of the proposals/requests for project support, project's target groups will be asked to consider environment and social safeguard measures carefully and remain responsive to them throughout the implementation. Therefore, adequate funding arrangement should be made for environmental screening of the project activities.

91. Screening decides if further assessment e.g. IEE/EIA or SA is required. One output of such assessment would be sub-proposal/activity with specific environmental/social management plan to be an integral part of the proposal. For example specific pest and pesticide management plan will also be prepared as part of Environmental Management Plan as the project is agriculture focus. Where further assessment is not required, the detail sub-proposal must include an environmental/social code of practice to be followed during implementation of the sub-proposal/activity.

5.3 Environmental and social monitoring and auditing

92. ESMF monitoring shall be integral part of overall project monitoring system. This also includes mechanism to measure the indicators. Compliance to the social and environmental processes as well as implementation of necessary mitigation measures/actions will be monitored at different levels and by different agencies. Regular monitoring at each activity level will be done by the ESM specialist at PMU; findings of this will be reported on trimester

basis to PMU. The ESM officer of PMU periodically (on trimester basis) will visit activities supported under the project that had larger environmental or social implications as decided by the PMU. However, all activities that are identified as relatively high-risk will be covered during this field visit. Findings of this will be reported to the PMU and feedback provided to the relevant implementers. An independent third party environmental and social audit will be conducted during the mid-term selecting 10-15% of randomly selected samples/sub-projects.

6 ENVIRONMENT MANAGEMENT PLAN (EMP)

93. The EMP consists of “the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The details of the EMP would depend on the magnitude of environmental risks posed by the activities.

94. When EMP is formulated, the project will assess it for completeness, adequacy of information and clarity as follows:

- (a) Appropriate integration of agriculture, livestock and soil conservation, as necessary
- (b) Activities for mitigating soil conservation
- (c) Commitment not to use chemicals to catch fish
- (d) Follow minimum waiting period to harvest vegetable crops if pesticides are sprayed
- (e) Use of Integrated pest management practices
- (f) Decrease use of hormones to increase growth of animals/livestock
- (g) Any other activities, deemed necessary

6.1 Process for Managing Environmental Impacts/Issues

95. Environmental considerations should be envisioned right from the stage of the identification of the project activities. In general, projects are identified based on the technical requirement and need assessment, thus the project are selected without environmental considerations. But this may cause serious environmental problems, disruption and even failure of the project. While identifying activities or collecting demands from stakeholders, possible alternatives should also be foreseen and noted. The FANSEP will collect the information on environmental setting; possible beneficiaries and possible generally foreseen environmental impacts of each alternative should also be taken from the proposers or demand providers. The proposers or demand providers and general public should be made aware of the environmental of project implementation and should be requested to choose environmentally acceptable projects right from the project identification to avoid environmental problems at later stage in FANSEP.

96. The environmental assessment for FANSEP is prepared for dealing with avoidance and minimization of the likely adverse impacts for the project as a whole. Proper integration of findings from the safeguard studies and public consultation process into the planning/decision-making process and engineering outputs (design and bidding documents) would help in avoiding/reducing the environmental that may arise due to the project activities.

97. To ensure that activities do not cause any significant adverse impacts, the identified propositions will undergo an environment screening process. In case significant impacts are likely to occur, the activities in question will require environmental assessment and preparation of mitigation/management plans.

6.2 Environmental Code of Practice

98. IEE or EIA report of Category II activities will have built-in appropriate preventive and curative mitigation measures and their implementation procedures fully described. The

environmentfullreport contains generic Environment Code of Practice (ECoP) that could be adapted to certain types of Category III subproject (Category II: sub-project required to adopt codes of practices, and Environmental codes of practice). The ECoP will be included in the clauses of the contractual agreements. These ECoP will be modified and improved and new sector ECP will be developed during project implementation phase. ECoP should be site specific and activities specific. ECoP primarily focuses in prevention i.e., controlling potential hazards. The commodity producers, processors/manufacturers, traders etc. will have to adapt good practices to meet safety and quality requirements; they have to meet hygiene requirements so as to earn the confidence of importing country authorities and private sector importers as well as consumers inside the country. The good practices commonly used are Good Agricultural Practice (GAP), Good Veterinary Practice (GVP), Good Manufacturing Practice (GMP) etc.

6.3 Pest Management Plan (PMP)

99. Little activity under FANSEP may require preparation of Pest Management Plan (PMP) as well. The project's nutrient and pest management framework would promote safe, effective and environmentally sound pest management practices, which are cost effective, reduce reliance on synthetic chemical pesticides, use ecological approach, and provide alternative pest control technologies. Site specific subproject PMP will be prepared during project implementation phase. Subproject / activity that use pesticides prohibited by the World Bank Operational Policy OP 4.09 Pest Management are ineligible for support under the project. The World Health Organization's (WHO) classes IA and IB pesticides are not allowed and WHO Class II pesticides are permissible subject to: i) compliance with GoN defined restrictions and conditions, and ii) only to be used by trained-person with proper training, equipment and facilities to handle, store and apply these products properly. FANSEP's pest management strategy adopts the following actions;

- i) **Screening for IPM:** Activities dealing with production of commercial market-led crops will require nutrient and pest management plan. It will be made mandatory to prepare IPM Plan by the proponent before approval of the 'commercial commodity promotion' subproject.
- ii) **Education and Awareness:** The project will ensure that all the stakeholders have access to the information regarding IPM practices. Awareness and training will be provided to concerned stakeholders involved in 'commercial commodity promotion' activities. This will cover alternatives to chemical pesticides as well as proper use of pesticides.
- iii) **Continuity of Research:** There is a need to continue research on both integrated nutrient management and pest management. The recommendations for IPM need to be gradually refined so as to develop Integrated Nutrient and Pest Management for FANSEP activities.
- iv) **Pest Inventory and Soil Survey:** The project will identify the soil types and its composition, as well as abundance and intensity of disease and pest by conducting regular surveys in the subproject areas.
- v) **Communication:** The project will communicate the soil types and the status of the disease and pest to farmer organization or subproject participants.
- vi) **Planning:** Project will coordinate with concerned stakeholders and develop location specific and commodity specific IPM with wider participation of the farmers, extension and research institutions at the local level.
- vii) **Prevention of New Pest Infestations:** The project will manage new pest infestations as soon as they are identified. Pest surveys will be conducted on a regular basis to detect new infestations and a rapid response process for the management of new infestations will be established.
- viii) **Management of Established Pests and Soil Related Issues:** The project will ensure effective and early management of pest. It will also ensure that the

activities follow good management practices recommended for the soil related issues as well as disease and pest management.

- ix) *Monitoring, Evaluation and Reporting*: The project will regularly monitor and evaluate the status of nutrient and pest management in the project areas. The project will include pest and nutrient management status in its annual reports.

6.4 Screening and Assessment Processes and Procedure

100. Environmental monitoring and auditing –Compliance to the environmental processes as well as implementation of necessary mitigation measures/actions will be carried out at Project Management and cluster level. The cluster office will do the initial assessment and will forward to the PMU for further actions as necessary. All the regular monitoring of activities will be done with the support from district level sectoral offices and COs and findings of this will be reported on trimester to PMU. Any activity requiring detailed investigation will be handled by the PMU with support from the cluster office. The Environmental and Social Management (ESM) officer of PMU will periodically (on trimester basis) visit randomly selected samples of activities supported under the project. However, all activities that are identified as relatively high-risk will be covered during this field visit. Findings of this will be reported to the PMU and feedback is provided to the relevant implementers.

101. The screening will decide and define the need and level of further environmental investigation necessary for each proposal together with **the National environmental requirements**. It will determine if a grant require full EIA, or an IEE, or Environmental Code of Practice (ECP). During detailed proposal preparation, the project will provide services for conducting environmental investigations (IEE or EIA or for preparation of EMPs). Without IEE or EIA or ECP or EMP or subproject specific Pest Management Plan (where applicable), the detailed proposal is incomplete and ineligible for processing for funding.

102. The Environment Screening Team will make quick visit of the proposal site and quick review of the contents of proposal to ascertain level of investigation as well as to indicate likely issues/impacts before the approval of the sub-projects/grant.

103. The projects or activities to be supported under it (proposals) will be characterized into three categories before making decision to finance and they are as follows:

Category I: Proposals falling under the following features will be classified as category I projects:

- (a) Projects that are likely to harm environment/natural resources/assets irreversibly
- (b) Sub-projects using banned pesticides in Nepal
- (c) Projects using pesticides prohibited by the World Bank Operational Policy (OP 4.09 Pest Management. These include WHO Class IA and IB.
- (d) subprojects located inside protected areas, critical habitat, world heritage sites and Ramsar sites
- (e) Project which are located in high risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to flooding annually and in areas causing large-scale soil erosion
- (f) Any activity that involves land clearance on slopes greater than 45 degree.
- (g) Projects affecting the international and national heritage site including Ramsar sites.
- (h) Proposal that is likely to eliminate indigenous plant species of ecological significance.

Category II: Proposals falling under the following features will be classified as category II

projects:

- (a) Sub-projects which may have short-to-long-term adverse environmental impacts but could be mitigated subject to the implementation of environment management plan (EMP). The proponent should furnish EMP along with the proposals.
- (b) Subprojects requiring EIA and IEE,
- (c) Threshold on environmental and social criteria for activities requiring EIA and IEE. Proposals requiring EIA and IEE should prepare Environment and Social Management Plan (ESMP) for approval. The proponent would furnish an EIA and IEE report along with the project proposal. In addition to thresholds defined by government regulation, potential adverse impacts and environmental/social sensitivity will be duly considered while conducting IEE or EIA study and writing IEE or EIA reports. The TOR for an IEE as well as IEE report will be approved by the MoALMC with necessary support from the PMU while Ministry of Forest and Environment (MoFE) will approve these in the case of an EIA.

