

NEPAL

Ministry of Infrastructure Development

Greater Lumbini Area Development Project

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REVISED

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

(ESMF)

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Abbreviations and Acronyms

BES	Brief Environmental Study
CHS	Community Health and Safety
CBOs	Community-based organizations
CDC	Compensation Determination Committee
CoC	Code of Conduct
CSO	Civil Society Organization
DoA	Department of Archaeology
DFO	Divisional Forest Office
DNPWC	Department of National Park and Wildlife Conservation
DoFSC	Department of Forest and Soil Conservation
E&S	Environmental and Social
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EPA	Environmental Protection Act
EPR	Environmental Protection Regulation
ESCP	Environmental and Social Commitment Plan
ESCOP	Environmental and Social Code of Practice
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
GLAD	Greater Lumbini Area Development Project
GBV	Gender Based Violence
GLBC	Greater Lumbini Buddhist Circuit
GESI	Gender Equality and Social Inclusion

GoN	Government of Nepal
GRM	Grievance Redress Mechanism
ICOMOS	International Council on Monuments and Sites
IEE	Initial Environmental Examination
LDT	Lumbini Development Trust
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MoFE	Ministry of Forest and Environment
MoCTCA	Ministry of Culture, Tourism and Civil Aviation
MOUD	Ministry of Urban Development
NTB	Nepal Tourism Board
PAF	Project Affected Family
PAP	Project Affected Person
PCO	Project Coordination Unit
PIU	Project Implementation Unit
PIST	Project Implementation Support Team
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization

1. Introduction

Nepal has achieved remarkable progress in poverty reduction and economic management, supported by remittances, services, and infrastructure investment. Yet, structural challenges, including high informality, regional disparities, and vulnerability to natural hazards, continue to constrain sustainable and inclusive growth. Tourism—contributing over six percent of GDP and supporting more than a million jobs—represents a critical sector for job creation, private investment, and regional development.

Lumbini, the birthplace of Buddha and a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site, holds unique global spiritual and cultural significance and is central to Nepal's tourism offering. The Greater Lumbini Buddhist Circuit (GLBC), linking Lumbini with Ramgram, Tilaurakot, Devdaha, and other pilgrimage sites, attracts over one million visitors annually. Despite this, tourism in the area remains characterized by short stays, low spending, and limited benefits for local communities due to weak connectivity, insufficient infrastructure, inadequate visitor services, and fragmented destination planning.

The Government of Nepal has identified Lumbini as a priority investment zone under the 16th National Development Plan and Tourism Vision 2030. In line with this agenda, the proposed World Bank–financed **Greater Lumbini Area Development (GLAD) Project** will support improved tourism infrastructure and services, inclusive local economic opportunities, and strengthened institutional capacity in the Greater Lumbini Area. The Ministry of Urban Development (MoUD) will serve as the lead implementing agency, working with the Ministry of Culture, Tourism and Civil Aviation (MoCTCA) and other relevant agencies.

This Environmental and Social Management Framework (ESMF) has been developed to guide environmental and social due diligence for all Project-financed activities. The ESMF follows the World Bank Environmental and Social Framework (ESF) as well as applicable national laws and regulations of Nepal. Its objective is to ensure potential environmental and social risks and impacts of the Project are properly identified, assessed, and mitigated in line with the World Bank's Environmental and Social Standards (ESSs) and national requirements. Specifically, the ESMF:

- assesses potential environmental and social risks and proposes mitigation measures;
- establishes procedures for screening, review, approval, and implementation of Project activities;
- specifies roles, responsibilities, and reporting arrangements for environmental and social management;
- identifies staffing, training, and capacity-building requirements;
- defines consultation, disclosure, and grievance redress mechanisms; and
- sets out budget requirements for implementation.

The ESMF should be read together with other project instruments, including the Stakeholder Engagement Plan (SEP), the Environmental and Social Commitment Plan (ESCP), and any other plans prepared for the Project.

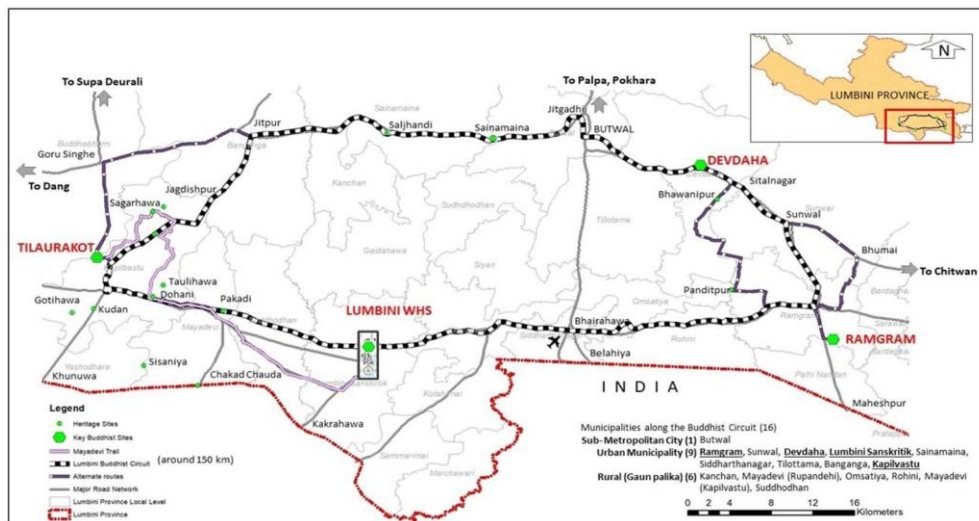
2. Project Description

The **Project Development Objective (PDO)** is to **improve tourism-related infrastructure and services and generate inclusive economic opportunities for local communities in the Greater Lumbini Area**. To achieve this, the GLAD Project adopts an integrated, destination-led model that goes beyond fragmented site improvements and instead positions the Greater Lumbini Buddhist Circuit (GLBC) as a competitive, sustainable, and inclusive tourism cluster.

The Project seeks to transform Lumbini into a high-value cultural and spiritual tourism destination that encourages longer visitor stays, higher spending, and wider local economic benefits. It will target three main visitor segments: (i) pilgrims and heritage tourists for whom Lumbini is the primary destination; (ii) cultural and leisure tourists for whom Lumbini is a secondary stop; and (iii) new and emerging markets attracted by global branding of Lumbini as a center for spirituality, wellness, and heritage tourism.

Four priority sites (refer Figure 1) anchor the Project: (i) the Lumbini Master Plan Area including the Maya Devi Temple; (ii) Tilaurakot, believed to be ancient Kapilvastu; (iii) Devdaha, Queen Maya Devi's maternal home; and (iv) Ramgram, home to the only relic stupa still containing the Buddha's remains. Interventions will be heritage-sensitive, in line with UNESCO and International Council on Monuments and Sites (ICOMOS) guidelines, and will prioritize community engagement, private sector participation, and climate-smart design.

Figure 1. Greater Lumbini Buddhist Circuit (GLBC) Map: Spiritual Sites and Key Trails¹



Project Components

Component 1: Destination Planning, Local Economic Development, and Private Sector Engagement (est. US\$15m).

This component will establish a unified strategic vision for GLBC, including branding, marketing, and visitor management. It will strengthen Micro, Small, and Medium Enterprises (MSMEs), cooperatives,

¹ The attached map was cleared by the World Bank Cartography team on September 4, 2025.

and social enterprises in hospitality, cultural industries, and guiding services, with special focus on women and youth. It will also promote immersive experiences (e.g., festivals, retreats, community-based tourism) and create an enabling environment for private investment and PPPs aligned with Lumbini's cultural and social values.

Component 2: Critical Tourism Infrastructure Improvements (est. US\$40m).

This component will finance priority infrastructure upgrades to enhance visitor amenities, basic services, accessibility, and connectivity at and around key GLBC sites. It will support both local/municipal improvements (e.g., public amenities, signage, walkable circuits, last-mile mobility, parks and public spaces) and catalytic site-level investments (e.g., Maya Devi Temple improvements, Lumbini Museum/Visitor Center) designed to improve visitor experience and stimulate local economic opportunities. All investments will integrate climate resilience, low-carbon measures, and heritage-sensitive design.

Component 3: Project Management and Coordination (est. US\$5m).

This component will strengthen the capacity of the executing and implementing agencies for effective coordination, fiduciary oversight, environmental and social risk management, monitoring and evaluation, and stakeholder engagement. It will finance staffing, equipment, technical assistance, training, and operating costs, ensuring accountable and adaptive project delivery.

Cross-cutting Priorities

The Project mainstreams key WBG corporate commitments:

- **Gender:** targeted support for women-owned MSMEs and women's participation in tourism value chains;
- **Climate:** integration of climate adaptation and low-carbon measures into infrastructure design;
- **Private Sector Engagement:** crowding in investment and PPPs for tourism services and facilities; and
- **Citizen Engagement:** structured consultations, participatory planning, and robust grievance redress mechanisms.

Through these interventions, the GLAD Project will reposition the Greater Lumbini Area as a globally competitive, year-round destination while delivering inclusive, sustainable economic benefits to local communities.

The Ministry of Urban Development (MoUD) will serve as the primary level coordinating agency. A high-level Project Steering Committee (PSC) will provide strategic guidance and inter-agency coordination across federal, provincial, and local levels. The existing Project Coordination Office (PCO) of the Bank-financed Nepal Urban Governance and Infrastructure Project (NUGIP) under the Department of Urban Development and Building Construction (DUDBC) within MoUD will continue to serve as the federal-level coordination unit, responsible for fiduciary oversight, technical support, and overall project coordination. Two Project Implementation Units (PIUs) will be established in the Greater Lumbini Area: **PIU 1, established with in MoCTCA in close coordination with Department of Archaeology (DoA), Lumbini Development Trust (LDT) and Nepal Tourism Board (NTB),** focusing on

site-specific heritage conservation, tourism development, and local economic development; and **PIU 2, established within the DUDBC (MoUD)**, focusing on tourism related infrastructure improvement and socio-economic infrastructure development along GLBC and Component 3 for project management.

At the local level, four participating municipalities (Lumbini Sanskritik, Devdaha, Ramgram, and Kapilvastu), will carry out small-scale infrastructure improvements around the heritage sites in collaboration with local communities. Activities will include: (i) routine maintenance of municipal infrastructure around heritage sites, such as street cleaning, improvements of footpaths and cycle paths, concrete block or stone paving, and lined drainage channels; and (ii) small-scale community facility upgrades, including community parks and recreational spaces, community health centers, cleaning of public areas, and tree planting and landscaping.

The details of institutional arrangement is provided in **section 5.4**.

UNESCO will be a strategic partner in the conservation and management of heritage sites in Lumbini, Tilaurakot, and other archaeological zones. The GLAD project will coordinate closely with UNESCO's ongoing conservation work to ensure that infrastructure investments and site improvements adhere to World Heritage standards and reinforce the long-term preservation of the Greater Lumbini Area's outstanding universal value. All interventions will adhere to heritage-sensitive design principles, guided by UNESCO's Operational Guidelines² and the International Council on Monuments and Sites (ICOMOS), and align with Lumbini's Outstanding Universal Value (OUV) to safeguard its spiritual, cultural, ecological, and archaeological integrity.

² The guideline is governed by UNESCO's culture conventions with operational guidelines, monitoring systems, and international cooperation mechanisms

3. Environmental and Social Policies, Regulations, and Laws

This chapter provides a comprehensive review of the national and international legal, regulatory, and policy frameworks relevant to assessment of environmental, social, and heritage management for the GLAD project in Nepal. It highlights key laws, policies, and standards that govern environmental protection, labor, cultural heritage, and stakeholder engagement, ensuring sustainable development and inclusive benefits. Other relevant national and international best practices for assessing and managing the environmental and social impacts of the GLAD project have been reviewed, alongside directives and guidelines issued by the Government of Nepal (GoN).

3.1 GoN Legal Framework

Provisions for the management of the environmental and social risks associated with the projects defined by international and Nepal-specific laws, legislations, policies, and regulations have been considered while designing the project. Some of the major legislative instruments that have the provisions of managing the management of environmental and social impacts include these listed below and in Table 1:

- The Constitution of Nepal (2015)
- National Environmental Policy (2019)
- National Climate Change Policy (2019)
- Environmental Protection Act (2019)
- Environmental Protection Regulation (2020)
- Ancient Monument Preservation Act (1956)
- Local Government Operation Act (2017)
- Solid waste Management Act, 2011
- Labour Act, 2017
- Social Security Act 2018
- Social Security Regulation 2018
- Child Labor (Prohibition and Regulation) Act, 2000
- National Civil (Code) Act, 2017
- The Right to Employment Act, 2018
- Sexual Harassment at Workplace (Elimination) Act, 2014
- Guthi Corporation Act, 1976
- Land Acquisition Act, 1977

The Preamble of the Constitution of Nepal preamble emphasizes protection and promotion of social and cultural solidarity, and unity in diversity by recognizing the multi-ethnic, multi-lingual, multi-religious, multi-cultural and diverse regional characteristics. Relevant articles of The Constitution of Nepal 2072 (2015 AD) include Article 30-Right Regarding Clean Environment, Articles 26 (2), 32 (2), 33 (3) on cultural heritage and preservation, Article 51 on Tourism.

Nepal's Tourism Policy 2082 (2025) lays emphasis on the inclusion of women together with Indigenous Peoples, Madhesis and other marginalized groups in accessing benefits arising from tourism related entrepreneurial activities as well as their access to tourism business opportunities through cooperatives. It aims to transform Nepal into a year-round experiential destination by diversifying tourism offerings beyond adventure, focusing on spiritual, wellness, cultural, and culinary tourism.

Table 1. Nepal Relevant Legal Framework

Law	Description and Relevance to Project Activities
<p>Environmental Protection Environment Protection Act (EPA), 2019; Environment Protection Regulation (EPR), 2020; National Climate Change Policy (2019)</p>	<p>These are legal instruments for the requirements of Environmental and Social Assessment of any development projects.</p>
<p>Occupational Health and Safety Labor Act, 2017 (2074 BS), Chapter 12</p>	<p>Project will involve civil works and office-based work, giving rise to OHS concerns. Articles of chapter 12 stipulate the formulation of Safety and Health Policy, Duties of employers towards workers.</p>
<p>Labor Law Labor Act (2017); Child Labor Act (2001); and Child Labor (Prohibition and Regulation) Rules are legal instruments. Public Health Service Act, 2018 (2075 BS); Nepal is a party of Abolition of Forced Labour Convention, 1957 (No. 105) Convention Concerning the Abolition of Forced Labour, Entry into force: 17 Jan 1959; National Civil (Code) Act, 2017; Social Security Act and Regulation 2028; The Right to Employment Act, 2018</p>	<p>Project activities will involve various types of project workers. These are anticipated to include Direct Workers, primary supply workers, Contracted Workers and potentially Government Civil Servants involved in project oversight and implementation.</p>
<p>Resource Efficiency and Pollution Prevention National Ambient Air Quality Standards for Nepal (2012); Water Resources Act, (1992); Water Resources Rules, (1993); Drinking-Water Regulation (1998); Drinking-Water Quality Standards (2022); National Noise Standard (2012), Water Quality Standards and Testing Policy (2011); Nepal Water Quality Guidelines for the Protection of Aquatic Ecosystem (2008)/Livestock Watering (2008); Recreation/Aquaculture/Irrigation Water/Industries (2008) (CBS, 2019)</p>	<p>The planned tourism development activities in the GLBC will involve construction and operation of tourism-related infrastructure, potentially leading to resource consumption and generation of waste and emissions.</p>
<p>Sexual Harassment at Workplace (Elimination) Act, 2014</p>	<p>The Sexual Harassment at Workplace (Elimination) Act, 2014 (SH Act) addresses sexual harassment at workplace. It provides that no one should be subjected to sexual harassment in workplace, and provides definitions, scope, and measures for enforcement and remedies. The act applies to a broad definition of workplace, including government entities, corporate bodies, and other businesses.</p>
<p>Land Acquisition Land Acquisition Act, 1977</p>	<p>Empowers the Government of Nepal to acquire land, subject to compensation, and regulates land acquisition and compensation to private landowners for land and other assets.</p> <p>Policy for land acquisition stipulates: Project development agencies are to hold consultations with project affected people (PAPs),</p>

