



**Government of Nepal**  
**Ministry of Communication and Information Technology (MoCIT)**

[Draft]

**Stakeholder Engagement Plan (SEP)**

**Digital Nepal Project (DNP) P505734**

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## **1. Introduction/Project Description**

The Stakeholder Engagement Plan (SEP) for the Digital Nepal Project outlines the strategies and actions for engaging stakeholders throughout the project lifecycle. The SEP aims to ensure transparent and inclusive project implementation, incorporating stakeholder feedback into project design and execution. The proposed Digital Nepal Project (DNP) is a World Bank-funded initiative to support digital development in Nepal.

The DNP specifically focuses on enhancing digital government in Nepal by improving digital infrastructure, services, and cybersecurity. It aligns with the Government of Nepal's (GoN) development plans, including the 16th National Plan and the Digital Nepal Framework, which aim to leverage digital transformation for socio-economic progress.

The project addresses key challenges in Nepal's digital landscape, including limited broadband access, outdated legal frameworks, weak institutional capacity, and gaps in digital literacy. It will invest in data hosting, cybersecurity, and digital services to improve government efficiency, service delivery, and citizen access to information and opportunities.

Project components and activities are aligned with the framework of the Global Challenge Program on Accelerating Digitalization. Component 1 on digital enablers will improve data hosting and integration and will build trust. Component 2 will power the digital transformation by expanding access to and adoption of select digitally enabled services. Component 3 will support Project implementation.

### **Component 1: Enablers**

The Project will finance activities to (a) improve data hosting; (b) enhance cybersecurity readiness; and (c) promote data sharing.

#### *Subcomponent 1.1: Improving data hosting*

This subcomponent (SC) will finance the following activities: (i) improving the operational and energy efficiency of the existing government data centers (DCs) at two locations; (ii) initial investments and operational support to activate two new government DCs; (iii) enhancement of the government cloud; and (iv) defining mechanisms and potentially financing a pilot to procure additional data hosting and cloud services from other providers, including private sector providers.

#### *Subcomponent 1.2: Enhancing cybersecurity readiness*

The Government has defined a National Cybersecurity Policy in 2023, and since then, has set up a National Cybersecurity Center (NCSC). The WB has been providing technical assistance to the MoCIT and the NCSC to build its capacity to implement this policy and to create a comprehensive action plan in line with global good practices. This SC will finance (i) improved technical and operational readiness of the NCSC; and (ii) capabilities to enhance the cybersecurity of the current and future GIDC facilities.

### **Component 2: Services**

The Project will finance (a) improvements to digital services to enhance governance and service delivery; (b) measures to enhance accessibility of services.

#### *Subcomponent 2.1: Improving services*

The SC will finance IT systems and software and associated design and operational support to digitize and improve government-to-government (G2G), government-to-citizen (G2C), and government-to-business (G2B) services.

### *Subcomponent 2.2: Enhancing access*

The Project will support measures to close gaps in accessibility to government services. This SC will finance (i) upgrades to online and mobile portals for public services; (ii) a feasibility study on digital access points; and (iii) design and coordination of associated programs to increase access to and use of digital services.

## **Component 3: Project Implementation Support**

The Project will include a dedicated component for project implementation for all activities. This will involve strengthening the fiduciary, environmental, and social (E&S) functions within MoCIT, as well as ensuring robust monitoring and evaluation (M&E) processes are in place. A critical aspect of this component will be fostering coordination between key government bodies, including MoCIT, the Office of the Prime Minister and Council of Ministers (OPMCM), the Ministry of Finance (MoF), and other MDAs

## **2. Objective/Description of SEP**

The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project.

- **Effective Communication:** Ensure clear and consistent communication with all stakeholders.
- **Inclusive Consultation:** Engage a diverse range of stakeholders, including marginalized groups.
- **Feedback Integration:** Incorporate stakeholder feedback into project planning and implementation.
- **Transparency and Accountability:** Maintain transparency in project activities and decision-making processes

## **3. Stakeholder identification and analysis**

This section provides information about key stakeholders – both affected and the interested parties – that have been identified and will be informed and consulted about the project, including individuals, institutions, interest groups, and local communities. Indigenous people as well as vulnerable and disadvantaged groups in the project locations have also been identified, recognizing the existing limitations on the ability of such groups to access relevant project information and the opportunities that may come through the project. The methodological details is presented as below;

### **3.1 Methodology**

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- ***Openness and life-cycle approach:*** Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- ***Informed participation and feedback:*** Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- ***Inclusiveness and sensitivity:*** Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is

provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of diverse ethnic groups.