Category III: Proposals falling under the following features will be classified as category III projects. These include projects which do not require EIA or IEE but need to adopt environment code of practices (ECoP) and implement measures to safeguard environment and social impact (negative):

- (a) Proposals/sub-projects likely to cause soil erosion
- (b) Proposals/sub-projects likely to harm cultivated/arable land
- (c) Proposals/sub-projects likely to degrade/reduce the quality of the drinking water
- (d) Proposals/sub-projects likely to use chemical fertilizers excess to the agreeable amount (beyond the recommendation)
- (e) Proposals/sub-projects intending to depend/use any resources of national parks and protected areas, water bodies, lake and ponds
- (f) Proposals/sub-projects which may involve logging
- (g) Proposals/sub-projects which may use/involve in any activities which could harm human health/hazard

Category IV. Projects/activities which do not fall under aforementioned three categories and have negligible impact on environment or could be implemented without any environmental assessment or preparation of EMP will be characterized as Category IV. This category includes proposals/projects for which there might be no need for the Environment Screening Team to make quick visit of the proposal site to ascertain level of impact (adverse) on environment and social impact. Sub-projects likely to improve environment such as integrated plant nutrient management system (IPNMS), IPM could fall under category IV.

104. Environment screening criteria for FANSEP has been provided in **Annex 5**.

7 RESETTLEMENT POLICY FRAMEWORK

7.1 Rationale

105. Since the project activities are unknown at this stage, the involuntary resettlement issues and impacts as a result of project are also not clear at the moment. However, FANSEP can't fully ignore the possibility of economic and /or physical displacement because of project's diverse activities including the construction of several community based small infrastructures and facilities.

106. In view of the potential impacts that may result into loss of private properties such as land, houses, structures and commercial places or disruption of formal /informal sources of income and livelihoods due to project interventions, World Bank's Involuntary Resettlement (OP/BP 4.12) has been triggered. The OP/BP 4.12 recognizes that the displaced persons should be meaningfully consulted and given opportunities to participate in planning and implementing resettlement programs and assisted in their efforts to improve their livelihoods and standards of living.

7.2 Objective

107. The objective of the RPF is to guide FANSEP to identify the impacts and take mitigation measures when private properties viz land, house as well as employment and income sources are affected. Specifically, it aims to achieve the followings

- Avoid, minimize and mitigate resettlement issues that arise due to the project activities
- Provide compensation at replacement value, and
- Support for livelihood restoration

108. The resettlement framework is developed based on the activities proposed in the Project Appraisal Document (PAD) for various components. Nevertheless, it has also taken into account of the constitutional provisions of food security for all, provisions for the safeguard of the right of the indigenous people and ethnic communities and women along with the subsequent government policies, programs and activities implemented to achieve them. **Annex 6** provides social screening criteria.

7.3 Resettlement Policy Principles

109. The Guiding Policies is that involuntary resettlement shall be avoided or minimized to the extent possible through the incorporation of social consideration into design options and alignment selections. Where displacement is unavoidable, i.e. people losing assets, livelihood and other resources shall be assisted in improving or at a minimum regaining their former status of living at no cost to themselves.

Common Principles

- a) The negative impact on persons affected by the sub projects would be either avoided to the extent possible or minimized. Where the negative impacts are unavoidable, the project-affected persons irrespective of their legal title will be assisted in regaining their standard of living. The PAPs will receive compensation for lost assets at replacement cost and the compensation will be available prior to the taking over of assets. Vulnerable Groups will be identified and assisted to improve their standard of living.

- b) All information related to resettlement preparation and implementation will be disclosed to all concerned, and people's participation will be ensured in planning and implementing the project.
- c) Broad entitlement framework of different categories of project-affected people has been assessed and is given in the entitlement matrix. PAFs will be surveyed / enumerated as of the cut – off date. Provisions will be kept in the budget for those who were not present at the time of enumeration. However, anyone moving into the project area after the cut-off date will not be entitled to assistance.
- d) Appropriate consultations and grievance redressal mechanism will be established at the project level to ensure speedy resolution of disputes.
- e) Avoid any negative effect on socially and culturally sensitive areas. If impacted, the same shall be conserved following the laws of land.
- f) Delivering R&R entitlements and compensation for lost assets based on the entitlement framework.
- g) Resettlement Action Plan (RAP), if required, will be prepared in close consultation with the affected families to ensure their acceptability as well as timely delivery of entitlements and assistance.
- h) Physical works will not commence on any portion of land before compensation and assistance to the affected population have been provided in accordance with the policy framework.
- i) As far as possible, project plans to conduct its construction activity after the harvests to avoid damage to crops. In case damage to standing crop is unavoidable, project will provide compensation under LA Act.

110. This is also in line with GON principles that provides for compensation to any private land or property acquired for any project activities of the government. The policy also supports for livelihood restoration of affected persons and families.

7.4 Avoidance and/ or Minimizing Adverse Social Impacts

111. The Project will make best use of its social planning approaches and fully ensure that the potential social issues are avoided or minimized to the extent possible. This would require deploying stringent measures for site selection at the early stage of project design and planning by undertaking environmental and social screening. Ideally, the possibility of avoiding or minimizing the issues related to involuntary resettlement would be possible by taking into account the following considerations while selecting the subproject site.

Considerations for the selection of FANSEP Subprojects

- No private land or property will be used to develop the FANSEP subprojects;
- No land with any kind of disputes/ conflicts will be used for the subprojects;
- No land without legal title of the implementing agency (ownership certificate of land) will be used for the subprojects;
- No land under protected forests/ national parks will be used; and
- No private land donated by the owners will be accepted and used without complying the donation principles.

112. Based on the criteria suggested above, the screening process will:

- Determine potential impacts of selected sub-components as to whether they are likely to cause negative social impacts
- Determine the scope and focus of detailed social assessment
- Help in making appropriate decision about inclusion or exclusion of the site/ location under consideration.

7.5 Social Impact Assessment (SIA)

113. In case screening result shows adverse social impacts to larger communities, the project will undertake a survey for identification of the persons and their families likely to be affected by the project or subproject. Every survey shall contain the following municipality or ward / village-wise information of, the project affected families:

- Members of families who are residing, practicing any trade, occupation or vocation in the project affected area;
- Project affected families who are likely to lose their house, commercial establishment, agricultural land, employment or are alienated wholly or substantially from the main source of their trade occupation or vocation or losing any other immovable property.
- Agricultural laborers and non-agriculture laborers.
- Losing access to private property or common property resources or natural resources
- Information on socio-cultural and political situation in the project area

114. The project on completion of the survey will disseminate the survey results among the affected community.

7.6 Resettlement Action Plan

115. The envisaged activities and scope of FANSEP are not expected to require SIA (Social Impact Assessment) or RAP (Resettlement Action Plan). However, as part of ESMF, this resettlement policy framework has been developed in case some adverse impacts are identified at a later stage. Small and limited land area required for any project component limiting to less than 200 people in some of the candidate sites will be covered by the abbreviated RAP to be developed as per the policy provisions of the ESMF. In case more than 200 persons are impacted, a detailed RAP will be prepared along with detailed entitlements.

116. Based on the social impact assessment, the project will prepare an action plan to mitigate or minimize the adverse impacts and the draft resettlement action plan (RAP) will be disseminated among the affected individuals / community. The feedback received from the affected groups will be incorporated to the extent possible before finalization of the RAP.

117. Every-draft Resettlement Action Plan (RAP) prepared shall contain the following particulars namely:

- The extent of area to be acquired for the project, the name(s) of the corresponding village(s)/municipality area and the method employed for acquiring land with the relevant documentation.
- Village wise or municipality wise list of project affected families and likely number of displaced persons by impact category
- Family-wise and the extent and nature of land and immovable property in their possession indicating the survey numbers thereof held by such persons in the affected zone;
- Socio-economic survey of affected people including income/asset survey of RAPs.
- A list of agricultural laborers in such area and the names of such persons whose livelihood depend on agricultural activities;
- A list of persons who have lost or are likely to lose their employment or livelihood or who have been alienated wholly and substantially from their main sources

- of occupation or vocation consequent to the acquisition of land and / or structure for the project;
- Information on vulnerable groups or persons for whom special provisions may have to be made;
- A list of occupiers, if any
- A list of public utilities and government buildings which are likely to be affected
- A comprehensive list of benefits and packages which are to be provided to project affected families by impact category;
- Details of the extent of land available which may be acquired in settlement area for resettling and allotting of land to the project affected families;
- Details of the basic amenities and infrastructure facilities which are-to be provided for resettlement;
- Entitlement matrix
- Time schedule for shifting and resettling the displaced families in resettlement zones
- Grievance redressal mechanism
- Institutional mechanism for RAP implementation;
- Monitoring and evaluation indicators and mechanism; and
- Budget

7.7 Eligibility, Entitlement and Valuation

7.7.1 Eligibility

118. The World Bank Policy on Involuntary Resettlement mandates compensation payment for the lost assets at replacement costs to both titled and non-titled holders (i.e. squatters, encroachers and tenants) and resettlement assistance for lost income and livelihoods. In the proposed project, the absence of formal titles will not be a bar to resettlement assistance and rehabilitation. Further, the principles adopted herein contain special measures and assistance for any vulnerable affected person (AP). Persons affected by land acquisition, and relocation and/or rehabilitation of structures/assets (businesses, houses, etc.) are entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons. Thus, the affected persons in the project will be entitled to various types of compensation and resettlement assistance that will help in the restoration of their livelihoods, atleast, to the pre-project standards.

119. The cut-off date of eligibility for entitlement is when the census survey is completed and when publicly announced. Persons who has encroached the area after the given cut-off-date are not entitled to compensation or any other form of resettlement assistance.

7.7.2 Entitlement

120. The Entitlement Policy specifies compensation and/or rehabilitation measures for two units of entitlement; individuals (i.e. affected individuals and their households) and groups. Entitlements for each type of APs are based on the types and levels of losses. A generic entitlement matrix by type of loss is provided in Annex 7.