<p>Policy for Land Acquisition, Resettlement, and Rehabilitation for Infrastructure Development Projects in Nepal, 2015</p>	<p>communities, and sensitive groups. Compensation is to be negotiated and carried out in a transparent, free, fair, and justifiable manner. The resettlement and compensation process should be completed prior to physical and economic displacement by the project. The policy provides comprehensive particulars regarding land acquisition, compensation, resettlement, and rehabilitation to make the process efficient, simple, transparent, and justified to align with good international practices.</p>
<p>Cultural Heritage</p> <p>Ancient Monument Preservation Act (AMPA, 1956)</p> <p>This is the primary legislation for preserving ancient monuments and archaeological objects.</p>	<p>Project interventions, especially infrastructure upgrades and site enhancements, have the potential to directly or indirectly impact cultural heritage.</p> <p>Archaeological and monumental heritage protection is primarily governed by the AMPA (1956) which seeks to regulate, conserve, and protect historical sites and artifacts. The Act gives the Department of Archaeology (DoA) main responsibility for exploring, excavating, conserving, and publishing information about heritage sites of historical, cultural, and archaeological significance, both nationally and internationally. "Ancient Monument" covers structures over 100 years old—such as temples, stupas, monasteries, and historical sites—as well as their locations and associated human settlements or relics.</p> <p>AMPA (1956) strongly favors government control over heritage conservation, limiting the rights of private owners and their interests over individual property concerns. Privately owned monuments within protected areas require DoA approval for any conservation work. For monuments outside protected areas, local authorities or owners must follow DoA guidelines. Under federal arrangements, responsibility for monuments of provincial and local significance can be transferred to respective provincial and local governments, which must manage them according to DoA standards. These governments may also declare such monuments as protected areas under the Act.</p>
<p>Cultural Heritage</p> <p>Lumbini Development Trust Act (1988)</p>	<p>This law was enacted to protect and develop Lumbini, a UNESCO World Heritage Site. The Act establishes the Lumbini Development Council (s. 8), which guides the executive committee in managing temples, monuments, monasteries, and infrastructure while addressing environmental concerns, though coordination issues persist among national and international agencies.</p>
<p>Cultural Heritage</p> <p>Guthi Corporation Act (1976)</p>	<p>Guthi Corporation Act (1976) was enacted to manage and regulate Guthis, which traditionally finance religious and cultural activities in Nepal. It categorizes Guthis into public and private, ensuring their income is used for temple maintenance, rituals, and caretaker salaries (s.16 & s. 25). The Act also established Guthi Sansthan, a government body responsible for overseeing Guthi properties, resolving disputes, and implementing legal provisions. The Act primarily focuses on land and income management but lacks clear provisions for the conservation of tangible heritage, leading to challenges in preserving historical heritage sites.</p>
<p>Local Government Operation Act (2017)</p>	<p>The Local Governance Act of Nepal is intended to implement the provisions related to the powers of the local level under the Constitution of Nepal, promote cooperation, co-existence and coordination between the federation, province and local levels. The</p>

	<p>Act defines the functions, duties and rights of municipalities, their fiscal jurisdiction and financial working procedures.</p> <p>It grants the Chief District Officer (CDO) authority over heritage conservation. It mandates the CDO to maintain records of public heritage sites like waterspouts, ponds, temples, monasteries, and mosques (s. 9(6)). If such monuments lack owners and face risk of collapse, the CDO must ensure their preservation through municipalities or the Guthi Corporation. The Act provides a strong legal foundation for local heritage management but relies on effective implementation.</p> <p>This legislation grants local bodies the authority to manage cultural and tourism areas. The s. 9 of the act provides for the declaration of cultural or tourism areas. The Act outlines the rights of rural municipalities and municipalities in s. 11 which mandates the preservation and promotion of language, culture, and fine arts (s. 11(2)(v)). The Act specifies the rights, duties, and responsibilities of ward committees, ensuring local-level governance in cultural and heritage conservation (s. 12).</p> <p>The four priority sites and GLBC are mostly in peri-urban municipalities. The project will be implemented by these municipalities with assistance and oversight from federal ministries like MOCTCA and Ministry of Urban Development.</p>
Municipal Development Act (1988)	<p>This Act focuses on the conservation and management of heritage sites. It mandates that individuals must obtain permission from the Municipal Development Committee to access or use archaeological, historical, and religious sites, and prohibits unauthorized activities in these areas (s. 9(1)). It empowers the committee to prepare and implement plans for the preservation, development, and management of cultural and historical sites (s. 11) in accordance with the AMPA (1956).</p>
Town Development Act (1998)	<p>It empowers the Town Development Committee to regulate and manage urban planning. The Act grants the authority to control activities related to agricultural land, natural heritage, archaeological sites, and immovable property within town planning areas, requiring prior approval (s. 9). Also the law assigns the committee the responsibility to develop and implement projects for the conservation of religious, cultural, and historical heritage, ensuring compliance with Nepal's ancient monument laws (s. 11).</p>
International Heritage frameworks signed by Nepal	
UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, 1972	<p>The UNESCO World Heritage Convention is an international treaty from 1972 that aims to protect cultural and natural sites of "outstanding universal value" for future generations. It requires signatory nations (States Parties) to identify, protect, and preserve their heritage, which can include ancient monuments, natural landscapes, and groups of buildings. The convention establishes the World Heritage List, where sites of global significance are inscribed, and provides a framework for international cooperation, including technical assistance and funding.</p> <p>Nepal ratified the World Heritage Convention in 1978.</p>

UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage, 2003	<p>The Convention for the Safeguarding of the Intangible Cultural Heritage is a 2003 UNESCO treaty designed to protect cultural practices, expressions, and knowledge passed down through generations. Its goals are to ensure the viability of intangible cultural heritage, such as traditional craftsmanship, performing arts, and social practices, through measures like identification, documentation, and promotion. The Convention also aims to foster respect for intangible cultural heritage by raising awareness and encouraging community-based participation in its management and safeguarding.</p> <p>Nepal ratified the Convention in 2010.</p>
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3.2 National Environmental and Social Assessment and Permitting

The Environment Protection Act (2019) and Environment Protection Rules (2020) are the main framework for managing environmental and social risks. They require an environmental assessment for any development that could alter existing environmental and social conditions. The type of assessment depends on the project’s size and sector: Schedule 1 projects need a Brief Environmental Study (BES), Schedule 2 projects require an Initial Environmental Examination (IEE), and Schedule 3 projects must undergo a full Environmental Impact Assessment (EIA).

The EPR 2020 also defines the responsibilities of federal, provincial, and local governments. Federal agencies, led by the Ministry of Forests and Environment (MOFE) and departments such as Department of Electricity Development (DoED), Department of Roads (DoR), Department of Industry (DoI) etc., manage projects of national priority, those spanning multiple provinces, or those governed by federal law. Within MOFE, the Department of Environment (DoE) oversees environmental standards and pollution monitoring, while the Environment and Biodiversity Division reviews EIAs for federal level projects.

Provincial governments assess projects within their boundaries through their respective Ministries of Industry, Tourism, Forest and Environment (MoITFE or equivalent), and local governments handle projects limited to their local jurisdiction.

The environmental assessment process begins with project proponents preparing the required TORs or scoping documents for BES, IEE, or EIA. These are reviewed by the relevant line agency or, for EIAs, by MOFE or the provincial ministry. BES and IEE are approved by the line agency or local government, while EIAs are approved by MOFE for federal projects and by provincial ministries for provincial projects. EIAs for local-level projects are approved by authorities designated by the Provincial Government.

3.3 World Bank Standards and Key Gaps with the National Framework

The project will follow the World Bank Environmental and Social Standards (ESSs), as well as the World Bank Group Environmental, Health and Safety Guidelines. Based on these policies, the environmental and social risk of the project is categorized as **Moderate** identified in the World Bank Environmental and Social Risk Summary (ESRS).

An analysis of the key gaps between national laws and ESF indicates that each World Bank ESS has counterpart country legislation except that some of these legislations are not formally covered in the EIA scope and process, and implementation is often weak. The main gap is that the relevant provisions of these laws are not yet integrated into the EIA process, both in terms of formal regulations or guidelines and in practice. The agencies that are mandated to implement these laws are also not involved in the EIA process, even as oversight during project implementation.

The World Bank’s environmental and social standards applicable to project activities are summarized below.

Table 2. Relevant World Bank ESS and Key Gaps with the National Framework³

E&S Standard	Relevance
<p>1. Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>Small scale construction works will be undertaken for improvements and site enhancements in and around key sites of GLBC and the Maya Devi temple, including Lumbini, Tilaurakot, Devdaha, and Ramgram.</p> <p>Gap in national framework: EA screening and categorization is not risk or impact-based but based on size and capacity thresholds. The EPR 2020 does not contain provisions to address project impacts and conditions that may exacerbate human security and safety issues, such as the risk of gender-based violence (GBV), especially sexual exploitation and abuse and sexual harassment (SEA/SH). The EPA, 2019 does not adopt a mitigation hierarchy to avoid, minimize, mitigate, and, if necessary, compensate or offset environmental and social (E&S) risks and impacts. Neither the EPA, 2019 nor the EPR, 2020 set out a comprehensive social impact assessment (SIA) process for engaging affected persons and identifying differentiated measures to address disadvantage and vulnerability. The EPA, 2019 and EPR, 2020 do not include provisions for cumulative impact assessment, regional assessment, consideration of transboundary or supply chain risks, or defining associated/linked facilities and activities. However, they do contain provisions for strategic environmental and social assessment (SESA). The EPA, 2019 and EPR, 2020 do not contain provisions addressing occupational and community health and safety, land tenure, land acquisition and resettlement, or indigenous peoples’ rights. The EPA, 2019 and EPR, 2020 do not include reference to the Environmental, Health and Safety Guidelines (EHSG) or Good International Industry Practice (GIIP). In the EPR, 2020, stakeholder consultation is limited to public hearings in order to prepare an EA (Rule 6, Sub-rule 3) and there is no explicit requirement to hold public hearings after preparation of the EA. There are no specific provisions for identifying and engaging indigenous peoples,</p>

³ Gap assessment taken from World Bank Nepal ESF Overview Assessment Snapshot 2024.

	<p>marginalized communities, or vulnerable groups to assess and manage risks throughout the project cycle.</p>
<p>2. Labor and Working Conditions</p>	<p>There are certain labor risks for project workers such as small scale (i) traffic and road safety issues, (ii) inadequate terms and conditions of employment, (iii) occupational health and safety risks, (iv) SEA/SH risks.</p> <p>Gap in national framework: Nepal has relatively good labor laws and there is high complementariness with ESS2, but implementation is weak. The widespread practice of using informal workers without formal employment contracts leads to workers unable to safeguard the basic laborer rights established by the laws, such as working hours and medical and accidental insurances, securing legally eligible perks and benefits, inability to raise concerns and complaints, and taking legal remedies in case of violation of their rights. There is also a considerable gender pay gap, especially in the informal sector.</p>
<p>3. Resource efficiency and pollution prevention and management</p>	<p>Potential for increased resource consumption (water, energy) and waste generation at the project sites. The project will ensure that these resources are used efficiently and that waste is managed properly to minimize environmental impacts</p> <p>Gap in national framework: Lack of suitable enforcement mechanisms for legislation on resource use efficiency in projects.</p>
<p>1. Community health and safety</p>	<p>Key potential community health and safety risks include construction-related impacts (noise, dust, traffic), increased traffic and road safety concerns, potential impacts from small scale labor influx, risks associated with managing cultural heritage sites.</p> <p>Gap with national framework: There is no guidance as to how to incorporate climate change measures into EIAs or the design/construction of infrastructure. There is no requirement for gender-based violence (GBV) risk assessment and the legal framework for gender-based violence (GBV) does not specifically refer to impacts arising from the interaction of project workers with local communities. There is no requirement in relation to the use of security personnel in projects, ecosystem/environmental services (save for specific norms regarding forests and water quality), universal accessibility, traffic and road safety, or traffic management plans when conducting a brief environmental study, initial environmental examination, or environmental impact assessment (BES/IEE/EIAs). There is no requirement for emergency response planning involving risks to communities in the context of projects. This is, however, covered by specific sector policies and plans in mining, energy, port and terminal activities, dam management, natural or manmade disasters, and hazardous material transportation. The National Environmental Health Impact Assessment Guidelines 2002 are not mandatory and are not incorporated into EA requirements.</p>
<p>2. Land acquisition, restrictions on land use and involuntary resettlement</p>	<p>Project activities may result in temporary restrictions on land use and the temporary or permanent relocation of vendors or businesses, potentially causing economic displacement. Private land acquisition and physical displacement will be avoided.</p> <p>Gap in national framework: Resettlement Action Plan (RAP) is not required. The eminent domain land acquisition procedure is already fixed by law hence it does</p>

	<p>not provide for the consideration of participatory planning or for compensation options with the affected people. Does not allow non-cash compensation options such as land-for-land and replacement homes, only “arrangements for rehabilitation” and “priority in employment”; Valuation of lost assets; Considers depreciation and hence not at replacement cost; does not make mention of compensating non-titleholders (tenants, long-term land users, encroachers, and squatters).</p>
<p>3. Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>Lumbini has significant ecological value, as it is home to unique ecosystems like the Crane Sanctuary, which supports hundreds of cranes and other migratory bird species, and wetlands rich in avian life and mammals like Blue Bulls.</p> <p>Gap in national framework: Brief environmental studies, initial environmental examinations, and environmental impact assessments (BES/IEE/EIAs) do not include differentiated risk and response management frameworks (e.g., for natural, modified, and critical habitats), requirement to assess and mitigate the cumulative biodiversity impacts of a project, requirement to conduct a critical habitat assessment and to prepare and approve a biodiversity management plan, requirement to ensure no net loss (NNL) in natural habitats and to achieve a net gain (NG) in critical habitats impacted by projects and development activities, requirement to engage independent specialists with specific biodiversity/natural resource management expertise, requirement for due diligence and the evaluation and verification of primary natural resource product suppliers from areas known to have degraded habitats or critical habitats.</p>
<p>4. Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</p>	<p>Project is in a region with diverse ethnic communities and project activities will interact with these communities to improve their livelihood through local economic development initiatives. Social assessment will be undertaken during project implementation prior to civil works to determine the impacts of sub-project/s on any groups meeting the ESS7 criteria. If relevance is confirmed, a Vulnerable Group Planning Framework (VGPF) or similar instrument will be prepared prior to start of civil works. The need for Free, Prior, and Informed Consent (FPIC) will be assessed based on the social assessment findings.</p> <p>Gap in national framework: Although the government recognizes Indigenous People and respects their rights, the current system does not require preparation of an IP plan. There is no overarching regulatory framework to implement constitutional principles or international commitments arising from the ratification of ILO 169 or signing of UNDRIP 2007. FPIC is not recognized as a process in Nepal’s legislation framework. The environmental assessment (EA) prescribed in the EPR, 2020 is not explicit on the requirement to identify risks and</p> <p>impacts related to IPs, including targeted stakeholder engagement and differentiated mitigation measures. The Land Acquisition Act, 1977 does not expressly recognize differential impacts on IPs.</p>
<p>5. Cultural Heritage</p>	<p>Project interventions, especially infrastructure upgrades and site enhancements, have the potential to directly or indirectly impact cultural heritage. To safeguard these values, the project will avoid major civil works or enhancements that could threaten archaeological remains or compromise the sacred nature of the sites. Project design would take into account and reflect relevant cultural heritage attributes of the sites. Activities may take place near existing or proposed World Heritage Sites.</p>

	<p>Gap in national framework: Does not include intangible cultural heritage; does not provide provision for the development of Cultural Heritage Plan; does not specify the provision for the application of globally recognized practices in the study, documentation, and protection of cultural heritage; Does not provide for the adoption of a Chance Find procedures. No specific provisions for Built Heritage. Significant gap in stakeholder consultation and identification of cultural heritage. No apparent guidance/rules for commercial use of cultural heritage.</p>
<p>10. Stakeholder Engagement and Information Disclosure</p>	<p>ESS10 is relevant for all projects given the need to engage with beneficiaries and stakeholders on development activities that affect their lives. Likely stakeholders include local communities residing near potential project sites, relevant government agencies at national and sub-national levels, CSOs, representatives from religious/cultural/heritage preservation groups and other interested parties.</p> <p>Gap in national framework: Regular consultation with and engagement of stakeholders beyond the EIA process during the construction and operation phase not required.</p>

4. Potential Environmental and Social Risk Impacts and Standard Mitigation Measures

The GLBC lies within Nepal's Terai region, characterized by both urban and rural settings, with a significant presence of rural communities and a high concentration of vulnerable groups, including women, children, and Indigenous Peoples. The potential environmental and social risks and impacts of the project stem from rehabilitation and conservation works within the four selected heritage sites (Maya Devi Conservation Shelter, Tilaurakot, Devdaha, and Ramgram) and construction of visitor facilities and amenities outside these sites. The project involves small-scale construction and rehabilitation works at these sites. Because activities are limited in size and location, most environmental and social impacts are expected to be predictable, localized, reversible, and manageable through careful planning and good design.

