

NEPAL

Nepal Electricity Authority

Electricity Supply Reliability Improvement Project (P501985)

DRAFT ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Appraisal Version

February 11, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Government of Nepal (the Recipient) and the Nepal Electricity Authority (the Project Implementing Entity) will implement the Electricity Supply Reliability Improvement Project-ESRIP (the Project), with the involvement of the Nepal Electricity Authority (NEA) (the Project Implementing Entity) and line ministries, as set out in the Financing Agreement and the Project Agreement. The International Development Association (the Association) has agreed to provide financing for the Project, as set out in the referred Agreements.
2. The Recipient and the Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Association. The ESCP is a part of the Financing Agreement and the Project Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred Agreements.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Government shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Association. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Association. Said E&S documents may be revised from time to time with prior written agreement by the Association. As provided for under the referred Agreement, the government shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association and the Recipient and the Project Implementing Entity, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Association and the Recipient and the Project Implementing Entity agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient's designated representative, the Managing Director of NEA. The Recipient shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT | | | |
| A | <p>ORGANIZATIONAL STRUCTURE</p> <p>a. Establish and maintain a Project Implementation Unit (PIU) in Nepal Electricity Authority (NEA)'s Distribution and Consumer Service Directorate (DCSD) and staff the PIU with qualified and experienced E&S specialists, including one designated Environment Specialist and one Social Development Specialist and adequate resources to support management of ESHS risks and impacts of the Project.</p> <p>b. Provision of environment and social risk management focal persons in PIU of DCSD and allocate adequate resources to support management of ESHS risks and impacts of the Project.</p> | <p>Establish and maintain a PIU as set out in the Financing Agreement within 30 days of the Project Effective Date, and thereafter maintain throughout Project implementation.</p> <p>Hire one Environment Specialist and one Social Development Specialist within 45 days of the Project Effective Date and maintain these positions throughout Project implementation</p> | NEA's PIU |
| B | <p>CAPACITY BUILDING PLAN/MEASURES</p> <p>All capacity building activities and training will be further detailed in a Capacity Building and Training Plan in the POM. NEA's DCSD facilitate training as per the E&S requirements mentioned in the POM to build the capacity of staff of the implementing agencies and contractors. Content of capacity building will include:</p> <ul style="list-style-type: none"> • ESF training (on relevant E&S Standards) • Stakeholder mapping and engagement • E-waste management • GRM and citizen engagement • GBV training (SEA/SH action plan) • OHS • LMP | Throughout Project implementation | NEA's PIU |
| MONITORING AND REPORTING | | | |
| C | <p>REGULAR REPORTING</p> <p>Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP. The report shall include Status of preparation and implementation of E&S documents required under the ESCP,</p> <ul style="list-style-type: none"> • Status of preparation of ESMP documents and their implementation required under Section 1.1 below. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan, • Complaints submitted to the grievance mechanism, the grievance log, and progress made in resolving them and E&S performance of contractors and subcontractors and | Submit semi-annual reports to the Association throughout Project implementation, commencing after the Effective Date. Submit each report to the Association no later than 30 days after the end of each reporting period. | NEA's PIU |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
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| | <ul style="list-style-type: none"> E&S performance of contractors and subcontractors as reported through monthly contractor's and supervision firms reports. Number and status of resolution of incidents and accidents reported under action E below. | | |
| D | <p>CONTRACTORS' MONTHLY REPORTS</p> <p>Require contractors and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Association.</p> | Submit monthly reports to the PIU and PIU to submit the reports to the Association upon request or as annexes to the reports to be submitted under action A above. | NEA's PIU Contractors |
| E | <p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Association of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Association upon request.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Association, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p> | <p>Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details upon request.</p> <p>Provide review report and Corrective Action Plan to the Association no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.</p> | NEA's PIU Relevant agencies Contractors |
| ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS | | | |

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| 1.1 | <p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>1. Prepare, consult, adopt and thereafter implement an Environmental and Social Management Procedures (ESMPs) as mentioned in POM, consistent with the relevant ESSs, the Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP). The POM will include an environmental and social screening template, an exclusion list, a generic ESMP for the Project covering a measure related to occupational health and safety and community health and safety, solid, e-waste and hazardous waste management, a Sexual Exploitation and Abuse (SEA)/ Sexual Harassment (SH) Action Plan.</p> <p>2. Conduct environmental and social (E&S) screening of each sub-project and implement the sub-project-specific ESMPs, as necessary, based on the generic ESMP set out in the POM. Any sub-project/activities described in the exclusion list set out in the POM shall be ineligible to receive financing under the Project.</p> | <p>Provision the Environmental and Social Management Procedures in POM by effectiveness, and thereafter implement the procedures throughout Project implementation.</p> <p>Conduct the E&S screening and adopt the site-specific ESMPs before launching the bidding process for the respective subproject that requires the adoption of such ESMPs. Once adopted, implement the respective ESMP throughout sub-Project implementation.</p> | <p>NEA's PIU</p> <p>NEA's PIU</p> |
| 1.2 | <p>MANAGEMENT OF CONTRACTORS</p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments including ESMP, e-waste management plan, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Association.</p> | <p>As part of the preparation of procurement documents and respective contracts.</p> <p>Supervise contractors throughout Project implementation.</p> <p>Provide copies of relevant contracts to the Bank upon request</p> | <p>NEA's PIU</p> |
| 1.3 | <p>TECHNICAL ASSISTANCE</p> <p>Carry out the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project, including the third-party audit of land acquisition required under ESS 5, in accordance with terms of reference acceptable to the Association, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.</p> | <p>Throughout Project implementation</p> | <p>NEA's PIU</p> |
| ESS 2: LABOR AND WORKING CONDITIONS | | | |
| 2.1 | <p>LABOR MANAGEMENT PROCEDURES</p> | <p>Prepare and implement the LMP prior to Project Effective Date</p> | <p>NEA's PIU</p> |

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| | Prepare, adopt and implement the Labor Management Procedures (LMP) as mentioned in Project Operation Manual (POM) of the project and ESMP of respective sub project under Action 1.1 above, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety, code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms. | | |
| 2.2 | OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN Require contractors and subcontractors to prepare and implement OHS Management Measures/plan including inter alia personal protective equipment, and emergency preparedness and response in accordance with the provisions mentioned E&S section of the POM and ESMP of the respective sub project that informs the contractor's measures or plans. | Develop the OHS Management procedure in POM and for OHS Management Measures/plan, same timeframe implementing as for the adoption and implementation of the ESMP and site-specific ESMPs under Action 1.1 above. | NEA's PIU |
| 2.3 | GRIEVANCE MECHANISM FOR PROJECT WORKERS Adopt and publicize the Project GRM established under ESS10 as described in SEP and equip it features and resources required to separately address workplace concerns consistent with ESS2 including experts familiar with labor related grievances and relevant policies. The GRM will be designed to uptake and address labor-related SEA/SH and provision for referral mechanisms. | Establish the GRM prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation. | NEA's PIU |
| ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT | | | |
| 3.1 | WASTE MANAGEMENT PLAN Provision and procedures including template of e-waste management as mentioned in POM and under action 1.2 above, adopt and implement an e-Waste Management Plan (e-WMP) along with ESMP, to manage e-waste, hazardous and non-hazardous wastes, consistent with ESS3. | Provision and procedures and e-waste management template are prepared in POM, and thereafter prepare and implement the e-Waste Management Plan throughout Project implementation. | NEA's PIU |
| 3.2 | RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Incorporate resource efficiency and pollution prevention and management measures in the site-specific ESMPs to be prepared under action 1.2 above. | Same timeframe as for the adoption and implementation of the ESMP and site-specific ESMPs in Action 1.1 above. | NEA's PIU |
| ESS 4: COMMUNITY HEALTH AND SAFETY | | | |
| 4.1 | TRAFFIC AND ROAD SAFETY Require Contractors to implement the Traffic Management Plans prepared as part of ESMPs including requirements to minimize risks to and impacts on pedestrians and vehicles that may result from works in and near pedestrian and vehicle walkways and roadways. | Throughout implementation of civil works | NEA's PIU |
| 4.2 | COMMUNITY HEALTH AND SAFETY | Same timeframe as for the adoption and implementation of the ESMP and sub project-specific ESMPs in Action 1.1 above. | NEA's PIU |