7.7.3 Valuation

121. All assets that will be affected, as identified by the survey teams, will be properly recorded and verified in the presence of the concerned persons. The detailed survey asset information will be computerized to monitor the reestablishment of PAFs. The valuation of

affected assets will be undertaken by the District-level Compensation Fixation Committees (CFCs). The CFC for the project activities will be the district level compensation fixation committee constituted by the Government of Nepal. The Project Director will represent the project in the committee. The decision of the committee will be binding to all.

122. The following definitions are used in the documents:

Definitions

Cut-off date: In the cases of land acquisition affecting legal titleholders, the cut-off date would be the date of issuing the preliminary notice under the Land Acquisition Act 2034. In cases where people lack title, the cut-off-date shall be the date of start of the Census survey undertaken by the project authority.

Project Affected Person: Affected persons are those who stand to lose all or part of their physical and non-physical assets including homes, productive land, community resources, commercial properties; livelihood; and socio-cultural network.

Project Displaced person: A displaced person is a person who is compelled to change his/her place of residence and/or work place or place of business, due to the project.

Affected family: A family whose primary place of residence or other property or source of livelihood is adversely affected by the acquisition of land for a project or involuntary displacement for any other reason

Wage Earner: A person who is working with a commercial establishment or working as a labour in an agriculture land, which is being affected by the project.

Encroacher: A person, who has trespassed Government land, adjacent to his/her own land or asset, to which he/she is not entitled, and deriving his/her livelihood prior to the cut-off date.

Squatter: Squatter is a person who is land less and has settled on publicly owned land without permission and has been occupying publicly owned building without authority prior to the cut-off date.

Vulnerable Person: The vulnerable person includes both socially as well as economically disadvantaged persons such as janjatis, dalits, disabled/handicapped, woman headed households, destitute, orphans, widows, unmarried girls, abandoned women ,or persons above sixty years of age; who are not provided or cannot immediately be provided with alternative livelihood, small and marginal farmers, and landless wage earners.

Entitled Person: person adversely impacted by the project and is entitled to some kind of assistance as per the project entitlement framework

Titleholders (THs): Persons who possess legal documents in support of claims made towards ownership of structure or land are titleholder.

R&R Benefits for Project Affected Families

123. The resettlement and rehabilitation (R&R) benefits shall be extended to all the Project Affected Families (PAF). The details are provided in the entitlement matrix (Annex 7).

8 SOCIAL MANAGEMENT FRAMEWORK

124. The Social Assessment will be carried out as an integral part of Environmental and Social Safeguard analysis not only to assess the social aspect of the project activities to facilitate project intervention but also to assess the potential constraints in the involvement of all sections of the population, particularly the vulnerable groups including Janajatis, Dalits, women, and landless. Some of the social issues that will be addressed are as follows:

- 1) Acquisition/appropriation of land and other properties required for project is one of the major activities for any infrastructure development. The land acquisition could be done by following the government procedure that is sometime not feasible. In that case the infrastructures are developed in government lands, donated land or land is leased from the private and public entity. However, the entitlement of the lands is important in the continuity of the services and also ensuring the access of majority of the people. Therefore, the issue of land use right need to be ensured either in the construction of the infrastructures or access of the services. Sometime, some of the households may have to be relocated or have to be resettled during land acquisition and land ownership transfer from one entity to others. In that case, the relocation and resettlement policy of the World Bank have to be followed beside the common practices prevailing in the area and the government policy.
- 2) Based on the experience of AFSP, donated lands are used for the construction and rehabilitation of minor physical infrastructures and facilities viz irrigation, markets, sheds, labs, farmer field schools, seed collection and processing centre etc. In case where donated lands are used, the project has to comply with the principles of land donation ensuring the followings: i) the donated land is not more than 10% of the total land holding size of the donor and does not lead to further impoverishment ii) land donation form is filled up and MOU is signed between donor and user groups, and iii) legal transfer is made for long term use of the facilities by the communities. The land donation shall be accomplished with due consultation with the land donors without any kind of pressure and intimidation.
- 3) Resulting impact on local people in terms of displacement (physical/economic) of families due to loss of residences /work place and livelihood sources will be assessed and mitigated. Measures will be taken to avoid relocation and resettlement of the households/groups and communities due to project activities to the extent possible.
- 4) Exclusion of Janajatis, Dalits, marginal farm households, women, landless, etc in the decision making process at the village/community level is most common. The inclusion of these communities in the project activities needs appropriate mechanism so that they could participate and benefit from the project activities. This requires disaggregation of data at the community and group level. The data needs to be disaggregated by household, ethnicity and gender to determine their appropriate representation in the project activities. The disaggregated data will provide a basis and the project activities should be directed to the intended beneficiary.
- 5) As per social safeguard guideline the use of child labor in project activities is prohibited. This needs to be avoided through conditions attached to the implementation of the project activities by the concerned stakeholders. Close monitoring of the contracted out activities to the contractor is necessary. Likewise wage discrimination by gender, caste, and ethnicity is an area that requires closer scrutiny in the implementation of project activities.

- 6) Potential risk of spreading communicable diseases such as STDs and HIV/AIDS due to increased labor force also needs to be carefully assessed so that the project activities will not have adverse effect on the health of individual, group and local community.
- 7) The protection and conservation of natural resources –land, water and Forest is a primary concern in this type of project as these resources play an important role for livelihood improvement of the participating households. Therefore, the judicious and efficient use of the common property resources, such as water and forest in the project activities needs to be emphasized for the benefit of larger section of the society besides guaranteeing the rights of vulnerable communities are not encroached.
- 8) The engagement of the general public in the project activities is done through required information dissemination through appropriate means. This will ensure the transparency in the selection, implementation, monitoring and evaluation of the project activities. The radio, the local newspaper, FM radios and even use of sms through mobiles are some of the effective means. These have to be used selectively considering the local conditions. Therefore, a mechanism needs to be in place to ensure to collect participants views, concerns and grievances, if they have any.

8.1 Social Planning

125. Social planning involves set of actions from screening to social assessment and preparation resettlement plan, livelihood improvement plan, vulnerable or indigenous people plan, gender action plan etc all of which will contribute not only to address adverse impacts to the affected people but also help restore and improve their livelihoods. All projects, irrespective of their nature and size, involve varied types of planning procedures.

8.1.1 Social Screening

126. Social screening will be undertaken at an early stage in all subprojects, which will provide necessary information on the potential social impacts likely to be encountered during implementation. This screening will be carried out in close consultation with various primary stakeholders: beneficiaries; affected people, women, Dalits and other local key informants. Social screening report will provide information as determined by screening checklist presented in **Annex 6**.

127. Social screening provides first stage information about the subproject and also identifies: (i) beneficiary population living in the subproject area (ii) land requirement and land availability for the subproject (iii) number of land owners adversely affected (iv) impacts on poor and vulnerable groups including needs and priority for social and economic betterment, and (v) other impacts.

128. Social screening reports are crucial to decide whether or not a particular subproject should be considered under the project. A particular subproject will be considered for funding under FANSEP only if the social screening confirms that the subproject i) does not result in serious adverse impacts to the people/communities ii) the impacts are manageable as per the ESMF, and iii) the subprojects take into account the social considerations in the design.

129. In FANSEP, the social screening checklist will be used by the project staff/consultant at early stage of subproject planning. Trained social safeguard expert/specialist will use the checklist and prepare screening report with informed decisions on the level of impacts and further planning requirements viz preparation of social management plans, resettlement plan, vulnerable community development plan etc.

130. If the screening identifies adverse social issues /impacts due to the project interventions, social management plans need to be developed to address the impacts. Each adverse issue/impact needs to be analyzed in detail and appropriate mitigation measure will be put in place. The management plans also commonly known as ESMP or EMP while integrated with environmental plans will be developed in a matrix along with the details of cost, management technique, implementation time etc.

8.1.2 Resettlement Action Plan

131. Activities related to rural infrastructures, and development of market and other facilities could lead to land acquisition. This would affect the concerned families losing their prime farmland and assets on land and that may cause displacement of families requiring resettlement and/ or rehabilitation. A Resettlement Action Plan will be devised as per the World Bank policy guidelines in an attempt to minimize and/ or mitigate potential adverse social impacts as per the RPF provided in the previous chapter. The framework has defined different groups of potentially affected people with varied eligibility criteria. Based on the eligibility criteria and type of losses, the affected families/people will be provided compensation as well as resettlement and rehabilitation assistances.

132. The project will consider alternative designs to avoid land acquisition and minimize adverse social impacts. But where social screening indicates that land acquisition and/or loss of assets are unavoidable, a subproject Resettlement Action Plan will be prepared.

133. An entitlement policy matrix to this effect has been developed to mitigate the losses by types of categories of affected people viz owners, tenants, encroachers, squatters, communities etc (**Annex 7**).

8.2 Indigenous People Development Plan

8.2.1 Rationale

134. Based on the brief visit to the FANSEP project area and the likely interventions under the project, the project activities are unlikely to have major adverse impacts on vulnerable communities (VC) which includes indigenous people (Janajatis), Dalits, small and marginal farmers, women and landless households. However, as the subproject interventions and the locations are not clearly known at this stage, the possibility of VCs or IPs getting impacted adversely cannot be fully ruled out during implementation.

135. FANSEP project areas are scattered with complex population composition in many settlements. Because of multi-ethnic and caste composition where difficulties arise in separating indigenous population with vulnerable groups, the Bank Funded Projects often resort to the preparation, endorsement and implementation of Vulnerable Community Development Plan (VCDP) which is often interchangeable to IPDP.

8.2.2 Policy Objectives

136. Key objectives of the World Bank OP 4.10 Indigenous Peoples Policy are to: i) ensure that indigenous peoples affected by World Bank funded projects have a voice in project design and implementation ii) ensure that adverse impacts on indigenous peoples are avoided, minimized or mitigated and iii) that benefits intended for indigenous peoples are culturally appropriate. The policy is triggered when there is presence of indigenous peoples in the project area and there are likely potential adverse impacts on the intended beneficiaries of these groups. When this policy is triggered, an Indigenous Peoples Development Plan (IPDP) is prepared to mitigate the potential adverse impacts or maximize the positive benefits of the project interventions.