Key environmental impacts may include temporary noise, dust, and water pollution; minor land disturbance during site clearance; and the generation of construction waste that must be handled properly. As tourism facilities improve, there may also be increased use of water and energy and increase of visitor related waste. Runoff from construction areas and upgrades to drainage and sanitation could cause localized effects on soil and water quality if not well managed. However, given the cultural and ecological sensitivity of the sites, the project will avoid any major civil works that could damage archaeological remains or disturb the sacred character of the area⁴.

Social impacts may relate to occupational and community health and safety, potential relocation of informal vendors or settlers, and the risk that poor or vulnerable groups could be excluded from project benefits. No private land acquisition is required, as all works occur on public land; however, any removal of informal settlers will follow ESS5 requirements.

The project area also faces wider social risks, including gender inequality, violence against LGBTQI individuals, child labor, suicide, and other forms of physical abuse. Women's participation in tourism remains limited, and both municipalities and implementing partners have capacity gaps in managing these risks. GBV services in the area are insufficient, which may weaken response to incidents. The arrival of additional construction workers and training providers including trainees for tourism related training activities may increase interactions with local communities, creating a potential risk of sexual exploitation and abuse or sexual harassment (SEA/SH).

⁴ At this stage only international design competition and detail Project Report is envisaged for Maya Devi Conservation Shelter and Sacred Garden, and its surroundings. Project risk rating and required instruments will be adjusted subject to the accepted conceptual design and detailed design for the Maya Devi Temple Complex (expected in Year 2 of implementation) and if construction of accepted detailed design is to be undertaken under the Project.

Potential risks and impacts for project components and generic mitigation measures are discussed in Table 3 below.

Table 3. Environmental and Social Risks and Mitigation Measures

Components /Activities	Risks and Impacts	Mitigation Measures
Component 1		
<p>Infrastructure planning, branding interventions, spatial assessments, planning and designing works, detailed site specific plans, Detailed Project Reports.</p> <p>Local economic development and private sector engagement (training and skills development, enterprise development and mentorship, product innovation, digital tools, business strengthening, financial management, and market linkages)</p> <p>Training to strengthen skills in Product Design, marketing and digital presence</p>	<p>There is a risk that the infrastructure design and planning may not integrate E&S measures to the intended standards, which could reduce their effectiveness in supporting sustainable tourism development. For example, the introduction of new visitor amenities—such as improved public toilets, parking areas, bus terminals, and public parks—could unintentionally prompt unplanned development, leading to issues like traffic congestion, improper management of effluents or solid waste, and negative effects on the area’s visual appeal.</p> <p>Additional risks include the potential impact on of sensitive natural resources vital for tourism, inadequate maintenance of facilities after construction, insufficient operating budgets, and a lack of skilled personnel to oversee facility operations and monitor environmental and social impacts. These challenges are particularly significant given the cultural and religious sensitivity of the project sites and the need to protect their heritage status.</p> <p>Exclusion of disadvantaged and vulnerable households in project activities (disclosure, participation, opportunities and benefit)</p>	<ul style="list-style-type: none"> • World Bank ESF and ESSs and EHS Guidelines should be incorporated in the all the terms of reference of design, plans and DPRs. • Ensure active stakeholder engagement to provide transparent information on project activities, benefits, and eligibility criteria to communities, through accessible channels, trusted intermediaries, and in relevant ethnic languages. • Proactively identify, consult with, and reach out to disadvantaged and vulnerable groups and households (through surveys, consultations, or other means, as appropriate). • Analyse alternatives in terms of design, location and resources and select lower risk option • UNESCO guidance note and tool kits to be reviewed and complied as applicable for planning and design.
Component 2		

<p>Investment on Strategic infrastructure like existing Maya Devi Conservation Shelter, Sacred Garden, Lumbini Museum, and enhancement of key sites: Ramgram, Tilaurakot and Devdaha. The activities will include:</p> <ul style="list-style-type: none"> • An international design competition to guide the architectural and landscape redesign of Maya Devi Conservation Shelter and its surrounding areas⁵ • Expansion and curation of Lumbini Musuem (interior enhancements, improving visitor circulation, lighting, enhancement of visitor experience through interactive technologies etc) • Enhancement of Ramgram, Tilaurakot and Devdaha (pathways and trails, multilingual signage, path furniture, lighting, artifact illumination, sanitation facilities, landscape improvements, parking, and spaces for local vendors, and visitor orientation centres <p>Local infrastructure improvements:</p> <ul style="list-style-type: none"> • Upgrading and constructing access roads, footpaths (resurfacing, underground services, pedestrian-friendly walkways, barrier-free 	<ul style="list-style-type: none"> • Potential impacts on the Outstanding Universal Value (OUV) on the Maya Devi Conservation Shelter and Sacred Garden, and its surroundings, and if construction of accepted detailed design is to be undertaken under the Project. • Potential impacts on cultural heritage, as activities occur near sensitive sites with a risk of chance finds during excavation requiring immediate protection and notification. • Potential restriction of access to the Greater Lumbini Buddhist Circuit for visitors and local communities during project implementation. • Air, water, and soil pollution from dust, sediment runoff, construction and demolition waste, and improper waste handling. • Possible disruption of natural drainage, including blocked water flow, sediment accumulation, and waterlogging. • Possible leakage or spills of lubricants and chemicals, potentially contaminating soil and water. • Possible impacts on the local urban ecosystem from site clearance and disturbance of 	<ul style="list-style-type: none"> • Screen all activities early and prepare required instruments such as the Environmental and Social Code of Practice (ESCAP), Environmental and Social Management Plan (ESMP), and Cultural Heritage Management Plan (CHMP) based on the standard templates in <i>Annex 9</i> • Ensure that all investments on Maya Devi Conservation Shelter and Sacred Garden, and its surroundings are proceeded by Heritage Impact Assessment (HIA) based on UNESCO requirements⁶ to uphold the site’s OUV and preserve its sanctity. The HIA must: identify and evaluate impacts on OUV attributes (tangible and intangible), propose avoidance, mitigation, and enhancement measures and provide decision-makers with evidence-based analysis before any approval. • Integrate all heritage related mitigation measures into the ESMP, including clear budgets and institutional responsibilities. • Follow the chance-find procedure and immediately stop work, secure the site, and inform the Department of Archaeology if any artefacts or structures are discovered during excavation. • Ensure that access to the Greater Lumbini Buddhist Circuit is maintained throughout project implementation, incorporating Occupational Health and Safety (OHS) and Community Health and Safety (CHS) measures into the construction implementation plan. • Control dust by sprinkling water on exposed surfaces, roads, aggregates, and demolition waste, especially near sensitive receptors (homes, schools, resting places, heritage areas). • Prepare and implement a Demolition Waste Management Plan (as part of the ESMP) when relevant, ensuring reuse, recycling, safe
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⁵ The activity will be implemented in coordination with UNESCO and the Lumbini International Scientific Committee and will include an international design competition to guide the architectural and landscape redesign of Maya Devi Conservation Shelter and its surrounding areas, ensuring that all interventions uphold the site’s Outstanding Universal Value (OUV) and preserve its sanctity. The outcome of the design competition can include the following options: (i) fixing the current building, (ii) rebuilding it within the same footprint, (iii) building a larger structure, or (iv) designing a landscaped open area with a lightweight canopy. The winning design will inform the phased renovation of the Maya Devi Conservation Shelter and surrounding areas, within the existing fenced core of the site. At this stage only international design competition and detail Project Report is envisaged. Project risk rating and required instruments will be adjusted subject to the accepted conceptual design and detailed design for the Maya Devi Temple Complex (expected in Year 2 of implementation) and if construction of accepted detailed design is to be undertaken under the Project.

⁶ International Council on Monuments and Sites (ICOMOS) Guidance on Heritage Impact Assessments for Cultural World Heritage Properties (2011) and UNESCO Toolkit for Impact Assessments in a World Heritage Context (2022).

<p>access, safety lighting, landscaping, and interpretive signage)</p> <ul style="list-style-type: none"> • Upgrading toilets, drainage and storm-water networks, street lighting, signage, and solid-waste management systems within the sites • Landscaping, shaded rest zones, parks, spaces for street vendors, and MSMEs, and pedestrian areas. 	<p>existing vegetation or open spaces.</p> <ul style="list-style-type: none"> • Occupational health and safety risks to workers and nearby communities due to construction activities. • Possible groundwater contamination from poorly located, damaged, or poorly maintained septic tanks. • Temporary land-use restrictions and possible short-term or permanent displacement of vendors or small businesses, affecting livelihoods. • Reduced accessibility for persons with disabilities (PWDs), children, elderly people, and pregnant women if utility infrastructures are not designed inclusively. • Possible exclusion of disadvantaged or vulnerable groups if project information, participation opportunities, and benefits are not equally accessible. 	<p>disposal, and compliance with Bank requirements.</p> <ul style="list-style-type: none"> • Minimize waste generation by maximizing the reuse and recycling of construction materials (e.g., concrete, steel, timber). • Plan and design works to maintain natural drainage paths and avoid blocking water flows. • Use permeable surfaces, proper slope management, and temporary drainage to prevent waterlogging during construction. • Store fuels, lubricants, paints, and chemicals in covered, bunded areas away from drainage lines and water bodies. • Maintain equipment regularly and handle lubricants carefully to avoid spills. • Apply the mitigation hierarchy during planning and design to avoid sensitive areas and minimize vegetation loss. • Restore disturbed areas by planting native species and replacing any trees removed. • Use less-intensive construction methods and local materials to reduce ecological disturbance. • Prepare and implement a Labour Management Procedure (LMP) and Occupational Health and Safety (OHS) Plan as part of the ESMP. • Provide and enforce the use of full PPE; install fencing, barricades, ramps, rails, and clear safety signage at worksites. • Ensure safe pedestrian flow around work areas, especially near heritage sites and busy public spaces. • Carefully design and site septic tanks in suitable soils, following engineering standards. • Regularly monitor the condition and performance of septic tanks, especially after upgrades or rehabilitation. • If the proposed activities or works are expected to involve physical or economic displacement because of land acquisition or restrictions on access or use of natural resources, the Simplified Resettlement Policy Framework (RPF) Template will be used to guide preparation of RAPs. RAPs will be prepared before the start of civil works. <i>Refer Annex 7 - Resettlement Impact Screening Checklist and Annex 8- Entitlement Matrix Template (types of loss, entitlements with compensation policies and the modes of implementation)</i>
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		<ul style="list-style-type: none"> • Provide timely information and support to affected vendors or small businesses to minimize livelihood disruption. • Ensure universal access in the design of all utility infrastructure, including safe access for persons with disabilities (PWDs), children, elderly people, and pregnant women. • Use features such as ramps, tactile surfaces, handrails, adequate lighting, and barrier-free pathways. • Conduct inclusive and accessible consultations with community members, leaders, local authorities, and representatives of disadvantaged and vulnerable groups. • Provide clear, transparent, and accessible information on project activities, eligibility, and benefits using appropriate languages and communication channels. • Proactively identify and engage vulnerable households through surveys, outreach, and community networks. • Ensure the grievance and feedback mechanism is widely accessible. Use multiple intake channels, local languages, and awareness campaigns targeting vulnerable groups.
Component 3		
Project management and support	<ul style="list-style-type: none"> • Risks of inadequate support regarding staffing, resources from the Project Implementation Support Team (PIST) and Design and Supervision Consultant (DSC) on E&S aspects and management. 	<ul style="list-style-type: none"> • Provide training on E&S risk management to all the project officials at all level of government, contractors, and consultants. • While developing training modules integrate E&S measures in the ToRs and contract documents while executing all the activities under the project including training and capacity building, installing IT equipment and computers. • Incorporate clear scope of the tasks related to environmental and social risk management in the ToR of the PIST and DSC. The TOR also includes the need for a Cultural Heritage Expert with specific qualifications.

4.1 Risks and Mitigation Measures Specific to Disadvantaged and Vulnerable Groups

Nepal is a country of significant diversity in many dimensions. The 2021 census of Nepal recorded the presence of 125 caste and ethnic groups, 123 languages spoken as mother tongue, and ten different types of religious groups. The Census identified the Janajati (36%), Chhetri/Bahun (31%), Terai castes (14%), Dalit (14%), and Muslim (4%) as the largest caste/ethnic groups. Vulnerable groups like Terai/Madhesi Dalits and "Other" Terai castes show poorer health outcomes, such as higher childhood mortality and stunting rates, compared to other groups, according to analyses that build on the census data.

The GLBC lies within Nepal's Terai region, characterized by both urban and rural settings, with a significant presence of rural communities and a high concentration of vulnerable groups, including women, children, and Indigenous Peoples. Lumbini's social fabric is defined by diverse ethnic and religious communities. Possible risks include exclusion from project benefits due to gender, social and economic status; possible tensions and even conflict among the beneficiaries, local communities and even districts or potential contractors and suppliers, because of insufficiently transparent processes, and inadequate disclosure of project information; contract awards might disadvantage certain groups; possible corruption and elite capture of Project benefits.

As per the *Article 42 of GoN's Constitutional Right to Social Justice (1-5)*, socially backward women, Dalits, indigenous people, Madhesi, Tharu, Muslim, people with disability, farmers, laborers, people from backward region could be termed as vulnerable and need special protection and provision for empowerment. The project will ensure these groups benefit equitably from tourism development and that their cultural heritage is respected and protected. Targeted consultations and benefit-sharing mechanisms will be needed to address potential inequalities and ensure that marginalized groups, including women and youth, have opportunities to participate and benefit from the tourism value chain.

Vulnerable Community Development Plans (VCDPs) will be prepared for the sub projects that will have an impact on vulnerable communities. The impact on vulnerable communities and the need of a VCDP will be identified through a social screening process.

4.2 Planning and Design Considerations for Avoidance of Environmental and Social Risks and Impacts

During the various assessment, destination vision and planning phases, the technical team and engaged consultants will ensure that environmental and social considerations are systematically integrated into their recommendations. This includes proposing actionable strategies to enhance environmental and social governance, compliance, and adaptive management across relevant agencies. Similarly, feasibility studies for high-priority investments will explicitly incorporate socio-economic and environmental factors into project design. In the development, planning, and design of infrastructure such as parks, bus stops, public toilets, green spaces, and landscaping, environmental and social aspects will be embedded to inform and strengthen the prototype design, thereby promoting sustainability and inclusivity throughout the project lifecycle. The local communities, government agencies, private sector, development partners, and local communities—including women and disadvantaged groups will be consulted on the proposed visions, plans, and actions.

4.3 Labour Management Procedures

As the project is moderate risk, the Labor Management Procedures (LMP) have been integrated into the Environmental and Social Management Framework to ensure labor-related risks are appropriately managed in line with the World Bank's ESS2. Including the LMP within the ESMF allows for the identification and mitigation of potential labor risks such as working conditions, occupational health and safety, and the establishment of effective grievance mechanisms for project workers. For moderate risk projects, the LMP should be proportionate to the scale and nature of the anticipated risks, providing clear guidance on contractor management, worker engagement, and compliance with national labor laws. This alignment not only supports compliance with relevant national labor laws and World Bank Environmental and Social Standards (ESS2), but also promotes transparency, accountability, and the protection of workers' rights.

It is estimated that the project will need a total of approximately 1000 workers which includes 50 skilled, 150 semi-skilled, and 800 unskilled workers over the period of 5 years during project's implementation⁷. Similarly, around 60% workers of the total requirement are envisaged to be local and 40% migrant workers. This LMP applies to four types of workers viz. direct workers, contracted workers, primary supply workers, and community workers. Similarly, this LMP will apply to both; full-time and/or part-time workers including national or international, male or female workers with a minimum age of 18.

The LMP presents the policies and procedures that will be in place to ensure that the risks identified in this Project are addressed during project implementation. Risk of workers in the project being denied their rights, risk of hiring and/or involvement of children and inadequate occupational health and safety standards in construction of infrastructure and facilities are key labor risks. In addition, risk of accidents and incidents at the workplace, labor influx and associated community health and safety risks, including possible Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks possible from when female trainees attend the training courses offered under the Project, and from the small scale labor influx around heritage sites.

The measures essential to mitigate the identified risks as prescribed by this LMP are ensuring fair labor and working conditions, enforcing contract management, managing safety-related training/orientation for workers, particularly on workers' code of conduct (CoC) to be prepared by contractors based on the template provided in **Annex 6**.

The Project Director at the PCO will hold the overall responsibilities for implementation, monitoring, and reporting of the LMP covering project workers, community workers, and the primary supply workers. The PIUs will be responsible for the implementation of the LMP at site. The Social Development Specialist and Environment Specialist in the PIST in coordination with the E&S Focal Person in the PIUs will be responsible for implementing and supervising the LMP on the field. The contractor will be responsible to address LMP as part of procurement for works and subsequently responsible to manage LMP's provisions.

Worker's a Grievance Redress Mechanism

⁷ At this stage, the total number of workers (skilled, semi-skilled, and unskilled) is provisional and will be revised as needed once project activities are clearly defined prior to implementation.