### 3.2 Affected parties and other interested parties <sup>1</sup>

Affected parties include local communities, community members, and other parties that may be subject to direct impacts from the Project. Specifically, the following individuals and groups fall within this category:

- **Government Ministries and Departments:** Ministry of Communication and Information Technology (MoCIT), Department of Information Technology (DoIT), Integrated Data management Centre (IDMC), National Cyber Security Centre (NCSC) and line ministries, Departments and agencies (MDAS) including local governments involved in the delivery of services
- **Private Sector:** IT industry associations, service providers, and other relevant private entities.
- **Development Partners:** USAID, FCDO, and other international organizations and bilateral agencies.
- **Civil Society and Community Groups:** Including representatives from rural populations, women, and marginalized groups.
- **General Public:** Citizens and businesses who will be the end-users of the digital services.

### 3.3 Disadvantaged/vulnerable individuals or groups<sup>2</sup>

Within the Project, vulnerable or disadvantaged groups may include but are not limited to the following: Those without internet access, those without smartphones, those without national ID, remote and rural populations, persons with disabilities and their caretakers, disadvantaged groups that meet the requirements of ESS 7.

Vulnerable groups within the communities affected by the Project may be added, further confirmed, and consulted through dedicated means, as appropriate. Description of the methods of engagement that will be undertaken by the project is provided in the following sections.

## 4. Stakeholder Engagement Program

### 4.1 Summary of stakeholder engagement done during project preparation

The Digital Nepal Project has been prepared following the Digital Nepal Acceleration Project, which was approved in 2022, but was cancelled and closed in May 2024. Extensive stakeholder consultations were conducted for the DNA project, and a full SEP was prepared. Please refer to Annex: 1 for details.

During November and December 2024, different level consultations were held, including for civil society representatives, the private sector, and public and private sector entities involved in the digital ecosystem. A summary of the discussions, recommendations received, and responses is below:

**Civil Society:** A roundtable discussion was held with civil society, including representatives from digital rights groups, law firms, digital education non-profits, and groups focused on open data, access to information and accountability issues. The representative of Digital Rights Nepal expressed a number of

concerns, including i) a lack of adequate consultations during the preparation of the Digital Nepal Framework ii) fragmentation of the digital governance agenda, which includes separate activities and strategies being developed at Government different agencies, iii) lack of development partner/donor coordination; iv) human rights concerns around the expansion of data collection systems. Other participants pointed to digital exclusion factors including geographic remoteness of vulnerable groups and those without national ID, a lack of trust in government digital systems (because of frequent network outages and system downtime), cultural norms affecting smartphone usage within households and the gender gap. Recommendations included: i) a baseline study to help assess the current state of digital services, ii) supporting physical service centers at the lowest tier and not as federal government run facilities, iii) policy support on data protection law, iv) incorporate community development models into project planning.

*Response:* The project team responded to specific concerns on institutional and donor coordination by describing the extensive coordination already being conducted with other Government organizations and with development partners. Recommendations for community engagement models will be incorporated in the design of Component 2a) activities around increasing accessibility.

**Private Sector:** A consultation was held in collaboration with the Nepal Association for Software and IT Services Companies (NAS-IT) and included senior level representatives of some of the leading IT companies in Nepal. Discussions focused on how the local industry could participate in the project as vendors, and an outline of the World Bank's procurement guidelines was presented. Participants expressed mixed views about working with the government, as political instability, frequent transfers and postings, and payment delays and malpractice made it unattractive to participate in government procurements. Technical issues and recommendations on the project design were also raised, including: i) incorporate agility into contract design to align with software development best practices, ii) consider working with the National ID Department (NID) to ensure integration with the existing Nagarik App, iii) focus on business process reengineering. Issues including the lack of a national E-waste policy/guidance or standards, and the improvements required in infrastructure needed for emerging digital technologies were also discussed.

**ID ecosystem:** A round table discussion on enhancing service delivery through digital ID systems was held in Kathmandu on Nov 15, 2024. Organized by the Ministry of Home Affairs (MoHA), the Office of the Prime Minister and Council of Ministers (OPMCM), the Ministry of Communications and Information Technology (MoCIT), and the World Bank, the event brought together stakeholders to discuss the transformative potential of digital ID in delivering citizen-centric services. The focus was on sharing international best practices and operational insights from Nepalese departments, highlighting the role of digital ID in enhancing efficiency, transparency, and inclusivity. The Department of National ID and Civil Registration (DoNIDCR) discussed plans for Nepal's digital ID system, which incorporates demographic data, biometrics (ten fingerprints, two irises, photograph, and e-signatures), and deduplication capabilities. Designed as the nation's primary proof of identity under a new legal framework, the system would be able to provide access to at least 10 government e-services. Recommendations: Nepal's prioritized thematic areas include issuing digital IDs during birth registrations, enabling social protection programs, health insurance systems, transportation services, and developing a prototype for digital driving licenses