137. Social screening will help assess the potential impacts of sub-projects on VCs. If the activities, during social screening, are found to have adverse impacts on VCs, a Vulnerable Community Development Plan (VCDP) would be needed. However, if the activities are located in an indigenous people dominated area, an Indigenous People Development Plan (IPDP) will be prepared irrespective of the type of impact. The principal objectives of the IP-VCDF are to:

- Ensure that the project engages in free, prior, and informed consultation with affected communities, leading to broad community support for the project, with particular attention to vulnerable groups;
- Ensure that project benefits are accessible to the vulnerable communities living in the project area;
- Avoid any kind of adverse impact on vulnerable communities to the extent possible and if unavoidable ensure that adverse impacts are minimized and mitigated;
- Ensure vulnerable peoples' participation in the entire process of preparation; implementation and monitoring of the sub-project activities;
- Minimize further social and economic imbalances within communities; and
- Develop appropriate training / income generation activities in accordance to their own defined needs and priorities.

8.2.3 Potential Vulnerable Communities in Nepal

138. Generally, the vulnerable people and communities in Nepal are recognized as those living in remote location who are commonly very poor, landless, marginal farmers living below subsistence level and bonded laborers, woman headed, single women, household with disabled members. These are also the communities who have no or very limited access to public resources, and have almost no participation in the national level planning and policy decisions on development initiatives. Resource wise, these are the weakest section of people in the society depending upon the resources and income of other people and are always at high risk of getting into the vicious cycle of poverty.

139. In Nepal, the term indigenous people (Adhibasi) equates with ethnic groups (Janajati). The constitution of Nepal recognizes indigenous people as Janajatis or Nationalities. The National Foundation for Improving the Living Standard of Adhibasi/Janajati has defined indigenous people as 'those ethnic groups or communities who have their own mother tongue and traditional customs, distinct cultural identity, distinct social structure and written or oral history of their own'. Following this definition, the same source identified 59 groups in Nepal as ethnic indigenous groups or nationalities (Table 8.1).

Table 8.1 Indigenous Groups in Different Regions

Regions	Indigenous Groups	Total No.
Mountain	BarahGaunle, Bhote, Byansi, Chhairontan, Dolpo, Larke, Lhomi (Shingsawa), Lhopa, Marphali, Mugali, Siyar, Sherpa, Tangbe, Thakali, Thudam, Topkegola and Wallung.	17
Hills	Baramo, Bhujel, Chepang, Chhantyal, Dura, Fri, Gurung, Hayu, Hyolma, Jirel, Kusunda, Lepcha, Limbu, Magar, Newar, Pahari, Rai, Sunuwar, Surel, Tamang, Thami, Kumal, Yakkha and Tin Gaunle Thakali.	24
Inner Terai	Bankaria, Bote, Danuwar, Darai, Majhi, Raji and Raute.	7
Terai	Dhanuk (Rajbanshi), Dhimal, Gangai, Jhangad, Kisan, kushubadia, Meche, Rajbanshi (Koch) Satar (Santhal), Tajpuria and Tharu.	11
	Total	59

Source: NFDIN, *Indigenous Nationalities Bulletin (Issue 3) 2005*.

140. Adhibasi/Janajati among themselves are a diverse group who do not come under one economic system. Based on the economic status and social features, the National Foundation for Indigenous Nationalities (NEFIN) 2004 has classified the Adhibasi indigenous groups in Nepal into five different categories: (i) endangered, ii) highly marginalized, iii) marginalized, iv) disadvantaged and v) advantaged groups. The first and second category of the ethnic groups seems more delicate from the involuntary resettlement point of view in Nepal. The National Dalit Commission defines Dalits as most deprived social groups in the country, comprising some 13% of the total population. This group lags behind others in every human development indicators. Countrywide, about 4.5 million Dalits are estimated to be living below the poverty. The status of women, children and girls among Dalits are particularly worse.

8.2.4 Components of the VCDP

141. The VCDP will include mitigation measures of potential negative impacts through modification of project design and development assistance to enhance distribution of project benefits. In case of land acquisition or structural losses in vulnerable communities, the Project will ensure that their rights will not be violated and that they will be compensated for the use of any part of their land or property in a manner that is socially and culturally acceptable to them. The compensation measures will follow the RPF of the Project.

Outline Structure of a Vulnerable Community Development Plan

- i). Description of the Sub-Project and implications for local vulnerable groups and number and types by category of gender, caste, ethnicity and income level disaggregated baseline data impacted negatively and by losses from project interventions and the magnitude and nature of these impacts.
- ii) Natural resources and assets holding, land tenure and livelihood related information
- iii) Documentation of consultations with vulnerable groups to ascertain their views about project design and proposed mitigation measures.
- iv) Proposed assistance to these groups, including training and income generation activities
- v) Modalities to ensure regular and meaningful consultations with these groups on key issues during project preparation and implementation.
- vi) Institutional arrangement and linkage with other project arrangements
- vii) Monitoring and evaluation, indicating where being supplementary to the overall environmental and social monitoring
- viii) Cost estimate and financing plan
- ix) Implementation schedule

142. It is expected that a simple VC development strategy would be useful for most projects activities envisioned by the FANSEP. The respective cluster offices at the cluster level will prepare the VCDP/IPDP within the broader framework of the Project activities with support from cluster office and ESS specialist at project office.

8.2.5 Vulnerable Community Development Strategy

143. The vulnerable community development strategy aims to address major social issues related to VC/IPs identified during social screening of projects activities. Such issues may include the identification of social groups that have distinct identity in terms of their culture, language and social association from the prevalent dominant society. Because of these differences, they are vulnerable of being disadvantaged in the development process.

144. Specific measures for vulnerable groups including indigenous peoples, Dalits, minor ethnic communities, women, and deprived communities are outlined below.

- a. Conduct awareness raising and capacity building programs targeting the vulnerable communities viz indigenous people, women, Dalit, poor etc
- b. Take measures for enhanced participation as beneficiaries in project planning, implementation and monitoring
- c. Ensure equal wages for similar work during implementation
- d. Launch project information campaign to inform the target groups about the key features of the project and sub project.
- e. Preferential treatment and support to indigenous people, Dalits and other vulnerable communities for their participation where possible
- f. Provide specialized assistance, training/income generation activities based on the identified needs/ priorities of vulnerable people in the project areas.
- g. Provide targeted assistance/training aimed at vulnerable groups to enhance livelihoods and participation in the subcomponents
- h. Built in awareness campaign about the project in the subproject
- i. Build capacity of indigenous peoples, Dalits and other vulnerable communities promoting necessary knowledge and skills to participate in subcomponent activities
- j. Develop capacity through trainings on skill enhancement (handicraft etc) of local people.

8.2.6 Additional Supports

145. For the identified vulnerable groups, additional support measures should include concrete activities that directly contribute to their improved livelihood, income and living standard. These would include measures, however, not limited to the followings.

- Agriculture assistance (skill training, inputs)
- Entrepreneurship/skill development training (basic/ advanced depending upon vulnerability levels)
- Social awareness programs
- Health awareness programs
- Employment opportunities in the project
- Community development programs (schools, electrification, health support etc)

146. More details of the entitlements that will be provided to the affected vulnerable people, especially to those who already have limited land holding and income source and are further affected adversely by land take, due to project activities are presented in the entitlement matrix of this framework.

8.2.7 Consultations

147. Consultation is the cornerstone in planning, preparing and implementing the VCDP. Free, prior and informed consultation with the indigenous/ vulnerable people and their organizations at different levels will ensure that culturally appropriate and collective decisions are made so that good faith consultation and informed decisions are made to positively contribute the process of project preparation and implementation. However, the need to organize consultations with the national level bodies will be considered only if local level consultations at subproject levels are found inadequate.

148. The consultation strategies in the proposed project will ensure that all the institutional and non-institutional stakeholders including the indigenous / vulnerable people will be adequately covered and their community needs, interests and expectations are raised openly in a transparent manner to reach common consensus. Best practices of consultation strategies are:

- Well targeted, early and informed,
- Meaningful, two-way and inclusive, and
- Well documented and localized.

8.2.8 Preparation of VCDP and Disclosure

149. The consultant, in consistent with this framework, will prepare the subproject / group specific plans, once screening of the areas reveals the presence of indigenous/ vulnerable groups in the site. Competent social expert and other members will be engaged to collect the information using different survey techniques/ instruments. The VCDPs will be prepared using standard outlines.

150. Once VCDPs are prepared they will require to be disclosed as per Bank's Policy (Infoshop, Project website, concerned Municipalities, other public places). The documents also need to be translated in local language to enable local people to read, understand and provide their feedback.

8.3 Gender Development Plan

8.3.1 Gender Issues

151. The gender issues in farming communities identified in the field visit are inadequate awareness, low level of literacy, denial of opportunities, poor participation in decision-making, inadequate technical knowledge, disparity on wages, and limited access to and control over resources and markets.

152. In view of the critical gender issues that are widespread and profound in Nepalese society, the ESMF outlines the areas where women need specialized supports or assistances (refer ESMF 7.5.5.2 Framework for Gender Development Policy, the WB). Provisions will be made whereby women's participation would be enhanced in gender responsive manner. Purposefully, the project will ensure that women workload will not be substantially increase due to FANSEP activities. The Gender Development Policy Framework spells out the specific issues linking with the corresponding strategies and activities which will be given due consideration in FANSEP. This will ensure women's participation to benefit from project activities.