The project will establish a grievance redress mechanism (GRM) specifically to receive workplace concerns and grievances from project workers, as required under ESS-2. Legal provisions entrusted with the basics of disciplinary procedures and GRM will harmonize working conditions and management of worker relationships (e.g., terms and condition of employment, non-discrimination and equal opportunity, workers organization) and protect the workforce (e.g., child labour and minimum age, force labour).

The mechanism will be accessible to all the project workers without any discrimination. The GRM for workers will be organized as follows.

i) For all worker-related grievances: The Project Director at the PCO will be responsible for providing guidance and advice on all worker-related grievances and their redress, in line with the national legislation and the LMP..

ii) For the Direct Project Workers: The E&S Focal Person in the PCO, in coordination with the PIST E&S Specialists will hold the overall responsibility for establishing and implementing the GRM for project workers and reporting on it and will be responsible for providing guidance and advice on all worker-related grievances and their redressal, in line with the national legislations and LMP provisions.

iii) For Contract Workers: Having a grievance mechanism will be one of the requirement reflected in bidding and contractual documents for contractors and sub-contractors. The concerned PIUs will be responsible for ensuring grievance mechanisms are operational and accessible to contract workers. The respective GRM focal persons in each PIUs shall maintain records where grievances and complaints, including minutes of discussions, recommendations, and resolutions made will be recorded.

Responsible officials to operationalize GRM at different levels:

The E&S Focal Persons in the PIUs with support from the DSC Social Development Specialist will provide overall capacity building support on resolving all workers' grievances and will support the PIU Manager. S/HE will also include workers' grievance status in the half-yearly progress report on ESMF and submit to the PCO E&S Focal Person for compilation and reporting.

Grievances related to SEA/SH and Gender-Based Violence (GBV)

Recognizing the fact that SEA/SH-related cases can occur among the workers, the LMP adopts a different approach and methods to deal with such risks. The Project will identify institutions and services providers who are actively engaged in the prevention of gender-based violence, sexual exploitation, and workplace sexual harassment around project sites to refer any potential survivors to these services. Such services will include health facilities, law enforcement services, and relevant public authorities in the participating municipalities. Grievances related to gender-based violence will be reported through the project/contractor, the nature of the complaint will be recorded along with the age of the complainant, and relation to the project will be recorded but the issue will be referred to relevant institutions.

In addition, establishing workers access to the Project GRM.

4.4 Screening for Involuntary Resettlement Impacts

There will be no private land acquisition under the Project as all the infrastructure and facilities financed under the Project will be constructed on government land. However, there are possibilities of temporary removal and relocation of vendors and displacement of informal settlers from government land, or temporary/permanent restrictions in accessing private land or common resources. To be aware of such possibilities, all sites and land parcels intended for works under the Project will first be screened using a

screening checklist which will provide updated information about the current situation of that site/land, and recommend next steps.

The Project will screen out potentially problematic subprojects that would: (i) potentially cause the displacement of significant numbers of people; (ii) build a public or communal facility on a private property without sufficient tenure security during the economic life of the facility; (iii) use lands that are subject to any kind of disputes/conflicts; (iv) use lands within protected forests or national parks, except when the subproject itself is deemed part of the park management strategy and approved by the park management; (v) use donated lands without sufficient proof that the act of donation was voluntary.

The project will not fund any private land acquisition for the envisaged activities. All infrastructure related activities will be constructed on government land which will be screened for the presence of informal settlers, vendors, and any encumbrances. Though there will be no private land acquisition, appropriate mitigation measures, including the preparation of site specific RAPs, may be required to guide the removal of informal settlers or provide livelihoods to vendors that may be permanently or temporarily relocated. RAPs will be prepared in accordance with WB policy ESS5 on Involuntary Resettlement. If RAPs are to be required, these must be completed before the start of the site-specific civil works.

The project Grievance Redress Mechanism (GRM) described in the Stakeholder Engagement Plan will also serve the purpose of receiving and resolving grievances related to land related issues and screening.

5. Procedures and Implementation Arrangements

5.1 Environmental and Social Risk Management Procedures

This section outlines the detailed procedure for environmental and social (E&S) risk management during project implementation. The E&S procedures ensure the effective integration of environmental and social considerations into subproject design and execution, enhancing risk management and determining appropriate instruments and level assessment for risk mitigation.

The procedure establishes systematic criteria for identifying the level of environmental assessments required, their sequencing, and compliance with legal requirements. Once a subproject or activity is justified, the E&S risk management process begins with environmental and social screening followed by preparation of appropriate E&S instruments.

As a first step, all proposed activities should be screened to ensure that they are within the boundaries of the Project’s eligible activities, and they are not considered as activities listed on the E&S Exclusion List noted in the table below. Each proposed activity is first screened to understand potential social and environmental risks, impacts, and concerns, and help to determine the extent and depth of environmental and social due diligence required. The process of screening identifies the key aspects that may need to be further examined and managed. Objectives of the environmental and social screening process are:

- Screen the eligibility of the sub-project activities against the Eligibility Criteria;
- Identify potential environmental and social risks and impacts of the proposed activities, assign a subproject category and type, and;
- Determine the level and scope of environmental and social assessments and specific instruments/management plans required to address the potential risks and impacts.

This section describes the screening process to determine: (a) the potential environmental and social impacts of an activity; (b) the category of that activity based on the environmental and social factors and, (c) the activity-specific action plan that needs to be prepared as part of activity preparation and planning and prior to its approval or implementation.

The ESMF will guide the screening and assessment of activities in alignment with Nepal’s legal framework and the World Bank’s ESF and its ESSs. In summary, the procedures aim to do the following:

Table 4. Project Cycle and E&S Management Procedures

Project Stage	E&S Stage	E&S Management Procedures
Subproject identification	Screening	<ul style="list-style-type: none"> • During subproject identification, ensure subproject eligibility by referring to the Exclusion List in table 5 below. • For all activities, use the Screening Form in Annex 2 to identify and assess potential environmental and social risks and impacts, and identify the appropriate mitigation measures for the subproject. • Identify the documentation, permits, and clearances required under the government’s Environmental Regulation.
Project Categorization	Planning	<ul style="list-style-type: none"> • Categorization of subproject activity is essential for early understanding of the type, nature and scale of any impacts.

		<p>Complying with the classification provision of WB ESF, EPA 2019, and EPR 2020⁸, the following category are in place:</p> <ul style="list-style-type: none"> • Category I Sub-projects: Subprojects will not be supported by the GLAD Project Table 5- Exclusion List. • Category II Sub-projects: Sub-projects with substantial E&S risk requiring ESIA (EIA or IEE to meet the national requirement) and associated plans such as CHMP, RAP etc. • Category III Sub-projects: Sub-projects with moderate E&S risk requiring preparation of an ESMP (in some cases BES to meet the national requirement). • Category IV Subprojects: Sub-projects with minimal or no adverse environmental and social impacts. After the initial E&S screening, no further assessments are required and an ESCoP is prepared for implementation.
<p>b. Formulation and Planning: Planning for subproject activities, including human and budgetary resources and monitoring measures</p>	<p>Planning</p>	<ul style="list-style-type: none"> • Based on Screening and Categorization adopt and/or prepare relevant environmental and social procedures and plans (ESIAs/ESMPs/ESCoPs). • For activities requiring ESMPs or ESCoPs, submit the first 5 ESMPs and ESCoPs with Bank for prior review and no objection by the World Bank prior to initiating bidding processes (for subprojects involving bidding processes) and/or launching activities (for subproject activities not subject to bidding). • Ensure that the contents of the ESMPs are shared and disclosed with relevant stakeholders in an accessible manner and consultations are held with the affected communities in accordance with the SEP. • Complete all documentation, permits, and clearances required under the government’s Environmental Regulation. • Train staff responsible for implementation and monitoring of plans. • Incorporate relevant environmental and social procedures and plans (ESMPs, ESCoPs, code of conduct) into contractor bidding documents; train contractors on relevant procedures and plans.
<p>c. Implementation and Monitoring: Implementation support and continuous monitoring for projects</p>	<p>Implementation</p>	<ul style="list-style-type: none"> • Ensure implementation of plans through site visits, regular reporting from the field, and other planned monitoring. • Take corrective action where needed • Track grievances/beneficiary feedback. • Continue awareness raising and/or training for relevant staff, volunteers, contractors, communities.
<p>d. Review and Evaluation: Qualitative, quantitative, and/or participatory data collection on a sample basis]</p>	<p>Completion</p>	<ul style="list-style-type: none"> • Assess whether plans have been effectively implemented. • Ensure that physical sites are properly restored.

⁸ Schedule 1, 2 and 3 of EPR (2020) has explicitly listed the types and natures of the project requiring Brief Environmental Study (BES), Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) respectively.

Table 5. Exclusion List

- World Heritage possesses Outstanding Universal Value (OUV) that is unique and cannot be substituted or offset. Consequently, activities that necessitate offsets will not be permitted.
- Projects that may cause, or have the potential to result in permanent and/or significant damage to non-replicable cultural property, irreplaceable cultural relics, historical buildings and/or archaeological
- Support of production of any hazardous good, including alcohol, tobacco, and controlled substances
- Any construction in protected areas or priority areas for biodiversity conservation, as defined in national law
- Activities that have the potential to cause any significant loss or degradation of critical natural habitats, whether directly or indirectly, or which would lead to adverse impacts on natural habitats
- Activities that involve extensive harvest and sale/trade of forest resources (post, timber, bamboo, charcoal, wildlife, etc.) for large-scale commercial purposes
- Activities involving changing forestland into agricultural land or logging activities in primary forest
- Activities that may cause or lead to forced labor or child abuse, child labor exploitation or human trafficking, or subprojects that employ or engage children, over the minimum age of 14 and under the age of 18, in connection with the project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral, or social development
- Any activity on land that has disputed ownership or tenure rights
- Any activity that will require private land acquisition, large scale physical relocation, and the use of eminent domain
- Any activity that will require Free, Prior and Informed Consent (FPIC) as defined in ESS7.

More detail for each stage is provided below.

a. *Subproject Assessment and Analysis – E&S Screening*

Every proposed subproject will be subjected to an E&S screening to comply with national regulatory requirements, for example, Nepal's Environmental Protection Act 2019 and the Environmental Protection Rules (EPR) 2020, as well as the World Bank's ESSs and UNESCO requirement (Operational Guidelines for the Implementation of the World Heritage Convention) and Guidance and toolkit for impact assessment. An environmental and social screening checklist has been developed for the project to be used during screening, please refer to **Annex 2**. The Screening will also lists the various mitigation measures and plans that may be relevant for the specific activities (RAP, CHMP, Chance Find Procedures, etc.)

The environmental and social Specialist of DSC in coordination with PIST E&S Specialist are responsible for environmental and social screening and the screening reports will be reviewed and approved by the PCO. As the sub projects will be implemented at PIU and Participating Municipality (PM) level, clear guidance will be provided by the PCO to PIUs and PMs to ensure that screening takes place to categorize activities and that all concerned local stakeholders are consulted and involved in the screening process. Environmental and social screening shall be done based on the criteria provided in Schedules 1, 2 and 3 of EPR 2020 and World Bank ESSs. And UNESCO requirements. The E&S screening report shall be approved by the PCO subject to the prior concurrence with WB. The E&S screening will determine the sub-project category and level of assessment required for each sub-project.

b. *Subproject Formulation and Planning – E&S Planning*

Based on the process above and the Screening the E&S Specialist of DSC with support from PIST will develop relevant site-specific environmental and social management plans (ESMPs) as per the categorization of subproject. A standalone ESIA/EIA may be required for certain subprojects near heritage

sites to meet UNESCO requirements, especially when no national impact assessment system applies or when the proposed activities are not subject to impact assessment under existing legislation.

If site-specific ESMPs are necessary, the DSCs will prepare these ESMPs and other applicable documents as needed⁹. The PIUs will provide approval and compile ESMPs and other applicable forms. The contents of the ESMPs will be shared with relevant stakeholders in an accessible manner, and consultations will be held with the affected communities on the environmental and social risks and mitigation measures. If certain subprojects or contracts are being initiated at the same time or within a certain location, an overall ESMP covering multiple subprojects or contracts can be prepared. Some moderate risk subprojects may also benefit from the preparation of a site-specific environmental and social assessment prior to the preparation of an ESMP.

The first five (05) ESMPs in category III of subprojects and all the ESIA/EIA/IEE of subprojects will be submitted to the World Bank for prior review and no objection. After this first 5, the World Bank and the PCO will reassess whether prior reviews are needed for further ESMPs or a certain category of ESMPs.

The PIUs in coordination with PCO will also complete the documentation, permits and clearances required under the government's Environmental Regulation before any project activities begin.

At this stage, staff who will be working on the various subproject activities should be trained in the environmental and social management plans relevant to the activities they work on. The PIUs and PMs in coordination with DSC should provide such training to field staff.

The PCO should also ensure that all selected contractors, subcontractors, and vendors understand and incorporate environmental and social mitigation measures relevant to them as standard operating procedures for civil works. The E&S specialists of PIST in coordination with DSC should provide training to selected contractors to ensure that they understand and incorporate environmental and social mitigation measures; and plan for cascading training to be delivered by contractors to subcontractors and vendors. The PIUs and PMs should further ensure that the entities or communities responsible for ongoing operation and maintenance of the investment have received training on operations stage environmental and social management measures as applicable.

c. Implementation and Monitoring – E&S Implementation

During implementation, the PCO, in coordination with the PIUs and PMs, will conduct periodic monitoring visits. PIST will support the PCO in overall project monitoring, while each PIU and PM will be responsible for site-level monitoring. The DSCs will support the PIUs and PMs in day-to-day E&S monitoring of sub-projects. Contractors will be responsible for implementing mitigation measures outlined in the E&S risk management documents, under DSC oversight. DSCs will monitor contractor compliance and report to the PIUs.

In coordination with PIST, the DSCs will ensure that monitoring practices cover the environmental and social risks identified in the ESMF and will track the implementation of mitigation measures in the E&S risk management instruments as part of regular project monitoring.

⁹ DSC, apart from PIU, will also support the PMs for E&S screening (*Annex 2*) and preparation of required E&S instruments (ESCoP, ESMP etc)

The DSCs will prepare sub-project level day-to-day E&S monitoring reports and submit monthly monitoring reports to the respective PIUs. The PIUs will then submit consolidated monthly reports to the PCO. With support from PIST, the PCO will compile these reports and prepare the project's overall monthly and periodic monitoring reports. The PCO will submit semi-annual E&S monitoring reports to the World Bank. At a minimum, these reports will cover: (i) overall implementation of E&S risk management instruments and measures; (ii) any environmental or social issues arising from project activities and how these are being remedied or mitigated, including timelines; (iii) occupational health and safety performance (including incidents and accidents); (iv) community health and safety; (v) stakeholder engagement updates, in line with the SEP; (vi) public notification and communications; (vii) progress on the implementation and completion of project works; and (viii) a summary of grievances/beneficiary feedback received, actions taken, and complaints closed, in line with the SEP.

Throughout project implementation, the PCO will continue to provide training and awareness raising to relevant stakeholders, including project staff, selected contractors, and communities, to support implementation of the environmental and social risk management measures. An initial list of training needs is provided in Section 5.5.

The PCO, in coordination with the PIUs and PMs, will also track grievances and beneficiary feedback (in line with the SEP) during project implementation, and use this information as a monitoring tool for project activities and the effectiveness of environmental and social mitigation measures.

If the PCO or PIUs or PMs become aware of a serious incident in connection with the project that may have significant adverse effects on the environment, affected communities, the public, or workers, they will notify the World Bank within 48 hours of becoming aware of the incident. A fatality is automatically classified as a serious incident, as are incidents of forced or child labor; abuse of community members by project workers (including gender-based violence); violent community protests; or kidnappings.

d. *Review and Evaluation – E&S Completion*

Upon completion of Project activities, the PCO will review and evaluate progress and completion of project activities, and all required environmental and social mitigation measures. Especially for civil works, the PCO will monitor activities with regard to site restoration and landscaping in the affected areas to ensure that the activities are done to an appropriate and acceptable standard before closing the contracts, in accordance with measures identified in the ESMPs and other plans. The sites must be restored to at least the same condition and standard that existed prior to commencement of works. Any pending issues must be resolved before a subproject is considered fully completed. The PCO in coordination with PIUs and PMs will prepare the completion report describing the final status of compliance with the E&S risk management measures and submit it to the World Bank.

5.2 Technical Assistance Activities

The PCO will ensure that the consultancies, studies (including feasibility studies, DPR etc), capacity building, training, and any other technical assistance activities under the Project are carried out in

accordance with Terms of Reference acceptable to the Bank, that are consistent with the ESSs. It will also ensure that the outputs of such activities comply with the Terms of Reference.