**Digital Nepal Framework:** The Digital Nepal Project will be anchored in the Digital Nepal Framework that is currently being consulted on. On April 5th, 2024, IIDS and The World Bank co-organized a key stakeholder 'Lab Process' discussion event. This program aimed to critically evaluate the existing Digital Nepal Framework (DNF) policy and facilitate its update with clear strategic medium-term objectives and prioritized actionable initiatives. The 'Lab Process' aimed to craft an aspirational and swiftly executable framework to propel Nepal's digital transformation journey forward. The participants in the event included key government bodies such as the MoCIT, Nepal Rastra Bank, the Deposit and Credit Guarantee Fund, and the Investment Board of Nepal, alongside representatives from leading digital enterprises, IT and Tech companies, as well as participation from private sector stakeholders:

Participants highlighted the need to improve digital connectivity, generate skilled resources, and create investment opportunities in cloud and data centers. They also emphasized the importance of international certification for graduates and improving infrastructure for electricity and broadband. They highlighted challenges such as electricity reliability, broadband issues, and lack of practical knowledge. Their activities included increasing broadband penetration, improving digital literacy, and enhancing e-governance service delivery.

Overall, the feedback provided by the groups emphasized the need for improved infrastructure, skilled resources, standardized data management, and supportive policies to drive Nepal's digital transformation.

**Consultation with the focal person of the implementing agencies, December 1, 2024;** The consultation with focal persons from IDMC, DoIT, NCSC, and MoCIT was carried. The participants highlighted the gaps in institutional capacity, including the absence of dedicated E&S units, trained staff, and policies on safeguards like inclusion, gender equity, SEA/SH, and e-waste management within the implementing agencies. Participants agreed that GRMs should be established at the activity level for efficiency, and a need for building institutional knowledge and expertise in managing E&S risks was emphasized. The discussion also underscored the importance of preparing and disclosing E&S documents for the Nepal Digital Acceleration Project, with consensus on the necessity of close coordination and follow-up meetings to align on requirements.

**Interactive consultation on World Bank requirements with officials of implementing agencies, December 9, 2024;** with due respect to the request of the focal person of the implementing agencies, a joint consultation orientation was provided to related staffs of the agencies. The participants were facilitated on procurement, financial and safeguards in line with the requirements of the World Bank policy. Draft ESCP, SEP and other ESS were minutely discussed in the consultation for their feedback. Participants were enthusiastic to provide feedback on the documents and enquired the issues like capacity of the agencies in planning and implementing the E&S measures and their workload for other aspects of office works.

#### 4.2 Stakeholder engagement plan

Topic of consultation/message	Target Stakeholders	Method(s) of Engagement	Frequency/time frame
<b>Project Phase: Planning and preparation</b>			
<ul style="list-style-type: none"> <li>Objectives and the planned activities of the project</li> <li>E&amp;S principles policies and scopes</li> <li>Stakeholder consultations and information disclosure</li> <li>Grievance mechanisms (GM)</li> <li>Citizen Engagement (CE) Activities</li> <li>GBV and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks and</li> </ul>	<p><b>At Federal Level</b></p> <ul style="list-style-type: none"> <li>Federal government line agencies/officials</li> <li>Network/Internet service providers and telecom operators (Or organizations if they have any)</li> <li>National level Media</li> </ul> <p><b>At the provincial and local levels</b></p> <ul style="list-style-type: none"> <li>Provincial government</li> <li>Municipalities</li> <li>District Coordination Committees</li> </ul>	<ul style="list-style-type: none"> <li>Phone, call centers, email, official letters</li> <li>Orientation/Training workshops</li> <li>Periodic stakeholder engagement activities</li> <li>Periodic-project-related information disclosure</li> <li>All face-to-face meetings and Virtual meetings (One-on-one/Group discussions)</li> <li>meetings with local municipalities</li> <li>FGDs with stakeholders</li> <li>Targeted outreach activities and FGDs with women, IP organizations, and other vulnerable groups, such as Dalits</li> </ul>	Throughout the project preparation