8.3.2 GoNPolicies on Gender Mainstreaming

153. GoN, since the early 1990s, has been making important commitments to gender equity, equality and the empowerment of women and vulnerable groups in its policies, plans and programs. The GoN introduced a Gender Approach to Development (GAD) in 1990 to enable women and men to participate equally in public and private life and realize their full potential in development. The Tenth Plan (2002-2007) as a Poverty Reduction Strategy Paper (PRSP) identified gender and inclusion as its main strategies for reducing poverty. 'Social inclusion and targeted programs' was one of the four major pillars of the Tenth Plan/PRSP. The Plan, instead of relying only on targeted programs, tried to address gender and caste related issues by mainstreaming all of the four pillars of PRSP along with envisaged strategies to achieve gender equality and empowerment of women. The Three Year Interim Plan (TYIP) during 2008-2010, which emphasizes post conflict reconstruction, rehabilitation and reconciliation, continued the long-term goal of poverty reduction through gender mainstreaming and social inclusion. Likewise, the current 14th Plan (2015-2018) has a chapter on gender equity, inclusion and mainstreaming. This plan has provided several strategies and activities to gender mainstreaming and empowerment by ensuring equal

participation in social and economic opportunities. This project will take as main guidance and harmonize with the key strategies of 14th Plan. Among others, FANSEP will ensure participation of women in all processes and steps of FANSEP to such extent that they will be able to actively and meaningfully participate and influence the decision making in their favor and welfare.

154. National level policies and plans duly emphasize the importance of women in all spheres ranging from household to community and national level. Realizing the increased potentiality of women in the socio-economic and political sectors, the government has increasingly provided more space for increased participation of women. In addition, the constitution of Nepal has elevated the level of the National Women Commission to a constitutional entity/commission. This commission is empowered to oversee the issues of women and take protective and defensive measures to address their issues and problems at all levels and in any forms viz domestic violence, women's right to properties and representation in the key positions with fair proportions.

155. Article 18 (Right to Equality) of the Constitution of Nepal 2015 states that 18. Right to equality: (1) All citizens shall be equal before law. No person shall be denied the equal protection of law; (2) No discrimination shall be made in the application of general laws on grounds of origin, religion, race, caste, tribe, sex, physical condition, condition of health, marital status, pregnancy, economic condition, language or region, ideology or on similar other grounds, and (3) the State shall not discriminate citizens on grounds of origin, religion, race, caste, tribe, sex, economic condition, language, region, ideology or on similar other grounds.

156. Similarly, Nepal is signatory of number of international human rights related conventions and declarations, which call for the elimination of all forms of gender based discrimination, including those related to access to education, health and other services. The Convention on the Elimination of all forms of Discrimination against Women (CEDAW), signed by the GoN in 1991, commits Nepal to constitutional and legal equality, particularly in the fields of education, health, citizenship, property and employment. It also guarantees freedom from all kinds of violence and sexual exploitation

8.3.3 Gender Inclusive Design and Preparation of GAP

157. The gender inclusive design criteria emphasizes on the initiatives and promotion of women focused and women friendly activities through which their potentiality could be harnessed and utilized in FANSEP. This requires targeting the women in providing the project supports that match well with their needs, interest and abilities in the following ways.

- Increased targets for women's participation and / or access to project benefits viz education, skill training, forming/ strengthening beneficiary groups in FANSEP;
- Women representation in different forums and local development activities inclusive working opportunities in FANSEP supported works;
- Hiring / recruitment of females in the project both at central and field level such as local social mobilizers, trainers and facilitators;
- Special or separate facilities for women or girls to facilitate their participation in project activities;
- Design of gender sensitive physical facilities i.e separate sanitation facilities in school, construction site if women are employed; public places like markets, etc, and
- Provision for women or joint ownership of assets viz land and houses where possible

8.3.4 Gender Development Plan

158. The suggested Gender Development Plan under FANSEP is presented below (Table 8.2).

Table 8.2: Suggested Gender Development Plan

Gender Issues	Strategy	Proposed Activities
Lack of awareness	Awareness campaign about the project for the communities focusing on the vulnerable groups including women.	<p>Outreach to women and vulnerable groups for initial data gathering activities such as for capacity needs assessment and situational analysis</p> <p>Share information about the project benefits in Nepali language using different means.</p>
Excluded from Opportunities	<p>Gender sensitization to all stakeholders.</p> <p>Ensure Women's participation during meetings, project implementation and monitoring;</p> <p>Ensure that women participate in subproject beneficiary groups and also in key decision making positions</p>	<p>Carry out meetings and interaction program with and orientation to women in the project area.</p> <p>Ensure at least 65% of women participation as beneficiary farmers organizations and 33% women in governing committees</p> <p>Ensure at least 65% women in capacity building training sessions</p> <p>Prepare and deliver gender sensitive training contents as well as enabling environment for their maximum participation such as close proximity, child care services, and time flexibility</p> <p>Ensure representation of women in the grievance redress committee.</p>
Disparity in Wages	<p>Accord priority employment to women in construction activities under the project.</p> <p>Promote equal wages for equal work</p>	<p>Inform women groups regarding proposed subproject activities.</p> <p>Identify women interested to work; assess their skills and involve them as per their capabilities.</p> <p>Monitor women's wage rate and do the needful to ensure wage equality for similar type of construction works.</p> <p>Inclusion of the above elements in the contractors' bidding documents.</p> <p>Prepare clause to be included in civil work contract documents to prevent discrimination in employment on the basis of sex, caste, religion and ethnicity.</p> <p>Maintain sex, caste, ethnicity disaggregated data at the subproject and PIU level of employed women</p>
Low access to finance and other resources	Accord gender criteria in the selection of small grants proposals	<p>Gender criteria in the selection process of small grant proposals and financing of small business plans</p> <p>Additional support to women led producer</p>

Gender Issues	Strategy	Proposed Activities
		groups or small agro-businesses to improve linkages with markets
Limited access to technology	Provide targeted support in accessing improved agriculture technology	Ensure female farmers adopt improved agriculture technology Ensure female farmers reached with agricultural assets or services
Poor nutrition of mother and child	Improved nutrition security	Target nursing mothers and children under two years (1000 day mothers) with improved nutrition services and products

159. Gender Development Plan includes activities and sub-projects to increase opportunities for women to operate business, create self-employment develop entrepreneurship by operating business and income generating activities, but focused on improvements in food security and nutrition practices.

8.3.5 Monitoring

160. In FANSEP activities disaggregation of data at the community and group level will be carried out. The data needs to be disaggregated by household, ethnicity and gender to determine their appropriate representation in the project activities. The disaggregated data will provide a basis and the project activities should be directed to the intended beneficiary.

161. Monitoring of GAP will be carried out for key indicators such as women as beneficiaries of FANSEP subprojects and women's access to training, skill, technologies as well as change in employment, income and livelihoods of women as a result of their participation in FANSEP. Also women's participation in key decision making positions in the committees affecting their socio-economic status and opportunities will be captured through monitoring.

8.4 Capacity Building for Integrated Environmental and Social Management

162. The institutional analysis for implementation of ESMF indicated that, although institutions expertise in their sector is satisfactory, their environmental management capacity is generally weak. MoALMC's Gender Equity and Environment Division (GEED) has limited capacity in terms of manpower and inadequate experience of managing social and environmental issues of projects like FANSEP. There is no environment section or unit within the Department of Agriculture or within Department of Livestock Services. Environmental and Social Management Capacity of participants is also poor. In order to bridge this capacity gap, the project, therefore, will strengthen the environmental management capacity at different level through:

- Providing adequate human resources (social/environmental competency) at the centre (at PMU). During the project period, one Environmental Specialist and one Social Specialist will be recruited to support PMU in environmental and social functions. These specialists will develop guidelines and , screening procedures of subprojects, , conduct environmental and social assessments if necessary, review social and environmental management plans, support M&E Office in monitoring, facilitate third party auditing, document grievance related works, keep record, and support orientations and training activities. They will work jointly with the MoALMC staff

so that skills and know-how is gradually transferred, and at latter part of the project MoALMC could take full responsibility.

- Providing social and environmental competency at clusteroffice will includeservices from the respective government offices at municipality. They will be responsible for initial screening of the VCDP and sub-proposals/activities, managing environmental and social assessments, regular monitoring of the safeguard measures/actions implementation, and orientations on social and environmental requirements to the value-chain participants.
- Training activities tailored to the needs of different stakeholders will be identifiedthrough the, cluster offices with support from the rural municipality offices.The services of the environment and social safeguard for training government officials could also be outsourced from outside.

163. Some of the environmental and social orientations and trainings tailored to the needs of the different stakeholders will be organized prior to and during early stage of FANSEP implementation.

9 ESMF IMPLEMENTATION ARRANGEMENT

164. The overall implementation of the ESMF will be the responsibility of FANSEP. For clarity, the implementation arrangements have been discussed below at two phases: i) preparation phase ii) implementation phase.

9.1 Preparation Phase

165. The proposals received from the beneficiary entity/stakeholder for FANSEP supported activities will be screened by CO/TASP as per the requirement of ESMF. The proposals will be framed to contain information needed for the screening (beneficiary institutions may be asked to provide additional information if the information is not sufficient). The screening will determine whether there is need for further activities like IEEs or EMPs. The responsibility of preparing IEE/EMP will be with the beneficiary institution/entity. However, considering the weak capacity of some of the party/entity technical support/guidance will be provided by FANSEP as and when necessary. During the preparation phase FANSEP will give training awareness program to all the recipient institutions on EMF. The grant recipient's proposal will not be accepted until all environmental safeguard requirements are cleared.

9.2 Implementation Phase

166. The grant recipient farmers or entity will be responsible for implementing environmental mitigations, obtaining necessary permits (if needed), implementing the EMPs and management plan cited in the approved IEEs etc. FANSEP will give technical support/guidance to the party/institution whenever required, environmental and social specialist may be outsourced as necessary. The recipient institutions will conduct regular monitoring of the environmental and social issues and the report will be submitted to FANSEP as part of the periodic progress report.

167. The compliance monitoring will be conducted by CO. In addition, PMU will recruit an independent third party to undertake environment and social safeguard study during the mid-term to ensure that safeguard measures are adequately complied with.

9.3 Technical Support for Implementing Environmental and Social Safeguard Measures

168. The environmental and social safeguard consultants will be recruited by the FANSEP and work directly under the project director to ensure the compliance with environmental and social safeguard measures. Considering the nature of the project both Environment Specialist and Social Specialist is required in the project. However, if only one specialist is recruited on a full time basis, then technical expertise required for the project from other specialist will have to be outsourced on a need basis. The consultants will introduce the environmental and social safeguard requirements in agriculture sector, train the agriculture experts in areas of environmental and social safeguard. The consultants shall provide "on the ground" training to prepare site specific EMP and to fulfill the requirements of ESMF for FANSEP. Table 9.1 shows the roles and responsibilities of personnel to be engaged in ESMF compliance.