5.3 Contingency Emergency Response Component

The Contingency Emergency Response Components (CERC) Manual to be prepared for the Project will include a description of the environmental and social risk assessment and management arrangements if the CERC component becomes activated. This may include a CERC ESMF or an Addendum to this ESMF based on the subproject activities that will be funded under the CERC component. If such additional documentation or revision to documentation is needed, the [responsible party in the implementing agency] will prepare, consult, adopt, and disclose these in accordance with the CERC Manual, and implement the measures and actions necessary.

5.4 Implementation Arrangements

5.4.1 Overall Project Management and Coordination

Project Steering Committee (PSC)

The project will establish an inter-ministerial PSC to provide overall policy guidance and ensure coordination across different components of the GLAD Project. A high-level Project Steering Committee (PSC), chaired by the Secretary of Ministry of Finance (MoF), will be established to provide strategic oversight and facilitate inter-agency coordination. The PSC will include representatives from relevant federal ministries and agencies and will convene on an as-needed basis to review and endorse key project decisions. Representation include the National Planning Commission, MoF, MoUD, Ministry of Federal Affairs and General Administration (MoFAGA), MoCTCA, DoA, DUDBC, Lumbini Province Government, four participating municipalities, Lumbini Development Trust (LDT), Nepal Tourism Board (NTB), and Project Director (GLAD-PCO) as the member secretary and convener of the PSC.

Project Coordination Office (PCO)

The project will be implemented within Nepal's federal governance framework, ensuring alignment with national priorities, and leveraging lessons from the World Bank-financed Nepal Urban Governance and Infrastructure Project (NUGIP) and ADB's Urban Resilience and Livability Improvement Program. The Ministry of Urban Development (MoUD) through the Department of Urban Development and Building Construction (DUDBC) will serve as the primary level coordinating agency for the project, in close coordination with the Ministry of Culture, Tourism and Civil Aviation (MoCTCA), the Lumbini Province Government, participating municipalities, and the private sector. MoUD-DUDBC will lead the project coordination and oversight through a dedicated Project Coordination Office (PCO). Its core responsibilities include coordination with relevant government agencies to facilitate smooth implementation of project activities, monitoring progress, ensuring compliance with policies and procedures.

At the federal level, the PCO, under the MoUD-DUDBC, currently managing NUGIP, will be retained and strengthened to serve as the central coordination unit for the proposed project. It serves as the key point of contact with the World Bank, and will lead activities under Component 3, including project

management, coordination and supervision, carrying out necessary due diligence to ensure compliance with technical, fiduciary, institutional, and environmental & social safeguard standards. PCO will engage individual consultants as part of the Project Implementation Support Team (PIST). The PIST will provide specialized expertise to the PCO and the PIUs across key domains such as technical (architect, archeologist, planner, heritage specialist, civil engineer, tourism expert, as required), financial management, procurement and contract management, environment and social risk management, citizen engagement and gender inclusion, monitoring and evaluation, regular reporting and overall project management, as required.

Project Implementation Units (PIUs)

Two Project Implementation Units (PIU) will be established under the PCO and located in the Greater Lumbini Area to manage day-to-day field level project implementation across the respective thematic areas, including procurement and contract management, environmental and social compliance, field-based technical supervision, and reporting to the PCO.

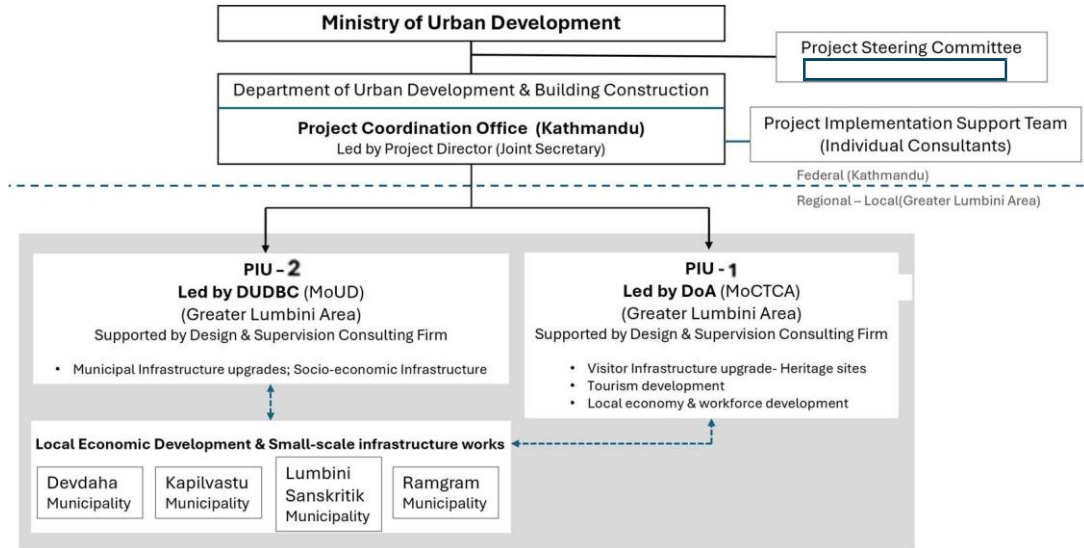
PIU 1, will be established within MoCTCA in close coordination with DOA, LDT and NTB, with its office located in the vicinity of the Maya Devi Sacred Garden (Lumbini Master Plan Area). The unit will be led by Senior Officer appointed by MoCTCA who will operate in close coordination with LDT, DOA and will comprise of archaeological officer from DoA, museum officer from DoA, Senior officer from Nepal Tourism Board, and representatives (engineer, tourism expert) from LDT, and DSC. The PIU 1 will lead interventions under Component 1 and sub-component 2.1, focusing on site-specific heritage conservation, tourism development, and local economic development.

PIU 2, will be established within the DUDBC (MoUD) with its office located within the Greater Lumbini Area and will be led by Senior Division Engineer appointed by DUDBC and supported by engineers and sub-engineers from DUDBC and will include DSC. The unit will lead interventions under Sub-component 2.2 for implementing tourism related infrastructure improvement and socio-economic infrastructure development along GLBC and Component 3 for project management. .

Participating Municipalities (PMs)—Lumbini Sanskritik, Devdaha, Ramgram, and Kapilvastu— at the local level, will work with local communities to improve small-scale facilities around the heritage sites. They will identify the subprojects, carry out the works, and submit regular reports to the PCO, in close coordination with the PIUs. Each PM will sign a subsidiary agreement with MoUD that sets out the project terms and their roles and responsibilities during and after implementation.

To ensure effective project delivery and oversight, each PIU will hire Design and Supervision Consultant (DSC) based on the specialized needs, to support the PIUs and PMs in preparing Detailed Project Reports, bid documents, managing contracts, and managing environment and social risk through risk screening, ESIA/ ESMP preparation and relevant instruments in line with the ESMF. Figure 2 provides the overall implementation arrangement of the GLAD Project.

Figure 2. Implementation Arrangement



5.4.2 ESMF Implementation Arrangements and Responsibilities

The PCO is responsible for overall E&S management, including implementation of the ESMF, SEP, and ESCP. It will maintain qualified personnel and resources, including an E&S Focal Person, and will hire a Project Implementation Support Team (PIST). The PIST will consist of specialized consultants, including an environmental specialist and a social development Specialist, who will provide hands-on support to PCO, PIUs and municipalities in managing environmental, social, health, and safety risks.

PIU 1 under MOCTCA is responsible for E&S management related to Component 1 and sub-component 2.1, focusing on site-specific heritage conservation, tourism development, and local economic development. It will be supported by an E&S Focal Person and will engage a Design and Supervision Consultant that include a Heritage Conservation Specialist, an environmental specialist and a social development specialist to fulfill these responsibilities. an E&S Focal Person and will engage a Design and Supervision Consultant (DSC) that includes a Social Development Specialist and an Environment Specialist.

PIU 2 under DUDBC (MoUD) is responsible for E&S management for interventions under Sub-component 2.2 (i, ii, and iii), for implementing tourism related infrastructure improvement and socio-economic infrastructure development along GLBC and Component 3 for project management. It will also be supported by an E&S Focal Person and will engage a Design and Supervision Consultant that includes an Environmental Specialist and a Social Development sSpecialist to fulfill these responsibilities.

The PMs will be responsible for E&S management of the small-scale infrastructure improvements under Subcomponent 2.2 (ii) and (iii) in the vicinity of the heritage sites. They will conduct E&S screening and oversee E&S management with support from the DSCs and in coordination with both PIUs. Activities with significant environmental or social impacts will be excluded during project identification. Eligible activities may include: (i) routine maintenance of municipal infrastructure around heritage sites, such as street

cleaning, improvements to footpaths and cycle paths, concrete block or stone paving, and lined drainage channels; and (ii) small community facility upgrades, such as community parks and recreational spaces, community health centers, cleaning of public areas, and tree planting and landscaping. The table below summarizes the roles and responsibilities regarding the implementation arrangements for **environmental and social management**.

Table 6. Implementation Arrangements

Level/ Responsible Party	Roles and Responsibilities
Project Coordination Office (PCO) with support from Project Implementation Support Team (PIST)	<ul style="list-style-type: none"> - Provide support, oversight, and quality control to field staff working on environmental and social risk management. - Collect, review, and provide quality assurance and approval to Screening Forms and ESMPs as relevant. Keep documentation of all progress. - Oversee overall implementation and monitoring of environmental and social mitigation and management activities, compile progress reports from local levels/subprojects, and report to the World Bank on a biannual basis. - Train central and field staff and contractors who will be responsible for implementing the ESMF. - If contracting is managed centrally, ensure that all bidding and contract documents include all relevant E&S management provisions per screening forms, ESMPs, and ESCOPs.
Project Implementation Units (PIUs) with support from Design and Supervision Consultants (DSCs)	<ul style="list-style-type: none"> - Ensure project activities do not fall under the Negative List. - Fill out Screening Forms for relevant subproject activities and submit forms to the national level. - If relevant, complete site-specific ESMPs for subproject activities and submit forms to the national level. - Oversee daily implementation and monitoring of environmental and social mitigation measures, and report progress and performance to the national level on a monthly basis. - Provide training to local contractors and communities on relevant environmental and social mitigation measures, roles, and responsibilities. - If contracting is managed regionally, ensure that all bidding and contract documents include all relevant E&S management provisions per screening forms, ESMPs, and ESCOPs.
Participating Municipalities (PMs)- Lumbini Sanskritik, Devdaha, Ramgram, and Kapilvastu	<ul style="list-style-type: none"> - Carry out E&S screening with support from DSCs and in coordination with PIUs and submit to PCO - Ensure sub-project activities do not fall under the Negative List. - Support E&S risk management at site level and local stakeholder coordination - Carry out E&S monitoring with support from DSCs and in coordination with PIUS, and report progress and performance to the PCO on a monthly basis. -If contracting is managed locally (through municipalities), ensure that all bidding and contract documents include all relevant E&S management provisions per screening forms, ESMPs, and ESCOPs.
Local contractors	<ul style="list-style-type: none"> - Comply with the Project’s environmental and social mitigation and management measures as specified in ESMPs, ESCOPs, and contract documents, as well as national and local legislation. - Take all necessary measures to protect the health and safety of workers and community members, and avoid, minimize, or mitigate any environmental harm resulting from project activities.

5.5 Proposed Training and Capacity Building

Successful implementation of the Project will depend, among others, on the effective implementation of the environmental and social risk management measures outlined in this ESMF. Training and capacity building will be necessary for the key stakeholders in order to ensure effective implementation of the ESMF, SEP, and other environmental and social documents. An initial training approach is outlined in the table below. To the extent possible, training on environmental and social risk management will be integrated into the project cycle and operational procedures. Given the need to raise awareness among

project workers and stakeholders at many levels, a cascading model is proposed where information will follow from the national level to the field levels.

Table 7. Proposed Training and Capacity Building Approach

Level	Responsible Party	Audience	Topics/Themes that May Be Covered
Federal Level	World Bank	National staff responsible for overall implementation of ESMF	ESMF and approach: <ul style="list-style-type: none"> - Identification and assessment of E&S risks - Selection and application of relevant E&S risk management measures/instruments - E&S monitoring and reporting - Incident and accident reporting - Application of LMP, including Code of Conduct, incident reporting, SEA/SH - Application of SEP and the grievance/beneficiary feedback mechanism
Regional level	National staff	Regional staff Contractors	ESMF and approach: <ul style="list-style-type: none"> - Identification and assessment of E&S risks - Selection and application of relevant E&S risk management measures CESMP preparation, implementation and reporting - E&S monitoring and reporting - Incident and accident reporting - Application of LMP, including Code of Conduct, incident reporting, SEA/SH Application of SEP and the grievance/beneficiary feedback mechanism
Local/site level	Regional staff	Local staff Local contractors	<ul style="list-style-type: none"> - Application of SEP and the grievance/beneficiary feedback mechanism - Application of LMP, including Code of Conduct, incident reporting, SEA/SH, COVID-19 mitigation - Application of ESCOPs or ESMPs, as relevant CESMP preparation, implementation and reporting
Community level	Local staff	Community members Community Workers, if relevant	<ul style="list-style-type: none"> - Basic OHS measures and Personal Protective Equipment - Community health and safety issues - Worker Code of Conduct - SEA/SH issues, prevention, measures] - Grievance redress - Workers' grievance redress

5.6 Estimated Budget

The following table lists estimated cost items for the implementation for the ESMF, which have been included in the overall project budget:

Table 8. ESMF Implementation Budget

SN	Activity	Level	Total Cost (US\$)	NRS (@143 per US\$)	Remarks
1	Environmental, Social and Cultural Specialists at PIU	PCO	130,000.00	18,590,000.00	For Five years
2	Environmental, Social and Cultural Specialist at DSCs	PIUs	260,000.00	37,180,000.00	For Five years
3	Capacity development training on E&S risk management, GRM and M&E	PCO	100,000.00	14,300,000.00	For Five years
4	SEP implementation including project GRM	PCO and PIUs	50,950.00	7,285,850.00	From SEP
5	ESMF Monitoring	PIUs	100,000.00	14,300,000.00	For Five years
	Total		640,950.00	91,655,850.00	

6. Stakeholder Engagement, Disclosure, and Consultations

A separate Stakeholder Engagement Plan (SEP) has been prepared for the Project, based on the World Bank's Environmental and Social Standard 10 on Stakeholder Engagement. The SEP can be found here: [provide disclosure link for the SEP].

This ESMF, as well as the SEP and the Environmental and Social Commitment Plan (ESCP) that have been prepared for this project, have been disclosed in draft for stakeholder consultations on the following website [provide website address] on [date].

Stakeholder engagement is a critical component of the Environmental and Social Management Framework (ESMF), ensuring that the project remains inclusive, transparent, and responsive to the needs and expectations of all stakeholders. A robust communication strategy between project institutions and local communities is essential for the sustainable implementation of the Greater Lumbini Area Development Project (GLAD).

Stakeholders have been identified using the stakeholder mapping carried out under the SEP based on their interest, influence, and project impact. Vulnerable and marginal groups have been identified and paid special attention to ensure they do not experience social exclusion because of project activities.

Consultations have been held during project preparation with multiple stakeholders, in various locations. See **Annex 10** for a summary of consultations held.

GLAD will employ a multi-platform communication approach to ensure timely, accessible, and inclusive information sharing. It will be structured, multi-level, and culturally sensitive, ensuring meaningful engagement of all stakeholders, these processes will include:

1. **Consultations at various levels** (community, municipal, and project management levels)
2. **Focus Group Discussions (FGDs)** with specific project beneficiary groups
3. **Workshops** for broader engagement and capacity building
4. **Grievance Redress Mechanisms (GRM)** to address concerns and complaints

Consultations will be carefully planned and scheduled in advance to ensure that all stakeholders are adequately informed and able to participate meaningfully. The consultation plans will be communicated through multiple channels, including public notices at community centers and municipal offices, organized community meetings and workshops, and digital platforms such as project websites and social media channels. All stakeholder engagement activities will be documented systematically to ensure transparency, accountability, and continuous improvement.

The SEP provides a description of the Project grievance/beneficiary feedback mechanism. The GRM will be accessible by disadvantaged and vulnerable groups and will provide different intake channels in local languages.