<p>impacts, including the SEA/SH Action Plan</p> <ul style="list-style-type: none"> <li>Engagement and consultation program with project stakeholders</li> <li>Information about the mitigation measures and implementation modality,</li> <li>Citizen Engagement Activities</li> <li></li> </ul>	<p>(DCCs)</p> <ul style="list-style-type: none"> <li>Affected individuals (project beneficiaries)</li> <li>Local communities</li> <li>Vulnerable groups including women's groups and Dalits</li> <li>Indigenous peoples</li> <li>Local NGOs</li> <li>Local press and media</li> <li>Community leaders</li> </ul>		
<b>Project Phase: Implementation</b>			
<ul style="list-style-type: none"> <li>Project scope with progress on ongoing activities, and project status</li> <li>Revision/updates of E&amp;S instruments</li> <li>Implementation of mitigation measures</li> <li>Updated SEP and related activities</li> <li>Functioning of the GM</li> <li>Periodic stakeholder consultations</li> <li>Project-related information disclosure</li> <li>Implementation of SEA/SH Action Plan</li> <li>Other potential E&amp;S concerns</li> </ul>	<p><b>At Federal Level</b></p> <ul style="list-style-type: none"> <li>Federal government line agencies/officials</li> <li>Network/Internet service providers and telecom operators (Or organizations if they have any)</li> <li>National level Media</li> </ul> <p><b>At the provincial and local levels</b></p> <ul style="list-style-type: none"> <li>Provincial government line agencies/officials</li> <li>Municipalities and Rural Municipalities and concerned officials</li> <li>Affected individuals (project beneficiaries)</li> <li>Local communities</li> <li>Vulnerable groups</li> <li>Indigenous peoples</li> <li>Local NGOs</li> <li>Local community leaders</li> <li>Local press and media</li> </ul>	<ul style="list-style-type: none"> <li>Phone, call centers, email, letters</li> <li>Face-to-face/virtual meetings with federal, provincial, and local agencies and officials</li> <li>Orientation Program/ Training/workshop</li> <li>Regular information updates on the MoCIT project websites</li> <li>Periodic consultation with project stakeholders</li> <li>Information disclosure through mass meetings, brochures, flyers, project website, and local media, among other</li> <li>Accessible and functioning GRM Periodic small groups meetings with vulnerable and IP groups</li> <li>Application of audio/visual communication techniques, and other accessible formats to engage with vulnerable groups, including people with disabilities</li> </ul>	<p>Throughout the project implementation</p>
<ul style="list-style-type: none"> <li>Understanding the perception of beneficiaries about the activities and services</li> </ul>	<p><b>Target Beneficiary level</b> All targeted beneficiaries of the subprojects</p>	<ul style="list-style-type: none"> <li>Beneficiary Satisfaction Survey</li> </ul>	<p>To be decided with MoCIT officials responsible for project implementation</p>

extended under the project (As part of the citizen engagement activities)			
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Information will be disclosed as follows: SEP; ESCP, relevant E&S documents like ESIA/ESMP; Grievance Mechanism (GM) procedures; project orientation; regular updates on project developments through, public notices, press releases, Project website; consultation meetings; information leaflets and brochures; separate focus group meetings with vulnerable groups in local and or Nepali language.

### 4.3 Reporting back to stakeholders

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and Grievance Mechanism, and on the project’s overall implementation progress. The details of the reporting back mechanism of the project are presented as below table;

Stakeholders	Subjects	Means of communication
Government representatives (Federal, provincial, District Coordination Committees (DCCs), and other district-level government agencies, municipalities, and rural municipalities, including ward offices)	<ul style="list-style-type: none"> <li>• Scope of project and status of planned and ongoing activities</li> <li>• Regular updates on project status including the implementation of ESMF, SEP, and GRM</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing project updates and reports through emails and meetings</li> <li>• Electronic publications as well as dissemination of hard copies</li> <li>• Virtual consultations with provincial authorities</li> <li>• Virtual/face-to-face consultations with local municipalities and ward offices</li> </ul>
<ul style="list-style-type: none"> <li>• Local NGOs and CBOs</li> <li>• National &amp; Local Media</li> </ul>	<ul style="list-style-type: none"> <li>• Scope of project and related activities</li> <li>• Periodic updates on project status, including the implementation of ESMF, SEP and mitigation measures</li> <li>• GRM procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Information boards,</li> <li>• Project websites</li> <li>• Project leaflets and brochures</li> <li>• Periodic face-to-face/virtual meetings with project stakeholders</li> <li>• Distribution of electronic publications, and</li> <li>• Dissemination of hard copies (Information will be provided in Nepali and local languages if required)</li> </ul>
<ul style="list-style-type: none"> <li>• Individuals and communities with a focus on vulnerable groups, including poor and ethnic minorities, IPs, women</li> <li>• Local NGOs and CBOs</li> </ul>	<ul style="list-style-type: none"> <li>• Scope of project and related activities</li> <li>• Periodic updates on project status, including the implementation of ESMF, SEP and mitigation measures</li> <li>• GRM procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Public notices</li> <li>• Press releases in the local media and on the project website</li> <li>• Information leaflets and brochures messages through community radios</li> </ul>

		<ul style="list-style-type: none"> <li>• Exchange of information through messages, use of audio- visual materials</li> <li>• Periodic small group meetings with vulnerable and IP groups by adopting COVID protocols</li> <li>• Regular contacts through phone calls,</li> <li>• Information sharing from local level offices</li> </ul> <p><i>(Information will be provided in Nepali as well as local languages as needed)</i></p>
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## 5. Resources and Responsibilities for implementing stakeholder engagement activities

### 5.1 Organizational Structure to Implement SEP

**Federal Level:** The Ministry of Communications and Information Technology (MoCIT) will oversee the implementation of the overall aspects of the project including the SEP. **The Project will have three implementing agencies (IAs)-** the DoIT, the IDMC, and NCSC—supported by a shared Project Management Unit (PMU) to be established at the MoCIT. The PMU, headed by the Joint Secretary (IT) of MoCIT, to be established at the MoCIT will serve as a coordinating body for all Project administrative activities while providing shared resources to support fiduciary aspects and E&S standards during implementation.