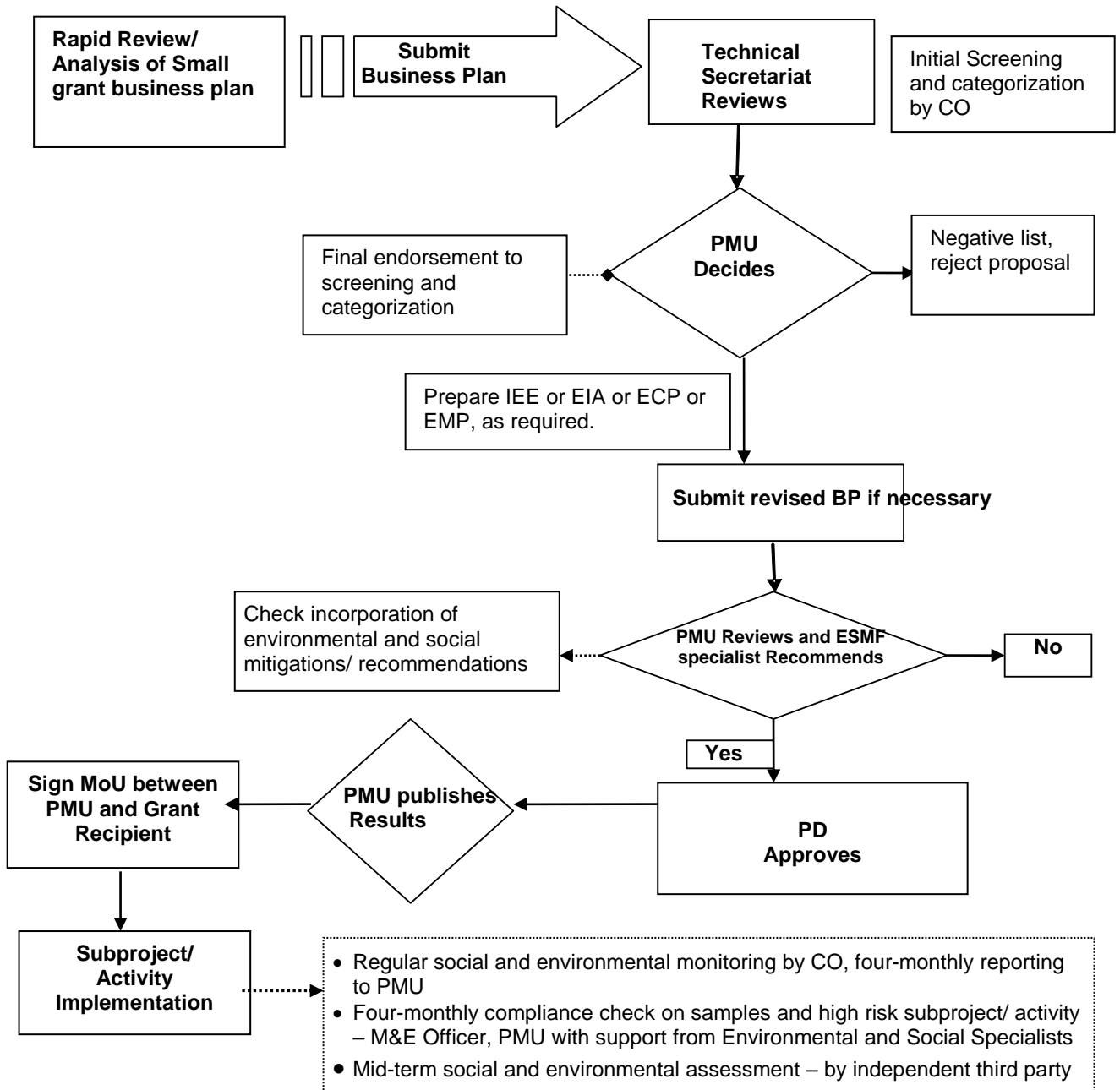
Table 9.1 Roles and Responsibilities in ESMF Implementation

S.N	Title of Person	Roles and Responsibilities	Remarks
1	Project director	<ul style="list-style-type: none"> • Selection of environmental and social safeguard consultants • Ensure compliance with ESMF • Quality Control/Quality Assurance on ESMF/EMP • Finalization of report, correspondence with WB 	
2	Environmental safeguard Consultant and Social Safeguard Consultants (Full time)	<ul style="list-style-type: none"> • Assist the project director for ESMF compliance • Assist the PMU, Cluster Office and grant recipient on preparation of site specific EMP, provide training and technology transfer to recipient entity, conduct IEE/EIA of project (as deemed required) • Provide overall safeguard related training to project staff, integrate environmental and social components in project cycle, follow up and monitoring. • Prepare monthly, trimester and annual environmental report 	
3	Social officer and Environmental Officer (at each cluster office level)	<ul style="list-style-type: none"> • Integration of ESMF compliance at regional projects, support to cluster office and GaunPalika and other officials in ESMF implementation • Work closely with grant recipient in filling up environmental screening checklists, forms, formats, preparation of required documents • Perform compliance monitoring, impact monitoring, ensure the site specific mitigation • Provide environment and social safeguard related trainings and • Preparation of monthly, trimester, annual report summarizing environmental and social report of projects. 	
4	Cluster Office	<ul style="list-style-type: none"> • Compliance with ESMF, preparation of EMP, site specific monitoring • Reporting the PMU on ESMF issues, grievances with recommendations for possible solution 	Person responsible to oversight activities on the ground
5	Monitoring & Evaluation Specialist	<ul style="list-style-type: none"> • Monitoring of compliance of ESMF and EMP by the third party 	

9.4 Institutional Arrangement for Integrated Environmental and Social Management

169. The institutional mechanism for implementing ESMF is integral to the overall FANSEP implementation mechanism (Figure 9.1). The Form for Rapid Social and Environmental Review/Analysis of VCDP will be filled in by municipality office, which will be reviewed by CO and approved by PMU with support from ESMF specialist. Responsibility for conducting EA and SA and preparing EMP, RAP etc. lies with the respective cluster office officers with support from PMU. The detailed activities must include EA and SA of each activity as well as EMP, RAP, as relevant. PMU will have the services of Social and Environmental Specialists, whenever required. Regular monitoring of each activity is the responsibility of the cluster office, while PMU will periodically monitor compliance on sample basis. An independent third party will do auditing at the mid-term.

Figure 9.1: Integrated Environmental and social steps and institutional arrangement.



9.5 Consultation and Communication Strategy Framework

170. FANSEP financed small grants will involve beneficiaries from a large number of farming communities, processors, traders, and entrepreneurs from public and private sector. Community consultation process to make the potential beneficiaries participate in decision-making, and giving them opportunity for broad-based community involvement in the FANSEP program will be developed. Attempts will be made to develop the guidelines more generic and keep them flexible and have room for its adaptation to the needs of the communities. Community consultation protocols such as stakeholders mapping, consultation schedule, and information disclosure will be prepared. Well-designed information, education and communication strategies, which can help participation of stakeholders, are developed (refer ESMF 7.5.6 Consultation and Communication Strategy Framework, the WB). Activities for social mobilization of community at different phases of project will be prepared.

9.5.1 Public Consultation

Modes of Consultations

171. Arrange of formal and informal consultative methods shall be carried out for all FANSEP supported sub projects including, but not limited to: focus group discussions (FGDs), public meetings, meeting with user's group, Key Informant Survey, community discussions, and in-depth and key informant interviews; in addition to surveys. Consultations will be held with special emphasis on vulnerable groups. The consultations shall be continued from the pre planning phase, planning phase, feasibility phase, construction and operation phases of the sub project. Encouraging stakeholders' participation in consultations informs the public and serves as a venue for the public to express their opinion on priorities which the Project should address. During the consultation the project director/environmental and social safeguard specialist (at center, PMU), and Cluster director shall disseminate the environmental and social safeguard requirements for the project. It is to be noted that for projects specific IEE/EIA, consultations are also required at different stages.

172. The key stakeholders to be consulted during project preparation, and program implementation includes:

- All affected parties and vulnerable households;
- Project beneficiaries;
- Host population in resettlement sites (if any);
- Community leaders, and representatives of community based organizations;
- Farmers group, Farmers cooperatives, Private firms, Local NGOs;
- Officials of municipalities and relevant government agency representatives.

173. Arrange of formal and informal consultative methods shall be carried out for all FANSEP supported activities including, but not limited to: focus group discussions (FGDs), public meetings, meeting with user's group, Key Informant Survey, community discussions and in-depth and key informant interviews; in addition to surveys. Consultations will be held with special emphasis on vulnerable groups. The consultation shall be continued from the pre planning phase, planning phase, feasibility phase, construction and operation phase of the activities. Encouraging stakeholders' participation consultations informs the public and serves as a venue for the public to express their opinion on priorities which the project should address. During the consultation the project director/environmental and social safeguard specialist (at center, PMU), requirements for the project. It is to be noted that for project specific IEE/EIA, consultations are also required at different stages.

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- All affected parties and vulnerable households;
- Project beneficiaries;
- Host population in resettlement sites (if any);
- Community leaders, and representatives of community based organizations;
- Farmers group, Farmers cooperatives, Private firms, Local NGOs;
- Officials of municipalities and relevant government agency representatives.

9.5.2 Information Disclosure and Dissemination

175. For IEE/EIA studies, the information disclosure and dissemination requirements shall follow GoNEPA/EPR requirements. The public notifications, disclosures, and public hearings shall follow the GoN requirements.

176. Summaries of the ESMF will be made available in Nepali language to the offices and recipient parties, local NGOs, and public offices in the project site shall obtain a copy of ESMF from the PMU. The draft and final ESMF will be disclosed in the websites of MOALMC and the World Bank and made available to stakeholders. Information dissemination and consultation will continue throughout program implementation.