Annex 1

The Guidance and Toolkit for Impact Assessments in a World Heritage Context

https://worldbankgroup-my.sharepoint.com/personal/arajbhandari1_worldbank_org/Documents/Officials/My%20documents/Tourism%20project/Guidance%20and%20Toolkit%20for%20Impact%20Assessments%20in%20a%20World%20Heritage%20Context%202022.pdf

Annex 2: Environmental and Social Screening Form Template

A. Subproject Information:

Subproject Title	
Subproject Location	Municipality/ Rural Municipality: _____ Ward No: _____ District: _____ Province: _____
Project objectives	
Estimated Cost	
Start/Completion Date	
Brief Description of Subproject	

B. Eligibility Criteria

Criteria Question	Answer (Yes/No)
1. Does the subproject contravene Nepal's obligations under its international agreements?	
2. Does the subproject convert or degrade natural and critical habitats	
3. Is the subproject going to encroach into national parks of protected area, including their buffer zone?	
4. Is the subproject going to displace, modify or restrict/block access to cultural heritage sites, historical monuments, religious structure and other sites considered sacred by the local community?	
5. Does the subproject cause, or have the potential to result in permanent and/or significant damage to non-replicable cultural property, irreplaceable cultural relics, historical buildings and/or archaeological?	
6. Does the subproject involve private land acquisition, large scale physical relocation, and the use of eminent domain?	
7. Does the subproject require any activity on land that has disputed ownership or tenure rights?	
8. Does the subproject activities affect lands or rights of Indigenous Peoples or other vulnerable minorities?	
9. Does the subproject activities have high probability of causing serious adverse effects on human health and/or the environment?	

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

C. EPA/EPR Categorization

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

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

D. Environmental and Social Screening Questionnaires

Questions	Answer		Next Steps
	Yes	No	
1. Is the subproject likely to have significant adverse environmental impacts that are sensitive and unprecedented that trigger the 'Ineligible Activities' or other exclusion criteria?			If "Yes": Exclude from project.
2. Does the subproject involve <u>new construction or significant expansion</u> of any infrastructure ¹⁰ ?			If "Yes": 1. If substantial risk is anticipated prepare required environmental and social instruments (e.g.: EIA/IEE/BES depending on the risk classification)

¹⁰ These two are critical questions in the Screening Form, as they will determine whether a sub-project can use pre-prepared ESCOPs included in Annex 3 or needs to prepare a site-specific ESMP. If all the sub-projects are expected to be low risk, then all sub-projects may be able to use the pre-prepared ESCOPs. However, if there are some sub-project activities, which may propose moderate risk, these may require site-specific ESMPs to be prepared and for substantial risks required environmental and social instruments needs to be prepared.

			<p>2. Prepare a site- ESMP for the proposed subproject, based on the template in Annex 3.</p> <p>3. Include E&S risk management measures in bidding documents.</p>
3. Does the subproject involve <u>renovation or rehabilitation</u> of any small-scale infrastructure, such as roads, footpaths, toilets?			<p>If “Yes”:</p> <p>1. Apply relevant measures based on the ESCOPs in Annex 3 (unless one of the questions below raises specific environmental risks and requires a site-specific ESMP).</p> <p>2. Include E&S risk management measures in bidding documents.</p>
4. Will construction or renovation works require new borrow pits or quarries to be opened?			<p>If “Yes”:</p> <p>1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 4.</p> <p>2. Include E&S risk management measures in bidding documents.</p>
5. Does the project lead to any risks and impacts on, individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable. ¹¹			<p>If “Yes”: Apply relevant measures described in the ESMF and SEP.</p>
6. Does the subproject involve uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor?			<p>If “Yes”: Exclude from project.</p>
7. Does the subproject involve recruitment of workforce including direct, contracted, primary supply, and/or community workers?			<p>If “Yes”: Apply LMP</p>

¹¹ “Disadvantaged or vulnerable” refers to those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or ethnic peoples status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits.

8. Will the workers be exposed to workplace hazards that needs to be managed in accordance with local regulations and EHSs? Do workers need PPE relative to the potential risks and hazards associated with their work?		If "Yes": Apply LMP.
9. Are PPE inspections and maintenance performed regularly to ensure they are in safe working condition?		
10. Is there a decontamination area available for workers to safely remove or replace PPE after handling chemicals?		
11. Is there a risk that women may be underpaid when compared to men when working on the project construction?		If "Yes": Apply LMP as part of ESMP
12. Is the project likely to generate solid or liquid waste that could adversely impact soils, vegetation, rivers, streams or groundwater, or nearby communities?		<p>If "Yes":</p> <ol style="list-style-type: none"> 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 4. 2. Include E&S risk management measures in bidding documents.
13. Do any of the construction works involve the removal of asbestos or other hazardous materials?		If "Yes": prepare an Asbestos Management Plan as part of the ESMP
14. Are works likely to cause significant negative impacts to air and / or water quality?		<p>If "Yes":</p> <ol style="list-style-type: none"> 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 4. 2. Include E&S risk management measures in bidding documents.
17. Is there a risk of increased community exposure to communicable disease (HIV/AIDS, Malaria), or increase in the risk of traffic related accidents?		If "Yes": Apply LMP and relevant measures in SEP.
18. Is an influx of workers, from outside the community, expected? Would workers be expected to use health services of the community? Would they create		If "Yes": Apply LMP as part of ESMP

pressures on existing community services (water, electricity, health, recreation, others?)			
19. Is there a risk that SEA/SH may increase as a result of project works?			If "Yes": Apply LMP as part of ESMP
20. Would any public facilities, such as schools, health clinic, religious sites be negatively affected by construction?			If "Yes": Apply relevant measures based on the ESCOPs in Annex 3 (unless one of the other questions in the screening form raises specific environmental and social risks and requires a site-specific ESMP).
21. Are there any Indigenous Peoples present in the subproject area and are likely to be affected by the proposed subproject negatively?			If "Yes": Ensure meaningful consultation throughout the project cycle with the IPs and LCs as per the SEP.
22. Have the stakeholders of the Project been identified?			If "Yes", please name them along with their level of influence and interest in the Project, Major issues raised by the stakeholders during the initial consultation? Main sources of information for the stakeholders? [Hint: radio, TV, newspapers]
23. Is there social institution/practice for community consultation on common issues in the area?			If "Yes", briefly include the social institutions and practices followed for community consultation
24. Is there any social/religious/cultural institution or practices for local dispute settlements?			If "Yes", briefly include the social institutions and practices followed for local dispute settlement
25. Are there any youth clubs, women groups or NGOs active in the project area and in the district?			If "Yes", briefly include the youth clubs, women groups or NGOs present in the area. Ensure meaningful consultation throughout the project cycle as per the SEP

E. Summary of Screening Results

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

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

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

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

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

_____ ESIA/EIA _____ Others please specify
_____ JEE _____
_____ ESMP
_____ ESCoP

Name and title of person who conducted screening:

Environmental and Social Screening Prepared by:

1. Environment Specialist Name: Date:	1. Social Specialist Name: Date:
Environmental and Social Screening Verified by: Name: Designation: Date:	

Annex 3: Environmental and Social Codes of Practice (ESCOP) Template

The ESCOPs should contain specific, detailed and tangible measures that would mitigate the potential impacts of each type of eligible subproject activity under the project. They shall be marked as relevant for the planning phase, the implementation phase, or the post-implementation phase of activities. They shall be simple risk mitigation and management measures, readily usable.

General ESCOP for minor civil works

Risk/Concern	Environmental Prevention/Mitigation Measures	Responsible Party
General	<ul style="list-style-type: none"> a) Plan activities in consultation with communities and stakeholders so that noisiest activities are undertaken during periods that will result in least disturbance. (Planning phase) b) Use when needed and feasible noise-control methods such as fences, barriers or deflectors (such as muffling devices for combustion engines). (Implementation phase) c) Minimize dust from exposed work sites by applying water on the ground regularly during dry season. (Implementation phase) d) No soiled materials, solid wastes, toxic or hazardous materials should be stored in, poured into or thrown into water bodies for dilution or disposal. (Implementation phase) e) Segregate construction waste as recyclable, hazardous and non-hazardous waste. (Implementation phase) f) Collect, store and transport construction and demolished waste to appropriately designated/ controlled dump sites. (Implementation phase) g) On-site storage of wastes prior to final disposal (including earth dug for foundations) should be at least 300 metres from rivers, streams, lakes and wetlands. (Implementation phase) h) Use secured area for storage and transfer of toxic materials distant from settlement area (and at least 50 metres from drainage structures and 100 metres from important water bodies); ideally on a hard/non-porous surface. (Implementation phase) i) Train workers on correct use of gloves, boots, aprons, eyewear and other protective equipment for protection in handling highly hazardous materials. (Implementation phase) j) After each construction site is decommissioned, all debris and waste shall be cleared. (Post-Implementation phase) 	

Annex 4: Environmental and Social Management Plan (ESMP) Template

Environmental and social risks and impacts are strongly linked to subproject location and scope of activities. This ESMP should be customized for each specific subproject location and activities.

1. Subproject Information

Subproject Title:	
Estimated Cost:	
Start/Completion Date:	

2. Site/Location Description

This section concisely describes the proposed location and its geographic, ecological, social and temporal context including any offsite investments that may be required (e.g., access roads, water supply, etc.). Please attach a map of the location to the ESMP.

3. Subproject Description and Activities

This section lists all the activities that will take place under the subproject, including any associated activities (such as building of access roads or transmission lines, or communication campaigns that accompany service provision).

4. ESMP Matrix: Risk and Impacts, Mitigation, Monitoring

This section should identify anticipated site-specific adverse environmental and social risks and impacts; describe mitigation measures to address these risks and impact; and list the monitoring measures necessary to ensure effective implementation of the mitigation measures. It may draw from the ESMF's pre-identification of potential risks/impacts and mitigation measures, as applicable, and drill down further to ensure relevance and comprehensiveness at the site-specific level. For subprojects involving construction, two sets of tables may be needed, for the construction phase and the operation phase.

Anticipated E&S Risks and Impacts	Risk Mitigation and Management Measures	Impact Mitigation		Impact/Mitigation Monitoring		
		Location/Timing/Frequency	Responsibility	Parameter to be monitored	Methodology, including Location and Frequency	Responsibility

5. Capacity Development & Training

Based on the implementation arrangements and responsible parties proposed above, this section outlines any capacity building, training or new staffing that may be necessary for effective implementation.

6. Implementation Schedule and Cost Estimates

This section states the implementation timeline for the mitigation measures and capacity development measures described above, as well as a cost estimate for the implementation. The cost estimate can focus on the line items that will be covered by the project implementing agency, with costs of mitigation measures to be implemented by the contractor left to the contractor to calculate.

7. Attachments

Provide list of Annexes/attachments

8. Review & Approval

Prepared By (Signature) Position: Date	
Reviewed By (Signature) Position: Date	Approved By (Signature) Position: Date

Annex 5: Labour Risk Assessment Template (Low-Risk Construction)

Sub-Project Name: _____
 Location: _____
 Date of Assessment: _____
 Assessor's Name: _____
 Site Supervisor: _____

A: Worker Legal Compliance

Item	Yes	No	Comments/Actions Needed
All workers are legally authorized to work.			

Employment terms/contracts are provided.			
Wages meet or exceed legal minimum.			
Working hours comply with regulations.			

B: Health & Safety

Item	Yes	No	Comments/Actions Needed
Safety induction completed.			
PPE provided and used.			
First aid kit available and accessible.			
Hazards/risks reported and managed.			

C: Working Conditions

Item	Yes	No	Comments/Actions Needed
Drinking water available.			
Sanitary facilities provided.			
Adequate rest breaks provided.			

D: Worker Rights and Wellbeing

Item	Yes	No	Comments/Actions Needed
Workers free from harassment/discrimination.			
Grievance mechanism in place.			
Workers aware of their rights and duties.			

E: Emergency Preparedness

Item	Yes	No	Comments/Actions Needed
Emergency plan communicated to workers.			
Fire extinguishers available and maintained.			
Clear and accessible evacuation routes.			

F: Notes / Additional Observations:

Signatures:

Role	Name	Signature	Date
Assessor			
Site Supervisor			

Annexe 6: Code of Conduct

Preamble

- The Code of Conduct defines labour standards that aim to achieve decent and humane working conditions. The Code's standards are based on national law and accepted good labour practices.
- Companies affiliated with the project are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Workplace Code in their applicable facilities. When differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard.
- The Project monitors compliance with the Workplace Code by carefully examining adherence to the Compliance Benchmarks and the Principles of Monitoring. The Compliance Benchmarks identify specific requirements for meeting each Code standard, while the Principles of Monitoring guide the assessment of compliance. The PIUs expects affiliated companies to make improvements when Code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance.
- The Project provides a model of collaboration, accountability, and transparency and serves as a catalyst for positive change in workplace conditions. As an organization that promotes continuous improvement, the PIUs strives to be a global leader in establishing best practices for respectful and ethical treatment of workers, and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces.

Employment Relationship

- Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labour and social security laws and regulations.

Non-discrimination

- No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

Harassment or Abuse

- Every worker shall be treated with respect and dignity. No worker shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Forced Labour

- There shall be no use of forced labour, including bonded labour or other forms of forced labour.

Child Labour

- No person shall be employed under the age of 18

Freedom of Association and Collective Bargaining

- Employers shall recognize and respect the right of workers to freedom of association and collective bargaining.

Health, Safety and Environment

- Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate the negative impacts that the workplace has on the environment.

Hours of Work

- Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country. The regular workweek shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 72 hours.

Compensation

- Every worker has a right to compensation for a regular workweek that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the PCU and PIUs to take appropriate actions that seek to progressively realize a level of compensation that does.

Annexe 7: Resettlement Impact Screening Checklist

Potential Impact	Yes	No	Not Known	Remarks
Will there be land acquisition? Is land acquisition confirmed and known?				
If confirmed, provide the details (in the remark column) of land to be acquired (Public, private, forest or temporary, permanent)				
Is the ownership status and current usage of land to be acquired confirmed? (provide details in remark column)				
Will the project result in involuntary resettlement of Individuals or families?				
Will there loss of shelter and residential due to land acquisition?				
Will there be loss of agricultural and other productive assets due to land acquisition?				
Will there be losses of crops, tree, and fixed assets due to land acquisition?				
Will there be loss of income sources and means of livelihood due to land acquisition?				
Involuntary restriction on land use or on access to common resources				
Will people be prohibited from using their daily economic resources (such as community forests, planting land)?				
Will people be restricted to access natural resources, commercial facilities and services?				
If land use is changed, will it have in adverse impact on social and economic activities?				
Will access to land and resources owned by the community or by the state be restricted?				
Information on Displaced persons				
Any estimate of the likely number of persons that will be displaced by the project	Yes	No		
If yes, approximately how many				
Are any of them poor, female headed households or vulnerable to poverty risk?	Yes	No		
Are any displaced persons from indigenous or ethnic minority groups?			Yes	No

Annex 8: Entitlement Matrix template (types of loss, entitlements with compensation policies and the modes of implementation)

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
1. Agricultural, Residential, Commercial, Pasture and Public Land			
1.1 Loss of Private Land under any form of tenure	<ul style="list-style-type: none"> • Titleholder • Encroacher/ Squatter on public land 	<ol style="list-style-type: none"> a. Provide compensation at full replacement cost, or b. Provide a full title to the land of equal area and productivity acceptable to the owner in the vicinity. c. If the land is not available elsewhere then provide cash compensation at full replacement cost based on the current market rate or Government rate plus all taxes and transaction cost whichever is higher. d. In the case of vulnerable groups, preference should be to replace land for land, if similar types of lands are available e. Squatter/encroachers cultivating the affected land for at least three years before the cut-off date will be entitled to an allocation of land if <i>Ailani</i> or other government land is available. However illegal occupants after the cut-off date do not qualify for compensation for land losses. f. Resettlement assistance in place of compensation for land occupied (land, other assets, employment) at least restores their livelihoods and standards of living to pre-displacement levels. In the case of farmland, the PAP will be entitled to the cultivation disruption allowance equal to one year of production. 	<ul style="list-style-type: none"> • A List of available <i>Ailani</i> land in each affected municipality/rural municipality is required • A list of affected and entitled persons and the area of land loss is required • Notice to vacate will be served at least 35 days before the acquisition date. • If any owner having a significant impact receives cash compensation for farmland and purchases replacement farmland within 1 year from the date of receiving compensation, all related land registration fees, taxes and duties will be borne by the project. • Cash compensation will be paid through Bank account of the affected persons. Opening of joint (husband and wife) Bank account of the affected person will be encouraged to transfer compensation amount. • To ensure fair compensation, determination of rates will be established not more than one year before property acquisition.
1.2 Loss of Tenancy Land	<ul style="list-style-type: none"> • Landlord & Tenant by a written agreement (That is yet in practice & to be processed as per 2002 amendment in Land Reform Act). 	<ol style="list-style-type: none"> a. Both the landlord & the tenant will be entitled to 50 percent of the land compensation amount each (As per 2002 amendment to Land Reform Act) b. Non-registered tenant/renter/lease holder does not qualify for compensation for land losses; however, they will be entitled to compensation for crops and other investments. 	<ul style="list-style-type: none"> • Where a renter/leaseholder has a sharecropping arrangement, the compensation payable should be apportioned according to the arrangement.