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| | Adopt, and implement measures and actions to assess and manage specific risks and impacts to community health and safety and include mitigation measures in the site-specific ESMPs in accordance with the procedures mentioned in POM described under action 1.1 and 1.2 above. | | |
| 4.3 | SEA AND SH RISKS As part of the ESMP under action 1.1 above, prepare, adopt, and implement a SEA/SH Action Plan/measures to assess and manage the risks of SEA and SH. | Adopt the SEA/SH Action Plan/measures as part of the ESMP and sub project-specific ESMPs, and thereafter implement the plan throughout Project implementation. | NEA's PIU |
| ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT | | | |
| 5.1 | LAND ACQUISITION AUDIT Hire a qualified third-party independent consultant to: <ol style="list-style-type: none"> 1. carry out an audit for the land acquisition process undertaken by the Recipient/Project Implementing Entity for the plots of land needed to construct nine substations under sub-component 1.1.a to determine consistency with ESS 5 2. if gaps are identified, prepare a plan with gap-filling measures accordingly; and 3. implement gap-filling measures according to the plan. | Complete implementation of the remedial measures prior to commencement of construction of said substation at the sites where gaps were identified | NEA's PIU |
| 5.2 | RESETTLEMENT PLAN GAP-FILLING MEASURES/ LIVELIHOOD RESTORATION PLANS <ol style="list-style-type: none"> 1. Prepare and implement Resettlement Plan gap-filling measures for each activity under the Project for which such measures are required as set out in the Land Acquisition Audit under Action 5.1 above, consistent with ESS5. 2. Prepare and implement a Livelihood Restoration Plan (LRP) for each activity under the Project for which an LRP is required as set out in the Land Acquisition Audit under Action 5.1 above, consistent with ESS5. | Complete implementation of the remedial measures prior to commencement of construction at sites where gaps were identified. | NEA's PIU |
| ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES | | | |
| 6.1 | BIODIVERSITY RISKS AND IMPACTS | Prepare and implement the ESMP and sub-project ESMPs throughout the project implementation | NEA/PIU |

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| | Prepare and implement measures to be specified in the ESMP in consistent with ESS6 and following tree cutting procedures as described in GoN EPA2019 and EPR 2020. Any sub-project affecting sensitive biodiversity area, critical habitat and their species will be included in the exclusion list in the POM and the respective sub-project ESMPs. | | |
| ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES | | | |
| 7.1 | INDIGENOUS PEOPLES [FRAMEWORK] [PLAN] or [PLANS] As part of the ESMP under action 1.1 above and SEP under action 10.1, include guidelines, checklists and measures to include Indigenous Peoples in all consultations in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. Any sub-project activities affecting land solely belonging to indigenous people or severely affecting them will be included in the exclusion list in the POM. | Prepare and implement the ESMP throughout the project implementation | NEA's PIU |
| ESS 8: CULTURAL | | | |
| 8.1 | CULTURAL HERITAGE RISKS AND IMPACTS Prepare and implement ESMP including the measures to manage risks and impacts in cultural heritage in consistent with ESS8 | Prepare and implement ESMP throughout the Project implementation | NEA's PIU |
| 8.2 | CHANCE FINDS Prepare and implement ESMP including chance find procedures consistent with ESS8. Prepare the procedures of chance finds in Project Operation Manual of the project | Implement the chance finds throughout the Project implementation. | NEA's PIU |
| ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE | | | |
| 10.1 | STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Prepare and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. | Prepare and disclose the SEP by Project appraisal, and thereafter implement the SEP throughout Project implementation. | NEA's PIU |
| 10.2 | PROJECT GRIEVANCE MECHANISM Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. | Establish the Project grievance mechanism prior to commencement of Project activities and thereafter maintain and operate the mechanism throughout Project implementation. | NEA/PIU |

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| | The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner. | | |
| INDICATORS FOR IMPLEMENTATION READINESS: The following actions are indicators for implementation readiness: | | | |
| 1 | Establishment of E&S risk management units in the Project Implementation Entity, | no later than 30 days of the Project Effective Date | NEA's PIU |
| 2 | Recruitment and training of E&S specialist within PIU and Focal persons | no later than 60 days of the Project Effective Date | NEA's PIU |
| 3 | Sub project specific ESMP and E-waste management plan where required need to be prepared by the Recipient | Prior to implementation of each sub project | NEA's PIU |