177. For all activities under FANSEP, information will be disseminated to beneficiaries at various stages. In the initial stage, the regional office will be responsible for informing potential stakeholders/affected parties/persons (APs) and the general public of the project about the land acquisition requirements through leaflets and publication in local media outlets and newspapers. FANSEP with support from regional office will conduct consultations and disseminate information to all beneficiaries during these initial stages to create awareness of the project.

178. In the implementation stage, the FANSEP cluster offices will provide information to beneficiaries regarding the environmental requirements and criteria to be met by the project in appropriate mode and means of communications. Basic information such as project location, impact estimates, entitlements, safeguard requirements and implementation schedule will be presented to stakeholders. These will enable stakeholders to provide inputs on the resettlement process, prior to award of civil work contracts.

9.6 ESMF Disclosure and Dissemination

179. The ESMF disclosure and dissemination stages in FANSEP are highlighted in the table below

S.N	Stages of Project	Information dissemination Approach and targeted audience	Remarks
1	Preparation of ESMF for FANSEP	Disclosure through print and electronic media. Uploading into website of MOALMC and	A copy of ESMF shall be provided to requested person/parties who are interested to review it.
2	Prior implementation of FANSEP	Disseminated to all the stakeholders	

S - N	Stages of Project	Information dissemination Approach and targeted audience	Remarks
3	During FANSEP Implementation Stage	The experts/firms/contractors recruited through FANSEP will disseminate the components /aspects of ESMF to stakeholders	
4	Monitoring and Evaluation Stage	The ESMF compliance and need for improvements will be shared by FANSEP to recipient institutions along with disclosure of M&E report	<p>Based on finding of M&E report. The process of participatory monitoring and evaluation (M&E) is advisable. Beneficiary committees can be formed for monitoring and supervision of the activities of FANSEP. The process should also ensure that the project benefits have properly reached the affected people and the execution of the project sticks to its original design so that social compliance is achieved.</p> <p>Following tasks are essential in this stage:</p> <ul style="list-style-type: none"> • Ensuring the implementation of the ESMF and timely delivery of entitlements (Consultation Role) • Ensuring that the ESMF is implemented according to a designed plan <p>Reporting (Information Role) Reporting is an important aspect of the M&E process. Periodical reporting is important to generate information on the progress of the work undertaken. The status of the implementation of the ESMF and progress has to be documented</p>
5	During Reporting Stage	The details of ESMF compliance in FANSEP and related	Based on findings of annual Project report of FANSEP

180. During the preparation of ESMF, the consultations were held with the central level stakeholders and project personnel.

9.7 Grievance Redress Mechanism

181. GRM mechanism will be established at the PMU and cluster levels. This will ensure attending people's concern at various levels. Initially, the CO level will collect grievances and notify to PMU, but these will be addressed and settled at cluster office. A committee at cluster level will be established with representation from related agencies from various sectors including the representation from Grant Recipients (GR). Any grievances that cannot be handled by the cluster office will be forwarded to the PMU with all the required information. The PMU will respond to these grievances and PMU may direct the cluster

office or undertake appropriate measures by itself. For handling grievances not resolved through the PMU, a committee at the PMU, chaired by the higher officials from MOALMC with representation from related government agencies will be established. There will be delineation of the authorities at these levels in terms of addressing the issues. The effort will be to sort out issues at local level and if not that will be referred to the PMU level.

182. Disputes are expected to be minimal and it is expected that through a participatory process, acceptance of the projects and grievances can be minimized. However, it is necessary to establish an effective grievance redressed mechanism to address complaints/grievances related to environmental and social issues that may arise. Any grievances and objections regarding the environmental concerns of the project will be referred to the Grievance Redressal Committee (GRC).

10 MONITORING AND REPORTING

10.1 Monitoring

183. The ESMF requires detailed supervision, monitoring and evaluation of the impact of the subproject on the environment and social aspects. For this purpose a Monitoring & Evaluation (M&E) system will be established at the FANSEP. PMU will be responsible for implementing ESMF for periodic internal monitoring to ensure ESMF implementation. Internal monitoring will be carried out focusing on outcomes, outputs and implementation progress for each sub-grant. FANSEP will establish ESMF unit or outsource an independent agency for regular monitoring on need basis.

10.2 Responsibility of Monitoring

184. Recipient institution (MoALMC) has prime responsibility for regular monitoring; besides FANSEP through CO and PMU will be doing for compliance monitoring as well as final evaluation. The midterm and final term monitoring shall be done by the independent expert/specialists. The regular monitoring includes;

- Adherence with ESMF for FANSEP
- Compliance with ESMF including mitigation measures
- Compliance monitoring of contractor in construction work
- Regular on-site environmental monitoring

10.3 Proposed Monitoring Framework for FANSEP

Monthly Monitoring

185. As per the ESMF, the ESM specialist will prepare monthly based on the information from cluster offices and local service provider. If these agencies require any technical support/guidance, PMU will timely respond and provide assistance either through the TA or recruiting external specialist as well. Each progress reports will duly report on environmental status, mitigations works implemented, difficulties encountered and unforeseen issues. The checklist, forms, formats, guidelines of ESMF shall be followed.

Trimester Monitoring

186. The trimester monitoring on ESMF compliance, the logistics and support required for such type of monitoring is included in ESMF. The ESMF forms, formats, guidelines shall be followed. A trimester monitoring report shall be prepared by PMU with the assistance of the cluster and local service providers based on the reporting by the recipient institutions (farmer groups, cooperatives or any agencies receiving FANSEP's direct financial assistance or small grant). This report will also be shared with WB.

Third Party Monitoring

187. FANSEP will outsource this activity to independent consultant/firm/institution/expert to conduct third party monitoring of ESMF compliance. The mid-term monitoring report shall be prepared and submitted to MoALMC which will be shared with WB as well.

ANNEXES

Annex 1: Socio-economic condition of the Project Districts

District	Population by Caste Groups					Total	Population by Gender	
	Brahmin/Chettri	Tarai/Madhesi Other Castes	Dalits	Adivasi/Janajatis	Others		Male	Female
A. Mountain and Hill Districts								
Dolakha	81213	267	16355	88307	277	186557	87003	99554
Sindhupalchowk	93290	516	21383	171454	284	287798	138351	149447
Dhading	106449	1062	39276	181106	1246	336067	157834	178233
Gorkha	76270	428	44264	141495	3285	271061	121041	150020
B. Terai Districts								
Dhanusa	54032	408589	127106	79947	66425	754777	378538	376239
Mahottari	63892	281714	103920	86318	85217	627580	311016	316564
Siraha	21600	323772	140194	86237	51130	637328	310101	327227
Saptari	32864	217291	153528	131681	77787	639284	313846	325438

District	Household Number	Total Area Sq.km	Agriculture land (Ha)	Ag land per HH (ha)	Holdings without land No.	% HHs without land
A. Mountain and Hill Districts						
Dolakha	45688	2191	26,842.70	0.59	106	0
Sindhupalchowk	66688	2542	34779.6	0.52	63	0
Dhading	73851	1926	35,385.30	0.48	392	1
Gorkha	66506	3610	31,484.40	0.47	462	1
B. Terai Districts						
Dhanusa	138249	1180	72,165.1	0.52	8,431	6
Mahottari	111316	1002	67853	0.61	9,327	8
Siraha	117,962	1188	78,642.00	0.67	8,376	7
Saptari	121,098	1363	73,685.30	0.61	8,756	7

Food availability and requirement of cereals in project districts

District	Total food availability and requirement of cereals in 5 yrs			
	Average edible prod	Average requirement	Average balance	Avg Balance %
A. Mountain and Hill Districts				
Dolakha	18204.8	34863.6	-16658.8	-47.8
Sindhupalchowk	69196.6	54137.8	15058.8	27.8
Dhading	54848.8	67327.6	-12478.8	-18.5
Gorkha	63160	53200	9960	18.7
B. Terai Districts				
Dhanusa	161551.2	143292.6	18258.6	12.7
Mahottari	100707.6	120509.2	-19801.6	-16.4
Siraha	75670.2	119845	-44174.8	-36.9
Saptari	85976.2	120629.2	-34653	-28.7