### 5.2. Roles and responsibilities of units/agencies and individuals

The roles and responsibilities of key agencies/units envisaged for the implementation and operation of the project (especially as they related to stakeholder consultation and engagement) are as in the table below.

Key units/agencies	Roles and responsibilities
Project Steering Committee (PSC)	<ul style="list-style-type: none"> <li>• PSC will oversee the implementation of the overall aspects of the project including the SEP</li> <li>• Ensuring collaboration and coordination among government agencies and other key stakeholders.</li> </ul>
Project Management Unit (PMU)	<ul style="list-style-type: none"> <li>• Planning, budgeting, and ensuring the implementation of the SEP throughout the project lifecycle. <ul style="list-style-type: none"> <li>○ <i>Coordinate and monitor SEP activities with provincial and local levels</i></li> <li>○ <i>Collating SEP-related activities along with their performances and outcomes.</i></li> <li>○ <i>Undertaking periodic monitoring of SEP, and preparation and dissemination of quarterly SEP implementation reports.</i></li> </ul> </li> <li>• Ensuring necessary financial and human resources for effective implementation of the SEP and other E&amp;S management plans.</li> <li>• Ensuring the project activities as per the various guidelines and directives issued by the government and other related organizations, including Covid 19 management protocols.</li> <li>• Ensuring effective management and reporting of project-related complaints and</li> </ul>

	grievances as per the project GRM.
Project Implementing Agencies	<ul style="list-style-type: none"> <li>• Implementation of the SEP throughout the project lifecycle. <ul style="list-style-type: none"> <li>○ <i>Implement SEP activities at provincial and local levels</i></li> </ul> </li> <li>• Provide necessary financial and human resources for effective implementation of the SEP and other E&amp;S management plans.</li> <li>• Implement the project activities as per the various guidelines and directives issued by the government and other related organizations, including Covid 19 management protocols.</li> <li>• Implement effective management and reporting of project-related complaints and grievances as per the project GRM.</li> </ul>
Local Community/Project Affected and beneficiaries	<ul style="list-style-type: none"> <li>• Participate in consultations and information disclosure programs</li> <li>• Provide feedback on project-related documents disclosed for public scrutiny</li> <li>• Use GM to report any grievances and complaints</li> </ul>
<b>Key staff/expert</b>	<b>Responsibilities</b>
Project Director (PMU)	<ul style="list-style-type: none"> <li>• Responsible for monitoring and supervising the overall implementation of the SEP, including managing financial resources and supporting logistics, and preparing and disseminating quarterly SEP implementation reports.</li> </ul>
Environment Specialist and Social Development Specialist (PMU)	<ul style="list-style-type: none"> <li>• Responsible for the overall implementation of the SEP, including periodic consultations, information disclosure, and effective functioning of the GRM.</li> <li>• Mobilize Environment and Social risk management focal person based at the PITs for the effective implementation of the SEP</li> <li>• Coordinate the SEP activities among the three levels of government</li> <li>• Updating the SEP to accommodate any changes and take corrective actions immediately as and when required.</li> <li>• Collating quarterly and half-yearly SEP implementation reports and submitting the half-yearly report to the World Bank office through the PMU</li> </ul>
E&S risk management focal person/E&S risk management officer at the PIUs	<ul style="list-style-type: none"> <li>• Ensure implementation of the ESMF and SEP at the sub project level project activity</li> <li>• Organize periodic consultations with the project stakeholders including strategic engagement with the women, IP, Dalit, and other vulnerable groups</li> <li>• Ensure regular dissemination of project-related information at the local level</li> <li>• Ensure smooth functioning of the GM system</li> <li>• Support the PMU in reporting and implementing the SEP</li> <li>• Coordination for implementation and monitoring of ESMF and SEP</li> <li>• Organize capacity building and training for the sub project level staff</li> </ul>

### 5.3 Estimated Budget

A tentative budget for implementing activities related to the Stakeholder Engagement Plan (SEP) over five years that covers the planning and preparation, and project implementation phases is provided in the table given below. The PMU will review this plan every six months to determine if any changes to stakeholder classification or engagement are required. If required, the plan will be updated, and the budget items and budget will also be revised accordingly.