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
	<ul style="list-style-type: none"> Renter/lease holder 		
1.3 Loss of <i>Guthi</i> (Trust) Land	<ul style="list-style-type: none"> Entitled persons/ institutions and tenants under the <i>Guthi</i> Corporation Act 1976. 	As per <i>Guthi</i> Corporation Act, 1976.	Please highlight the key arrangements of <i>Guthi</i> Act applicable for payment of compensation.
1.4 Temporary Loss of Private Land	Titleholder Tenants and landlord (As both are the owner of equal (i.e. 50 %) shares, hence treated as a private landholders.	a. Compensation for the crop, land productivity and other property losses for the duration of temporary occupation. b. Compensation for other disturbances & damages caused to property. c. Or, the Contractor to negotiate a contract agreement on the rental rate with the owner for the temporary acquisition of land. d. Project and the Contractor to ensure that persons other than the owner affected as a result of temporary acquisition are compensated for the temporary period. e. Land should be returned to the owner at the end of the temporary acquisition period, restored to its original condition, or improved as agreed with the owner	<ul style="list-style-type: none"> The owner/entitled party will sign a temporary occupation contract specifying: <ul style="list-style-type: none"> ➤ Period of occupancy, ➤ The terms and conditions for calculation of production losses, ➤ The frequency of compensation payment, and ➤ Land protection and rehabilitation measures. <p>The land will be returned to the owner at the end of the temporary acquisition, restored to its original condition.</p>
2. Crops and Private Trees			
2.1 Loss of Private Trees & Perennial Crops	<ul style="list-style-type: none"> Titleholder Lessee/cultivators having an agreement with the owner Landless squatter/ encroachers on public land 	a. Advance notice to harvest crops b. Net value of existing crops where harvesting is not possible. The crops which live for short time will be paid following the one-year output value. The crops which have lived for several years will be compensated at market value based on loss of future production, based on 5 years' annual net production for fruit & fodder trees & 3 years' annual net production for timber/ fuel wood trees & other perennial crops.	<ul style="list-style-type: none"> Inventory of the tree and plant species list List of the owner, non-perennial crops and the area (if applicable) of cultivation should be prepared The PAPs will receive notice 3-6 months in advance regarding crop harvesting. Crops grown after the issue of the notice will not be compensated. The work schedule has to be adjusted considering the crop seasons so that for avoiding crop damage.
2.2 Loss of Non-perennial crops			

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
			<ul style="list-style-type: none"> • Crop/trees/bamboo market values will be determined by the Compensation Determination Committee (CDC) in consultation with the District agriculture and forestry office. • Where a tenant/renter/lessee & landowner have a sharecropping arrangement, the compensation payable should be apportioned according to the arrangement. • Salvaged materials take away by the owner with no deduction from compensation
3. Houses, Structures and Other basic facilities			
<p>3.1 Loss of own house & Privately owned other structures</p> <p>3.2 Loss of commercial establishment</p>	<ul style="list-style-type: none"> • Full Titleholder • Tenant/Renter/ Lease holder (own accommodation) • Landless squatter/ encroachers on public land 	<p>a. Compensation for full or partial loss of house and other structures at the full replacement cost of materials and labor according to house/structure type, with no deduction for depreciation.</p> <p>b. Every displaced household is entitled to a housing displacement allowance, based on the established rates per HH per capita income and/or minimum wage rate.</p> <p>c. Every household will receive a transportation allowance on an actual cost basis.</p> <p>d. However, loss of structures other than household and commercial establishments does not entail payment of a displacement allowance</p> <p>e. Resettlement assistance to those most vulnerable households to restore pre-displacement livelihoods.</p> <p>f. Every displaced household with a business affected will be entitled to receive a business disruption allowance as per the calculation during the impact assessment.</p>	<ul style="list-style-type: none"> • Replacement costs at the market value of houses and structures will be determined by the CDC in consultation with local experts and compensation prices will be finalized with the participation of PAP representatives. • Formal resettlement planning will be undertaken where more than 10 households from one settlement/residential area are displaced if the households having significant impacts opt for a group resettlement site. • Other structures include toilets, sheds, walls, fences, water mills, workshops etc. • Materials may be salvaged with no deduction from compensation
3.3 Loss of rented accommodation	Renter/Lessee holder	a. One-time lump sum grant; minimum of one month's income based on the nature of business and type of losses assessed on a case-to-case basis. Daily minimum wage rate may be used as compensation for	<ul style="list-style-type: none"> • Squatters/encroachers staying for more than 10 years will be entitled to compensation for their land and property • Vulnerable encroachers with economic

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
		<p>business loss as a basis for calculation when and as applicable.</p> <p>b. One-time cash assistance (displacement allowance) equivalent to one month of rent for moving to alternative premises for commercial establishment</p> <p>c. The household will be entitled to a rental stipend for the loss of rented accommodation</p> <p>d. Cash compensation for damages to structures resulting from the temporary occupation of land at replacement cost.</p>	<p>losses may be entitled to assistance as a vulnerable group, at established rates determined by the CDC.</p> <ul style="list-style-type: none"> Renter/ lessee will not be entitled to compensation of structures. However, if the structures are made by them, they will be entitled to compensation or will be according to the lessee agreement
3.4 Other basic household facilities	<ul style="list-style-type: none"> Titleholder Tenant/lessee holder/ renter Landless squatter / encroacher on public land. 	Payment of installation charge or compensation for relocation of electricity, telephone line, TV cable drinking water and other infrastructure to the installer, if these exist.	<ul style="list-style-type: none"> The concerned authority will be requested to assist the households to reinstall or permit the facilities in their new location if Applicable /required.
4. Community and Cultural Assets/ Facilities			
4.1 Loss of community buildings/ structures, cultural assets	Local community/User group	<p>a. Cash compensation for restoring affected community and cultural resources.</p> <p>b. Restoration of affected community buildings and structures to at least previous condition, or replacement in areas identified in consultation with affected communities and relevant authorities.</p> <p>c. Restoration before the commencement of the project where necessary, or to be determined in consultation with the community.</p>	<ul style="list-style-type: none"> Community resources/facilities include schools, temples/monasteries, religious trees, graveyards, Ghats, waiting sheds, including the community hall etc. established by the local community/ CBOs.
4.2 Loss of land	Local community user's group	Land for land replacement for Restoration of access to community resources	<ul style="list-style-type: none"> The land revenue office in the district and concerned municipality will be requested to assist communities with land replacement by identifying the area nearby.
4.3 Loss of community forests and other natural	Forest user's group/Other Groups Concerned	a. Mitigation measures should be initiated to control erosion caused by tree cutting and to stabilize and rehabilitate the slopes with suitable bioengineering works and	<ul style="list-style-type: none"> List of plant and tree species lost and an assessment for maintaining that kind of vegetation Compensation for trees is calculated

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
resources due to construction		vegetation. b. Community forestland lost due to road construction should be replaced and reforested according to DoFSC regulations including others concerned. c. Advance notice to harvest resources from affected community forest areas. d. Valuation basis of community forest loss will be similar to the national forest. The MoUD and Department of Forest and Soil Conservation (DoFSC) will sign MOU for valuation of losses. e. Compensation of trees will be as per the provision of prevailing acts and rules.	based on the type, age, and productive value of affected trees in consultation with the concerned forestry office and FUG. <ul style="list-style-type: none"> To minimize damage the department of Forestry will be requested for necessary action.
5. Displacement Allowances			
5.1 Displacement of households 5.2 Displacement of commercial enterprise 5.3 Transportation allowance 5.4 Severe disruption to cultivation	<ul style="list-style-type: none"> Titleholder Tenant /Lessee holder, Renter Landless squatter / Encroachers on public land. 	a. Every displaced household will be entitled to a housing displacement allowance. b. Each displaced renter and lessee holder household will be entitled to a rental stipend for loss of rented accommodation. c. The households affected by partial loss of structures that can be repaired will be entitled to repair allowance for mitigating the loss, not displacement allowance. d. Every household of displaced businesses will be entitled to a business displacement allowance for loss of commercial establishment. e. Each displaced household will be entitled to transportation assistance to move their belongings f. Cultivation disruption allowance for severe disruption to household cultivation levels.	<ul style="list-style-type: none"> Each displaced household will receive a housing displacement allowance equivalent to two months' poverty line income (PLI). The Central Bureau of Statistics (CBS) produces the poverty estimates based on the Nepal Living Standard Survey (NLSS). The national poverty line for Nepal estimated at NPR 19,262 per person per year in 2010 is an absolute poverty line based on the cost of basic food and non-food needs. Displaced households living on rent will receive 35 days' notice or rental stipend equivalent to 0.5-month PLI plus transportation assistance by the project. Allowances will be paid before placement. Partial loss is to be calculated as per the cost of replacement material and labor cost. The following cultivation disruption allowances will apply to: <ul style="list-style-type: none"> households with total landholdings of 0.25 ha and smaller who lose more than 10 % of their landholdings; households with total landholdings

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
			<p>above 0.25 ha who lose more than 25 % of their landholdings;</p> <ul style="list-style-type: none"> ➤ households whose production levels are severely affected through participatory assessment with LCFs. ➤ The cultivation disruption allowance will be equal to one season's production on the area of land lost, based on published District/ municipal production figures, land type and crop market prices for the year of acquisition.
6. Group Losses, Vulnerability and Rehabilitation Measures			
<p>6.1 Loss of income indirectly due to the project (employment for porters and other laborers)</p>	<ul style="list-style-type: none"> • Persons in the vicinity of the road may be adversely affected by the project although they do not lose assets. • Female community living near construction section 	<ol style="list-style-type: none"> a. Rehabilitation assistance such as information dissemination regarding project impacts, compensation alternatives and risks. b. Preferential access to project construction employment opportunities, to the extent possible. c. Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities. d. Counseling/information dissemination/skill development training for job upgrading/diversification and other possible support services. e. Employment opportunities for unskilled labor to females should make compulsory at an established rate of at least 33 % female participation. 	<ul style="list-style-type: none"> • List of PAP with potential impact should be prepared in consultation with LCF & Civil Society and may include: <ul style="list-style-type: none"> ➤ Porters and other providers of non-vehicular transport. ➤ Ethnic, occupational cast people ➤ Having aged people as household heads and having disabled family members in the households ➤ Women headed poor households ➤ Poorest of the poor landless households & squatters • Provide clauses in Work Contracts that will require a specific employment quota for local female residents, taking into special account vulnerable groups.
<p>6.2 Severe loss of assets directly due to the project, and severe impact indirectly caused by the project.</p>	<ul style="list-style-type: none"> • Households/ PAPs having significant impacts • Households of the Vulnerable categories • PAPs family members over 16 years of age 	<ol style="list-style-type: none"> a. Information dissemination regarding project impacts, compensation alternatives and risks, and resettlement options (where required). b. Technical support on saving schemes and cash management. 3. Preferential access to road construction employment opportunities, to the extent possible. c. Assessment of current economic activities and potential for improvement to these 	<ul style="list-style-type: none"> • The rehabilitation measures will be targeted at PAPs having a significant adverse impact and vulnerable groups in the vicinity of the project area, even though they do not lose assets. • Training on road construction and hiring workers will be included in Contractors' contracts • PAPs having a significant impact who opt for training assistance will be entitled to

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
		<p>activities, as well as alternative income earning opportunities.</p> <p>d. Assistance with training in life skills that would help in obtaining employment and/or earning a livelihood.</p> <p>e. The project will investigate training programs and institutions. In such a case, Funds will be paid directly to the relevant institutions. Or, the project by itself will arrange a suitable program for its mitigation.</p> <p>f. Assistance through the implementation Indigenous People Development Plan</p>	<p>a training subsistence allowance equal to a maximum of one or three months' minimum wage as established at the national or local level, whichever amount is higher, for the duration of the training course.</p> <ul style="list-style-type: none"> • The respective Agriculture and forestry-related Institutions will be requested to assist in implementing the forestry and agriculture program if required. Any costs required for this will be borne by the project.
7. Damages Caused during Construction			
7.1 any kind of Private and Public Properties	All categories entitled persons	<p>a. Extreme care should be taken by Contractors to avoid damaging public and private property unnecessarily.</p> <p>b. Where damages do occur to public or private property as a result of construction works, the affected parties shall be compensated immediately for damages to crops and trees, and damaged land, structure and infrastructure shall be restored immediately to their former conditions.</p>	The same entitlement policies will apply to other lands acquisition
8. Government Property			
8.1 Loss of infrastructure and utility facilities	<p>Relevant agency and service provider:</p> <p>Electricity – Nepal Electricity authority (NEA)</p> <p>Telecommunication – Nepal Telecom (NTC)</p> <p>Water supply and drainage:</p> <ul style="list-style-type: none"> • Local government/ • Water Supply Office/ Water supply User committee 	Such facilities will be repaired or replaced.	To be undertaken in consultation with the relevant offices and service providers.
8.2 Loss of forest	Department of Forest and Soil	Mitigation through afforestation	<ul style="list-style-type: none"> • An assessment for maintaining that kind

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
areas	Conservation (DoFSC)/Department of National Park and Wildlife Conservation (DNPWC)/ Provincial forest ministry/PA authority/Divisional Forest Office (DFO) as delineated in Forest Rule 2022.	(compensatory plantation).	of vegetation <ul style="list-style-type: none"> • To be undertaken in consultation with the DoFSC/DNPWC/DFO/PA Authority

Annexes 9: Cultural Heritage Management Plan

- A Cultural Heritage Management Plan (CHMP) is an individual, site-specific plan developed for sites with cultural heritage risks and potential impacts. Cultural heritage resources play an important role, not only as historical information, but also as an economic and social asset for local communities and national development. A CHMP is prepared to protect cultural heritage from the adverse impacts of the project activities and manage the cultural heritage for the benefit of its users – local communities and Indigenous Peoples.
- UNESCO has defined cultural heritage as artefacts, monuments, a group of buildings and sites, museums that have a diversity of values including symbolic, historic, artistic, aesthetic, ethnological or anthropological, scientific and social significance.¹² It includes tangible heritage (movable, immobile and underwater), intangible cultural heritage embedded into cultural, and natural heritage artefacts, sites or monuments. Cultural heritage is thus the heritage of tangible and intangible assets of a group or society that is inherited from past generations. Many cultural and natural heritage sites are home to indigenous peoples, while others are owned and managed by non-indigenous peoples. Many cultural and natural heritage sites are located on Indigenous Peoples' lands, and their land use, knowledge, cultural, and spiritual values and practices are often deeply connected to that heritage. Similarly, other type of cultural heritage includes natural areas with cultural and/or spiritual significance, such as sacred groves, bodies of water, waterways, trees, forests, and rocks. Cultural heritage, as recognized by World Bank Environmental and Social Standards (ESS), can be:
 - **Tangible:** Physical objects, sites, structures, natural features, landscapes, etc.
 - **Intangible:** Practices, expressions, knowledge, skills, etc.
- Both tangible and intangible cultural heritage will be protected from project impacts. A CHMP plan, therefore, covers both types of cultural heritages- cultural heritages of Indigenous Peoples and other types of cultural heritage of cultural and/or spiritual significance. The Project will take every possible step to avoid impacting cultural heritage, especially critical cultural heritage under this plan.
- The key principles for the engagement with the users of cultural heritage and other relevant stakeholders including Indigenous Peoples include:
 - Early and meaningful engagement
 - Cultural appropriateness
 - Good faith negotiation
 - Inclusivity
 - Gender and age sensitivity
 - Involvement of experts
- The Free Prior and Informed Consent (FPIC) will be triggered when the project will:
 - Impact the cultural heritages and related lands, territories, or resources.
 - Relocate Cultural heritages.
 - Involve the commercial development of cultural heritage.
 - Potentially impact self-governance or social structures related to management and development of cultural heritages.

The Project will adopt the following steps for development of a CHMP:

¹² <https://uis.unesco.org/en/glossary-term/cultural-heritage>

Step 1: Identification of cultural heritage sites, and objectives and scope of CHMP

- Identify the tangible and intangible cultural heritage at the project site,
- Describe the site or provide basic identification information such as name of the site, location with map, history, physical description including land use land cover, identification of administrative entity, function/use and other important characteristics, significance/value of the cultural heritage site, ownership, existing condition of the site and major threats.
- Define the vision and objectives of the Plan
- Explain the scope of the Plan
- Identify the stakeholders for cultural heritage management plan, their interest and influence, and their inclusivity.