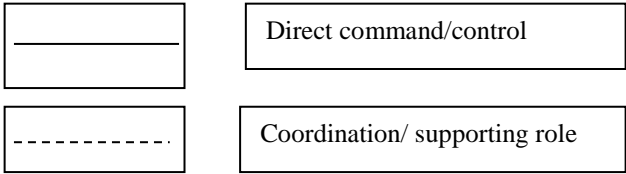
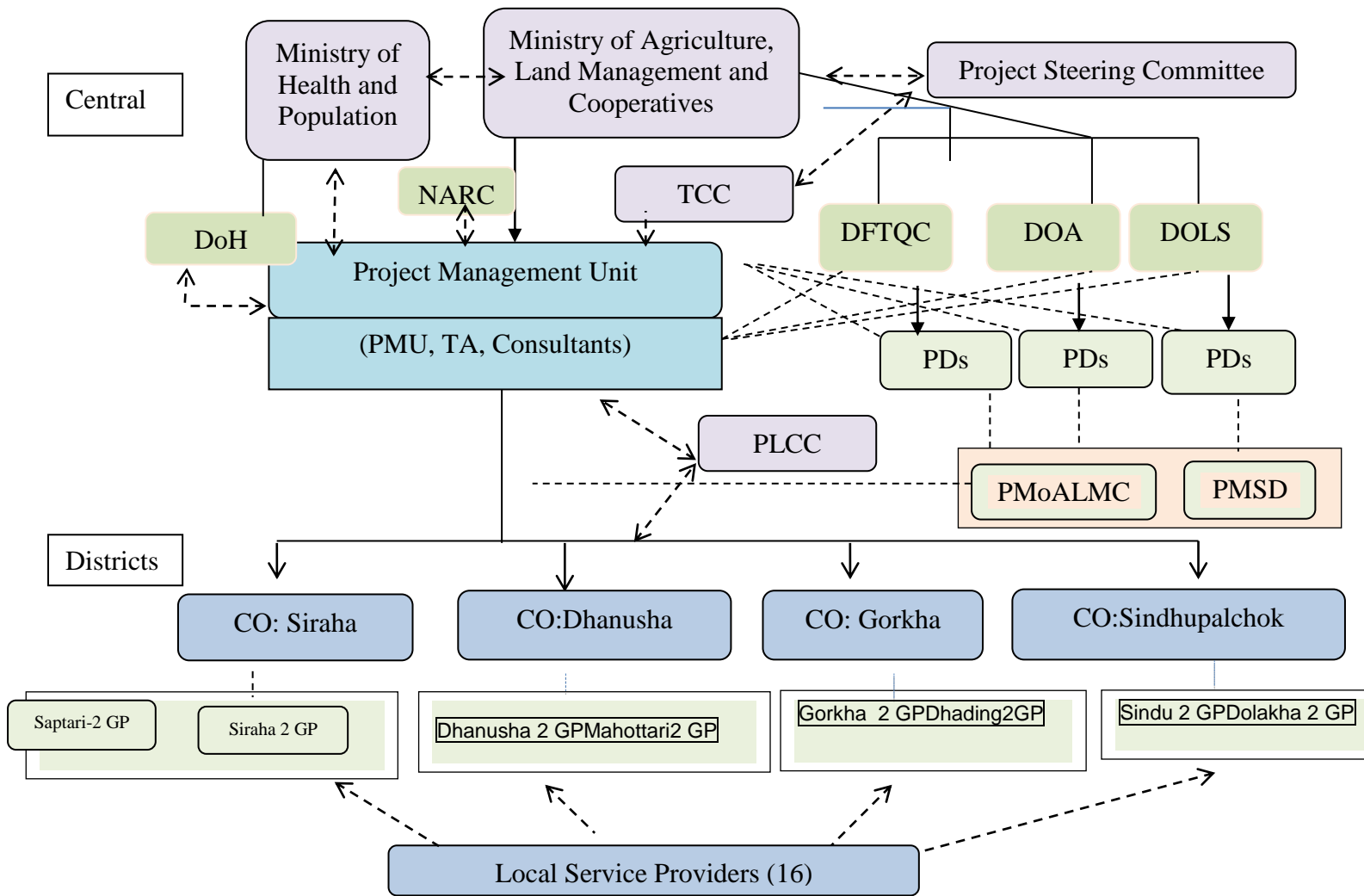
Annex 2: Population status of Indigenous People

District	Total Household Number	Total Pop ⁿ as per census 2011	Population of Ips			
			Male	Female	Total	% of Total
A. Mountain and Hill Districts						
Dolakha	45688	186557	41731	46576	88307	47.34
Sindhupalchowk	66688	287798	83611	87843	171454	59.57
Dhading	73851	336067	85154	95952	181106	53.89
Gorkha	66506	271061	63164	78331	141495	52.20
B. Terai Districts						
Dhanusa	138249	754777	39458	40489	79947	10.59
Mahottari	111316	627580	42303	44015	86318	13.75
Siraha	117,962	637328	41321	44916	86237	13.53
Saptari	121,098	639284	62692	68989	131681	20.60

SN	District	Status of Ips	No. of Ips	Male	Female	Total
1	Dhading	Disadvantaged	7	22645	27101	49746
		Highly Marginalized	5	8207	8129	16336
		Marginalized	7	37427	41386	78813
		None	2	16875	19336	36211
	Dhading Total		21	85154	95952	181106
2	Dhanusha	Disadvantaged	7	5101	5290	10391
		Endangered	2	98	98	196
		Highly Marginalized	6	22785	23302	46087
		Marginalized	8	8567	8883	17450
	Dhanusha Total		28	39458	40489	79947
3	Dolakha	Disadvantaged	6	8491	9266	17757
		Endangered	1	25	20	45
		Highly Marginalized	3	8283	8832	17115
		Marginalized	3	16744	19133	35877
	Dolakha Total		15	41731	46576	88307
4	Gorkha	Disadvantaged	7	27517	34633	62150
		Highly Marginalized	3	18572	23047	41619
		Marginalized	6	7766	8906	16672
	Gorkha Total		17	63164	78331	141495
5	Mahottari	Disadvantaged	7	7427	7838	15265
		Endangered	1	4	7	11
		Highly Marginalized	5	21467	22255	43722
		Marginalized	6	10501	10951	21452
	Mahottari Total		25	42303	44015	86318
6	Saptari	Disadvantaged	8	3095	3345	6440
		Endangered	4	118	132	250
		Highly Marginalized	4	21334	21834	43168
		Marginalized	9	36326	41694	78020
	Saptari Total		32	62692	68989	131681
7	Sindhupalchowk	Disadvantaged	6	7853	8045	15898
		Endangered	1	6	7	13

SN	District	Status of Ips	No. of Ips	Male	Female	Total
		Highly Marginalized	4	7264	7870	15134
		Marginalized	6	49766	51899	101665
		None	4	18722	20022	38744
	Sindhupalchowk Total		21	83611	87843	171454
8	Siraha	Disadvantaged	5	4471	4786	9257
		Endangered	5	80	79	159
		Highly Marginalized	6	17443	19533	36976
		Marginalized	7	17240	18404	35644
		None	5	2087	2114	4201
	Siraha Total		28	41321	44916	86237
	Grand Total		187	459434	507111	966545

Annex 3: FANSEP Governance Structure



MoALMC: Ministry of Agriculture, Land Management and Cooperatives
 PMoALMC: Provincial Ministry of Agriculture, Land Management and Cooperatives
 PMU-Project Management Unit
 TCC-: Technical Coordination Committee, PLCC- Provincial Level Coordination Committee
 CO- Cluster Office
 PMSD: Provincial Ministry of Social Services
 PD: Programme Directorates (Subject Specific)
 GP: GaunPalika

Annex 4: List of Banned Pesticides in Nepal

SN	Name of Pesticide	Remarks
1	Chlordane	Persistent organic pollutant
2	DDT	Persistent organic pollutant
3	Dieldrin	Persistent organic pollutant
4	Endrin	Persistent organic pollutant
5	Aldrin	Persistent organic pollutant
6	Heptachlor	Persistent organic pollutant
7	Toxafen	Persistent organic pollutant
8	Mirex	Persistent organic pollutant
9	BHC	
10	Lindane	
11	Phosphamidon	
12	Organo mercury fungicides	
13	Methyl parathion	
14	Monocrotophus	

Annex5: Environment Screening Criteria

SN	Checklists	Compliance to the standards/criteria		
		Yes	No	No information
1	Does project is likely to cause soil erosion?			
2	Are there any possibilities to harm cultivated/arable land due to this project?			
3	Is this project likely to degrade/reduce the quality of the drinking water?			
4	Is this project likely to use chemical fertilizers excess to the agreeable amount (beyond the recommendations)?			
5	Is this project likely to use chemical pesticides excess to the agreeable amount (beyond the recommendations)?			
6	Does the proposed project/activity intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?			
7	Is the proposed project being implemented in areas surrounding national parks or protected areas?			
8	Is the proposed project being implemented in areas surrounding forest or wildlife areas other than national parks and protected areas?			
9	Is the project being implemented in open forest land and likely to loss biodiversity and harm young leaves/twigs?			
10	Will the proposed proposal be implemented in the areas surrounding water bodies, lakes and ponds and intend to use or depend on them for the implementation, likely to dry them?			
11	Will the proposed proposal be implemented in areas located in high risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to annually flooding, or in areas causing large-scale soil erosion?			
12	Will the proposed proposal involve land clearance on very steep slopes?			
13	Will the proposed sub-project be implemented in the areas surrounding heritage site/religious temple/religious site/grave yard?			
14	Will the proposed proposal involve logging?			
15	Will the proposed proposal endanger indigenous plant species of ecological significance?			

SN	Checklists	Compliance to the standards/criteria		
		Yes	No	No information
16	Will this project cause/involve in any activities which could harm human health/hazard			
17	Will the proposed proposal use banned pesticides and chemicals?			
18	Will this sub-project or its activities cause transfer of communicable livestock diseases			
19	Is this sub-project likely to cause any other negative environment effect apart from those listed above (1-18). If yes, list them			
20	Has this sub-project formulated EMP? If response is "No" to 1-19 questions? Please note that the project shall not finance if there is even is one "yes" in above 19 questions			

Annex6: Checklist for social screening

SN	Checklist for social screening	yes	No	No information
1	Will the proposed proposal cause displacement or relocation of families due to implementation or construction of infrastructure?			
2	Will the proposed proposal require some families losing their farm land and assets on the land?			
3	Does this project/sub-project discriminate wage by virtue of gender, caste, and ethnicity in the project area?			
4	Will the proposed proposal involve activities that are likely to make irreversible adverse impact on indigenous communities, women and vulnerable groups?			
5	Will the proposed proposal include any activity that promotes or involves incidence of child labor?			
6	Will this sub-project risks spread of communicable diseases such as STDs and HIV/AIDS due to increased labor force			

Annex 7: WB Guidelines on Entitlement for types of loss of assets

Type of Loss	Entitlement Unit	Description of Entitlement/Compensation Policies	Implementation Procedures	Remarks
Loss of private land	Title holder Tenant	<p>Provide compensation at full replacement cost, or</p> <p>2. Provide full title to land of equal area and productivity acceptable to owner in the vicinity.</p> <p>3. If land is not available elsewhere then provide cash compensation at full replacement cost based on current market rate or Government rate whichever is higher.</p> <p>4. Squatter/encroacher cultivating the effected land for at least three years prior to the cut-off date will be entitled to allocation of land if ailani or other government land is available. However illegal occupants after the cut-off date do not qualify for compensation for land losses.</p> <p>5. Resettlement assistance in lieu of compensation for land occupied (land, other assets, employment) at least restore their livelihoods and standards of living to pre-displacement levels.</p> <p>6. In the case of farmland, the AP will be entitled the cultivation disruption allowance equal to one-year production.</p>		