Item	Quantity	Unit Cost (US\$)	Total Cost (US\$)	Remarks
Stakeholder consultations (including venues, outreach, staff costs, travel and food)	10	3000	30,000	On average twice a year, for 5 years
Stakeholder Engagement Management System (Operations, collecting and processing grievances, and maintaining database)	-	-	5,000	The PMU and PITs will be responsible for this task. Lump-sum (around US\$1,000 US\$ per year for five years)
Project website (Development and operations)	-	-	2,500	Lump-sum plus hosting and updating
Monitoring and Evaluation, including mid-term and end-line report	2	2,500	5,000	2 reports
Two beneficiary satisfaction surveys	2	5,000	10,000	The first one to be conducted after two years of implementation and a second one in the last year of implementation
<b>Total</b>			52,500	

## 6. Grievance Mechanism

The project will put in place a responsive and functioning Grievance Mechanism (GM) to address the concerns and complaints of beneficiaries and project stakeholders by adopting an understandable and transparent process that is culturally appropriate and readily accessible to all the segments of affected communities. The project's GM is at no cost to complainants and guarantees that there will be no retribution for people who lodge complaints on project activities. Furthermore, the grievance mechanism will not impede access to judicial and administrative remedies.

### 6.1 Objectives of the GM

The objectives of the GM are:

- Provide affected people with avenues for lodging complaints or resolving any dispute that may arise during the project lifecycle.
- Ensure that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants.
- Avoid the need to resort to judicial proceedings as far as possible.
- In the case of indigenous people and vulnerable people, adopt culturally appropriate and accessible means by which they can lodge complaints about redress through their customary dispute settlement mechanisms.

### 6.2. Grievance Implementation Procedure

The project will develop a written grievance procedure/manual in consultation with project impacted parties and stakeholders. It will incorporate the following steps.

- Means and ways to inform and educate stakeholders about GM procedures
- Receive, register, and acknowledge the grievance.
- Review and investigate the grievance
- Develop resolution or escalate the grievance
- Report back on the grievance, and
- Implement, monitor, and evaluate the functioning of the GM.

### 6.3 Grievance Mechanism (GM) System

The main purpose of this system is to ensure there is a robust and transparent process, consisting of a sequential process of resolution available to swiftly address the complaints. A subsequent level of resolution is triggered if the complainant remains unsatisfied with the resolution made by the lower level or if it remains unable to provide a resolution within a given time. The SEP proposes the following GM systems.

**Implementing Agency Level Grievance Committee:** The first level and most accessible and immediate venue for the fastest resolution of grievances will be at the PIU level. If any complaints arise, the project representative/official, the construction contractors will immediately resolve the complaint on-site. Any person with a grievance related to the project works can contact the project representative responsible for grievance handling or the respective PIU. The project representative will fully document the following information: (i) name of the person, (ii) date of complaint received, (iii) nature of the complaint, (iv) location of the complaint, and (v) how the complaint was resolved. The E&S risk management focal person/ E&S risk management officer will document the complaint and immediately address and resolve the issue at the sub project level with the construction contractor, representatives of the local level if necessary, through continuous interactions with the affected persons within 15 days of complaints received. While trying to resolve the grievance the

committee can also consult with the respective ward representatives of the municipality and the rural municipality.

**PMU level Grievance Committee:** If the complainant cannot be resolved at the PIU level grievance committee or the complainants are not satisfied with the resolution, the grievance will be forwarded to this level. This level will be headed by the chief of the PMU and it will function in close coordination with the grievance unit established at MoCIT. The project chief of the PIT, unit head and members of the E&S risk management Unit of the PMU, focal person of the GM unit of the ministry, and representatives of construction contractor will be the members of the committee. In addition to the complainant, the committee can invite or consult with the concerned representatives of the Municipality, District Coordination Committee, and District Administration Office. This level will also try to resolve the grievances within 15 days of receiving the complaints from the PIU Level.

## **6.4 Key steps and procedures of the GM System**

### **Step 1: Receive, register, and acknowledge the grievance**

The project will ensure the availability of a variety of methods for stakeholders to lodge grievances. Affected people and other stakeholders can lodge a grievance at Level 1 through:

- Submit complaint forms in written or record the complaint (See Annex 1) The project representative at the local level will assist in filling out the complaint form for complainants who are unable to read or write and/or are unfamiliar with the grievance process. In such a case, the designated project representative will formally register the grievance by filling out the complaint form made available for the project
- Through emails and phone numbers PITs E&S risk management focal persons

Upon receipt of complaints, the person assigned for the task will provide a unique grievance number to each grievance for easy tracking. The staff will then acknowledge the receipt of the complaint within 5 working days through a phone call, text message, or a meeting with the complainant. The acknowledgment will include the grievance registration number so the complainant can use this as a reference to track the status of the complaint either by visiting or calling the assigned staff. If the grievance is not well understood or if additional information is required, the assigned staff will contact the complainant during this step for further clarification.

### **Step 2: Review and investigate the grievance**

The grievance is screened, and the significance of the grievance will be assessed within 15 days of receipt. If the grievance is admissible and related to the project or triggered by the project activities, the Level 1 GRM committee will start processing the complaint. If not related to the project or not triggered by the project, the grievance will be rejected, and reasons will be properly communicated to the complainant about the decision along with an explanation.

### **Step 3: Develop resolution and respond to the complainant**

Upon investigation, the committee will propose a resolution as soon as possible, and in consultation with the complainant and others concerned, not later than 15 days after screening and assessing the grievance at Level 1. The resolution is communicated to the complainant through the proper channel. The Level 1 GRM committee will ask the complainant for a written acceptance of the resolution if he/she is satisfied with the resolution. In that case, the agreed set of actions will be implemented and once the set of actions is completed, the grievance will be formally closed by using a Grievance Closure Form provided in Annex 3.

### **Step 4: Scale up the grievance if the complainant remains dissatisfied**

If the complainant rejects the proposed resolution or the Level 1 GM system fails to provide a resolution within the stipulated time, the Level 1 GM system will refer the case to the grievance to the Level 2 GRM system led by the Chief of the PMU. The three-member Level 2 GRM committee, which also includes the Social Development Specialist at the PMU will facilitate to reach an agreeable resolution and the committee will produce a resolution within 20 working days. If the resolution is accepted by the complainant, it will be implemented, and the grievance will be closed once the implementation is completed.

**Step 5: Recourse to legal and other formal recourse**

If the complainant rejects the proposed resolution, the complainant is free to utilize legal and other formal mechanisms in place at the local or national level.

## 7. Annexes

### Annex: 1- Detail Records of Consultation during project design

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/Next Steps	Timetable/ Date to Complete Follow-up Action(s)
Civil Society organization	14 Nov 2024	Highlighted concerns about the Digital epal Framework, including inadequate consultations, and limited donor coordination. Issues such as digital exclusion due to geographic remoteness, lack of trust in digital systems, and gender-based smartphone access disparities were raised.	The program will include conducting a baseline study, supporting local service centers, and advancing data protection laws and community-focused development models.	Conduct consultation as mentioned in the section 5.3	Project period
<b>Private Sectors;</b> Nepal Association for Software and IT Services Companies (NAS-IT) and others	14 Nov 2024	Explored opportunities for local industry participation in government projects. Challenges such as political instability, payment delays, and lack of a national E-waste policy were noted.	Project will align the contracts with software development practices, integrating with the Nagarik App, and prioritizing business process reengineering to improve project outcomes.	Conduct consultation as mentioned in the section 5.3	Project period
Officials from Ministry of Home Affairs (MoHA), the Office of the Prime Minister and Council of Ministers (OPMCM), Department of National ID and Civil Registration	15 Nov 2024	Emphasized their role in enhancing service delivery of government agencies. Discussions showcased plans for a comprehensive digital ID system integrating biometrics and demographic data	Digital IDs shall provide at birth and leveraging them for social protection, health insurance, and transportation services.	Conduct consultation as mentioned in the section 5.3	Project period

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/Next Steps	Timetable/ Date to Complete Follow-up Action(s)
(DoNIDCR) and Ministry of Communications and Information Technology (MoCIT), and the World Bank		to support various government e-services. Recommendations			
IDMC, DoIT, NCSC, and MoCIT focal person -officials	December 1, 2024	Identified gaps in institutional capacity, including the lack of E&S units, trained staff, and safeguards policies. Participants emphasized the need for activity-level GRMs,	Capacity building on institutional knowledge building, and close coordination to prepare and implement E&S plans for DNP ensured	Periodic training/orientation to E&S focal persons of the agencies	Project period
Officials of IDMC, DoIT, NCSC, and MoCIT	December 9, 2024	Discussion covered procurement, financial management, and safeguards policies. Draft ESCP, SEP, and other ESS documents were discussed, with participants providing feedback	Project will consider the issues of about capacity constraints and multiple responsibility challenges in implementing E&S measures.	Periodic training/orientation to E&S focal persons of the agencies	Project period

**Annex: 2- Attendance of the different consultations**


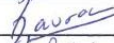
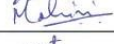







ATTENDANCE SHEET  
Digital Nepal-Procurement/FM & Environment & Social Assessment  
December 9, 2024

S.No	Name	Designation	Organisation	Signature
1	Laxmi KC	Computer Engineer	National Cyber Security Center	
2	Tilak Thapa	Account officer	'	
3	BalKrishna Adhikari	Section officer	MOIT	
4	Nirmala Karki	Account officer	Ministry of Communication & Information Technology	
5	Aishwarya Maya Poudel	Section officer	DOIT	
6	Bindu Pandit	Account officer	DOIT	
7	Engila Mishra	Environment specialist	WB	
8	Sita Ram Kandel	Environmental Safeguard Consultant	WB	
9	Hemanti Rajaram	Consultant	WB	
10	Maneet Dhungel	consultant	WB	
11	Shukti Dhungel	financial Mgmt Specialist	WB	
12	Shambhu Upadhyay	Sr. Procurement specialist	WB	
13	Dewaraj Paudel	Account officer	IDMC	
14	Rajendra Kandel	Section officer	IDMC	
15				
16				

**ATTENDANCE SHEET**  
**Digital Nepal Project Overview: Goals, Impacts and Stakeholder Engagement Strategy**  
**November 14, 2024**

S.No	Name	Designation	Organisation	Signature
1	Melisha Ghimire	CO-founder	Sheqal Foundation	
2	Astha Sharma	"	"	
3	Santosh Sigdel.	Founder / ED	Digital Rights Nepal	
4	Neelha Joshi	Sales Director.	Genze Solution	
5	Ritesha Shrestha	Legal Associate, Data & Tech.	Pioneer Law Associates.	
6	Suman Sivakoti	Senior Associate, Data & Tech.	"	
7	Prakrta Bimali	Project Manager, Accountability Lab	Accountability Lab Nepal	
8	Samina Annam	Global Advocacy & Public Affairs	Accountability Lab	
9	MISAKA ZAMAN	Sr. SD Specialist, WB	WB	M-Z
10	Shashish Maharjan	COO	KLL	
11	Hari Krishna Shrestha	General Secretary	NREN	Hari
12	Arun Maharjan	Development Officer	READ Global	
13	Pawan Dhakal	Products Manager	OLE Nepal	
14	Upaya Sharma	ED	"	
15	Heenan Piyanghi	Consultant	WB	
16	Siddhanta Raja	TSE	WB	

**ATTENDANCE SHEET**  
**Digital Nepal Project Overview: Goals, Impacts and Stakeholder Engagement Strategy**  
 November 15, 2024

S. No	Name	Designation	Organisation	Signature
1	NARAYAN KOIRALA	MD	EMINENCE WAYS	
2	HAURAV TANDAY	CFO	EKbang	
3	MOHINI SHRESTHA	DIRECTOR OF GROWTH	INGRAILS (VEDA APP)	
4	Subrat Gyawali	C.T.O	RippleBytes	
5	Deepen Chapagain	Country Director G.S	LOSPoint / NASIT	
6	Rashen Joshi		we flow	
7	Prabesh Manandhar	Business Head.	Suvidha Tech (Jobeeja)	
8	Pravin Subedi	CEO	InfoDevelopers	
9	Engil Mishra	Inv. Sp.	WB	
10	Hemant Pungali	Consultant	WB	
11	SHAW BISHNU	SOS	WB	
12	Siddhartha Raju	TTL	WB	
13				
14				
15				
16				

### Annex: 3-Grievance Registration form

## Grievance Form

Grievance registration no.	
Date of registration	

Details of complainant: (Tick the box for anonymity)

Name:

First Name	Middle name	Last name

Gender:

Male  Female  Others

Address:

Province	District	Municipality	Ward No.	Name of place

Contact details:

Primary mobile no.		Email	
Secondary mobile no.		Facebook	

Preferred mode of contact: \_\_\_\_\_

Brief description of grievance

Mode of submission of grievance:

Verbal     Written     Complaint Box     Phone     Email     Others

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Signature of Complainant

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Signature of Grievance Officer

**Annex: 4- Sample Grievance Registration Template**

No	Date of receiving incoming letter / form	Grievance Reference Number	Name / Surname of grievance originator (if not anonymous)	Gender	Type of grievance	Details of grievance	Medium of comm.	Name of staff responsible for managing the grievance	Date of grievance acknowledgement	Date of feedback provision/reference number	Present status	Remarks
1												
2												
3												
4												
5												
6												
7												
8												
9												

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<sup>1</sup> For the purposes of effective and tailored engagement, stakeholders of the proposed project(s) can be divided into the following core categories:

- **Affected Parties:** Persons, groups, and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.
- **Other Interested Parties:** Individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way.
- **Vulnerable Groups:** Persons who may be disproportionately impacted or further disadvantaged by the project(s) compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.
- It is important to note that sometimes projects have different components with very different sets of stakeholders for each component. Those different stakeholders should be considered in preparing the SEP.

<sup>2</sup> It is particularly important to understand whether project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project, and to ensure that awareness raising and stakeholder engagement be adapted to take into account such groups' or individuals' particular sensitivities, concerns, and cultural sensitivities and to ensure a full understanding of project activities and benefits. Engagement with vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the project-related decision making so that their awareness of and input into the overall process are commensurate with those of other stakeholders.