Step 2: Legal framework and requirement for developing CHMP

- Describe the national legal requirements for development of cultural heritage management plan
- Describe the international standards and guidelines for development of cultural heritage management plan
- Identify the key institutions with a role in cultural heritage management in the project site

Step 3: Assessment of Cultural Heritage

- This phase involves processing of the data collected during the identification phase. The following activities will be conducted in this phase.
- Prepare baseline condition by assessing cultural heritage resources, state of conservation, socio-cultural and economic values, and their significance in the lives of local communities, Indigenous peoples and other affected people.
- Conduct social and human rights impact and risk analysis as part of operational risk management.
- Assess the risk and examine the types and extent of impacts (including damages and threats) on the cultural heritage site for a detailed and specific risk preparedness planning.
- Conduct survey of cultural heritage as a part of the land use planning. The survey should:
 - Identify potential cultural heritage properties and prepare a list of the properties
 - Important customary/traditional practices related to the cultural heritage sites
 - GPS coordinates of the identified cultural heritage properties and sites
 - Constraints/sensitivities of the cultural heritage sites
 - Potential options to avoid impacting the heritage sites
- Organize community consultations and stakeholder engagement for the assessment of cultural heritage and discuss potential impacts and planned mitigation measures and agree on management activities.
- The Project will ensure participation of affected Indigenous peoples, local communities and stakeholders in the negotiation process from agreeing on the scope and purpose of the CHMP to contributing to and actively participating in the process of information collection and identification of the fields of action and development of work program and action plan.
- The Project will also ensure participatory monitoring of progress against the program and action plan, and review the CHMP on a periodic basis (five years or as agreed with the affected communities)
- The Project will conduct consultations with relevant authorities and stakeholders
- **Identification of Potential Impacts**

- Identify the potential or anticipated impacts on the cultural heritage sites and resources. The categories of impacts include direct impact within the footprint of proposed project activities, indirect impact and accidental impact.
- To manage and protect identified cultural heritage, specific conditions must be met before, during, and after any activity. These conditions must be grounded in sound cultural heritage management principles, with avoidance of harm as the primary principle. If harm is unavoidable, the conditions will focus on mitigating the activity's impact.

Step 4: Action Plan Preparation

- After conducting the assessment and survey of cultural heritage, the next step is to determine the cultural heritage management and impacts mitigation measures by preparing action plan for cultural heritage management plan. The management and mitigation measures aim to minimize damage to cultural heritage sites and resources. The Project will engage with communities and stakeholders in good-faith negotiations before making any action plan.
- The cultural heritage management action plan will include:
 - Specific SMART (Specific, Measurable, Attainable, Realistic and Time framed) objectives to achieve the vision of the Cultural heritage Management Plan
 - Structured approaches corresponding to each activity with precise definition of each activity, approximate budget required to implement the activity with budget source, risks and assumptions, expected outcomes and monitoring criteria.
 - Measures to avoid impacts on Indigenous Peoples' intangible cultural heritage whenever possible.
 - Identification and delineation of exclusion or restricted zones or activities inside the sites.
 - The organizations and/or individuals/communities to be involved in the management and protection of the cultural heritage and their roles and responsibilities.
 - Define and agree with affected communities and peoples on the management structure with the level of responsibility to implement the action plan.
 - Define institutional arrangements, such as cultural heritage management council, etc. for implementation of the action plan.
- The Project will ensure that the Action Plan will allow future access of traditional owners/users to Cultural Heritage. The plan will have conditions within the cultural heritage management plan to allow Traditional Owners' continued access to cultural heritage sites within the activity area, both during and after the project. These conditions will include notification requirements for the project sponsor, landowner, and occupier, as well as any safety requirements they may have.
 - **Implementation Schedule and Budget:** Once all potential impacts on cultural heritage have been analyzed, along with mitigation and compensation measures, the plan will include a detailed breakdown of implementation costs. This includes a budget, funding sources and responsibilities, expenditure timelines, and the organizational roles in managing and administering program funds. This section will also include a clear implementation schedule with roles and responsibilities of the users, Indigenous Peoples; and key stakeholders in the implementation.

Step 5: Awareness, Capacity Building and Resource Requirements

- Design and implement awareness and capacity building interventions/activities to the concerned Indigenous Peoples, local communities and other key stakeholders with the potential to encounter tangible or intangible cultural heritage resources
- Design and implement specific cultural heritage management and protection training to the concerned individuals, communities and stakeholders.
- Ensure availability of the resources required for the implementation of the capacity building interventions.

Step 6: Grievance Redress mechanism

- The cultural heritage management plan will include a section dedicated to grievance management within the project, specifically addressing how grievances related to the development, use and management of the cultural heritage will be handled. The Project will adapt existing program-level grievance mechanisms to better suit their needs.
- The project will document all meetings with the users of the cultural heritage, local communities, Indigenous Peoples and other key stakeholders, including any grievances raised. These grievances will be formally recorded within the grievance mechanism. If the project establishes a new grievance mechanism specifically for cultural heritages, it must comply with all applicable standards and provisions, including those outlined in the project's Environmental and Social Management documents related to grievance and feedback mechanisms and serious incident reporting.
- The Project will establish a close coordination and collaborate with relevant users, Indigenous groups, key stakeholders and experts for designing a new, inclusive grievance mechanism for cultural heritages. Crucially, the Project will ensure that the grievance redress mechanism is culturally appropriate and avoids interfering with existing dispute resolution processes or institutions within the cultural heritage user communities and stakeholders.

Step 7: Monitoring and Evaluation, and Reporting

- The cultural heritage management plan will outline the monitoring, evaluation, and reporting mechanisms used to track the effectiveness of the plan's measures and allow for adjustments as needed. This section will detail roles and responsibilities for monitoring and evaluation, monitoring frequencies, feedback processes, and corrective action procedures. Critically, these mechanisms must include provisions for ongoing information sharing and continued engagement and consultation with the affected users/owners of the cultural heritage, Indigenous Peoples' and other key stakeholders. This phase focuses on tracking the effectiveness of the plan for:
 - Maintaining current cultural heritage record, including descriptions of all sites, and incorporates this information into the CHMP.
 - Developing Key Performance Indicators (KPIs) to measure the success of prevention and mitigation measures, specifically focusing on outcomes and impacts.
- The purpose of monitoring and evaluation of the cultural heritage management plan is to ensure that:
 - The actions and commitments outlined in the plan are fully and promptly implemented by the program.
 - Program activities, including construction, are closely monitored and any new land acquisition, compensation, or construction damage issues are identified and addressed.
 - Management measures shared with users, Indigenous Peoples and other stakeholder groups are fully implemented, granting the users the agreed-upon autonomy over the cultural heritage and related resource management as specified in the plan.

- The users of the cultural heritage receive full compensation within the agreed-upon timeframes.
- The cultural heritage plan actions and compensation measures effectively enhance or restore living standards and income levels.
- Complaints and grievances submitted by affected users, Indigenous Peoples or stakeholders are addressed, and appropriate corrective actions are taken.
- A monitoring plan will be established, specifying the parameters to be monitored, setting monitoring milestones, and allocating resources (including responsible individuals or institutions) to carry out these activities. However, the specifics of this plan will vary depending on the nature and type of the cultural heritage and its resources, project context and the various actors involved.
- The key components of the cultural heritage management plan are shown in the figure 3.

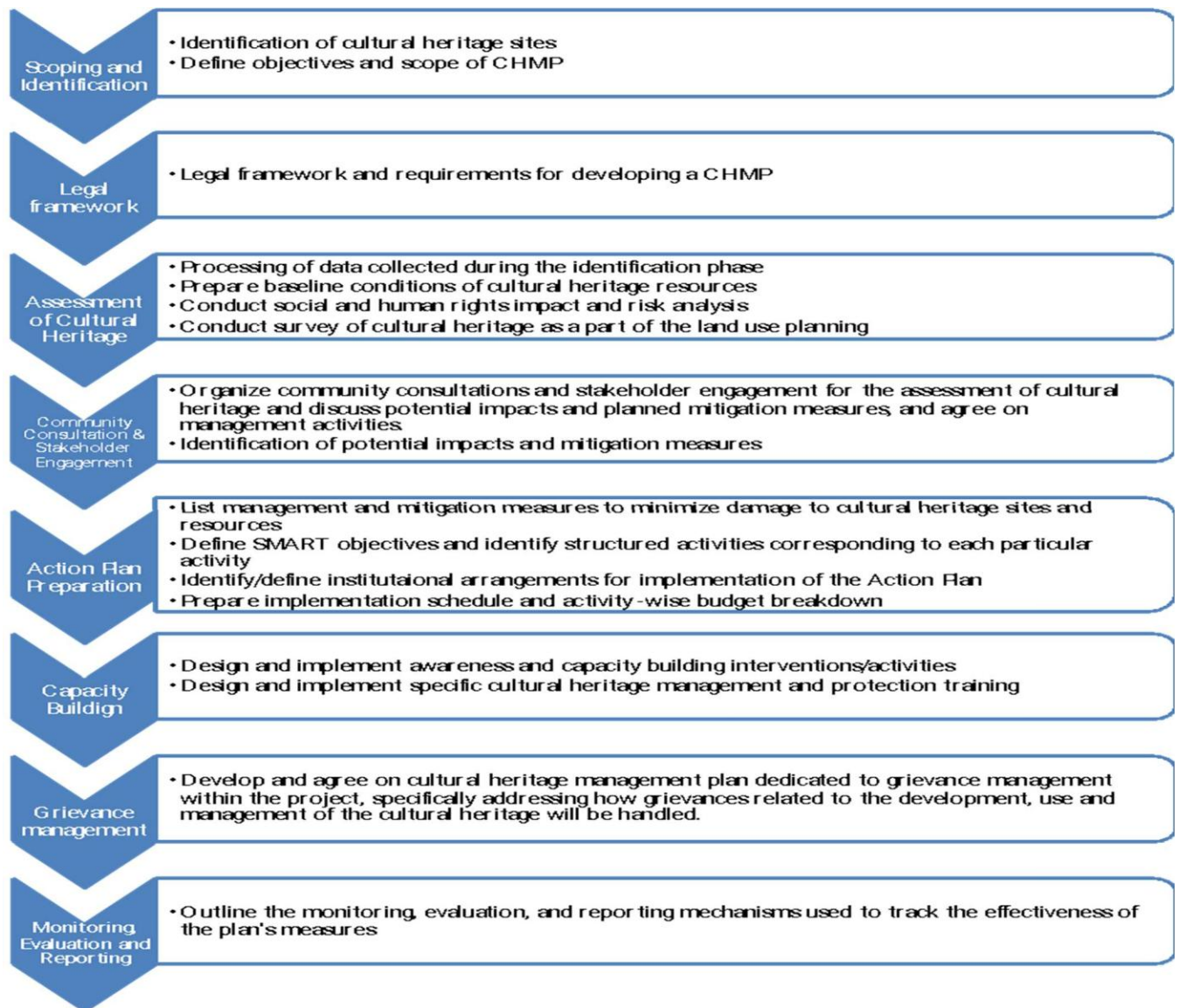


Figure 3: Key Components of Cultural Heritage Management Plan

Annex 10: Summary of GLAD Stakeholder Consultations, Oct 13-14, 2025

These consultations were held at the four identified municipalities namely Lumbini Sanskritik (Oct 13), Tilaurakot (Oct 13), Devdaha (Oct 14) and Ramgram (Oct 14). Participants included elected local officials like mayors and ward chairpersons, local civil bureaucracy like the chief district officers, members of line departments, members of local civil society groups like Mothers Groups, Forest User Groups, hotel owners association representatives, artisans, entrepreneurs and business persons.

These consultations are reported in more detail in the Project Stakeholder Engagement Plan.

Tourism entrepreneurship opportunities: Local stakeholders expressed strong interest in developing tourism-based enterprises, emphasizing the need for organized tourism, scheduled visits, and improved signage. Women’s participation faces mobility barriers, suggesting a need for long-term, skill-based training linked to markets. There is support for establishing local markets to connect handicraft producers with tourists, with communication materials recommended in Nepali and Awadhi. Coordination with the Lumbini Development Trust requires clarity to avoid interference in municipal initiatives.

- **Tourism product development and management:** Tourists currently do not stay overnight due to limited attractions and facilities, highlighting the need for complementary tourism products and enhanced visitor experiences. Organized tourism with scheduled visits, clear routes, and fixed ticketing is recommended to improve site management and revenue. Previous guide training exists, which the project can build upon. Women’s involvement should be increased through immersive, skill-oriented training programs. Market outreach and value-chain support are needed to overcome barriers in marketing handicrafts.

- **Cultural and natural assets in Devdaha:** Excavations supported by the Lumbini Development Trust have revealed archaeological finds, underscoring the site’s sensitivity. Devdaha is recognized for its cultural and religious significance and potential as a meditative tourism site, complemented by attractions like a botanical garden and wetlands. The municipality’s mixed population and recent settlements require inclusive planning. Limited municipal funds are available, but officials are willing to collaborate if resources support tourism and community development.

- **Community engagement and local entrepreneurship:** Women have received training in various small-scale enterprises but face competition from nearby markets, necessitating market linkages and business skill development. Mother’s Groups and Tole Committees remain active in community events and could be key partners in social mobilization and project oversight. The community is socially diverse, requiring inclusive participation across Madheshi, Tharu, Muslim, hill-origin, Brahmin, Chhetri, Magar, and Tharu groups.

Annex 11: Summary of ESMF Consultations Workshop, April 22-23, 2026

Separate stakeholder consultations aimed at disseminating the ESMF provisions including RPF and SEP were conducted in each of the four participating Municipalities (Ramgram, Devdaha, Lumbini Sanskritik and Kapilvastu) considering the local level stakeholders like the Ward Representatives; Women's/Mothers' Groups, Youth Clubs; Local Guides; Small Holders; Retailors; Local Media Houses; Small Hospitality Businesses; etc. Another inter-municipal consultation was held in Butwal Sub-Metropolitan City gathering all four participating municipalities and regional level stakeholders including Mayors and Deputy Mayors of Participating Municipalities, Chief Administrative Officers, Planning Officers, Municipal Engineers, Representatives of Local Organizations, Entrepreneurs; Hotel Associations; The consultations were facilitated by the PCO's Environmental and Social Safeguard Experts and Technical Experts, in the presence of WB representative.

Stakeholders across Ramgram, Devdaha, Lumbini Sanskritik, and Kapilvastu Municipalities, as well as representatives participating in the intermunicipal consultation workshop in Butwal, generally expressed support for the Greater Lumbini Area Development (GLAD) Project and emphasized the need for inclusive, environmentally sustainable, and locally beneficial interventions.

The consultations are reported in more detail in the Stakeholder Engagement Plan. Here are the major highlights of the matters discussed during the consultations:

Stakeholder Engagement, Information Disclosure and Coordination: A recurring recommendation was the importance of extensive stakeholder engagement and information dissemination. Participants highlighted the role of local media, community-based organizations, youth groups, women's groups, and local governments in ensuring that project information reaches grassroots communities and that local development priorities are adequately reflected in project selection. Several stakeholders suggested establishing common coordination platforms among municipalities and key institutions such as the Department of Archaeology (DOA), Lumbini Development Trust (LDT), and local governments to avoid jurisdictional conflicts and facilitate smooth implementation.

Environmental Sustainability and Risk Management: Environmental sustainability emerged as a major concern, particularly in environmentally and culturally sensitive locations along the GLBC. Stakeholders emphasized that project interventions should minimize environmental footprints through robust environmental and social screening and the selection of low- to medium-risk projects where feasible. Concerns were raised regarding potential impacts on private land, forest areas, cultural heritage sites, and the tranquil environment of the GBLC. Noise pollution, especially around sacred Buddhist sites, was identified as an issue requiring careful mitigation.

Land Acquisition, Land Availability and Access to Forest Land: Land acquisition and availability were also discussed extensively. Participants noted that some proposed infrastructure improvements may require intervention on private or forest land and requested practical guidance within the framework for land donation, land acquisition, and permissions related to forest land use. Availability of suitable land was identified as a critical factor influencing project feasibility in certain municipalities. Participants were informed about the exclusion list of the project which indicates that the sub-project requiring land

acquisition will be excluded.

Inclusion, Accessibility and Equitable Benefit Sharing: Stakeholders further stressed the importance of social inclusion and equitable benefit sharing. Particular attention was requested for women, youth, marginalized groups, local entrepreneurs, tourism service providers, and persons with disabilities. Participants recommended that project infrastructure and services be designed to be disability-friendly and that gender inclusion be prioritized in decision-making processes and distribution of project benefits.

Institutional Capacity Strengthening and Grievance Redress: Many stakeholders highlighted the need to strengthen municipal capacity in environmental and social risk management, project implementation, monitoring, and grievance handling. Ward-level grievance committees and accessible grievance redress mechanisms were recommended to ensure timely resolution of community concerns.

Tourism and Cultural Promotion and Destination Branding: Tourism promotion and cultural preservation were also prominent themes. Participants advocated for stronger branding and international promotion of Lumbini and the GBLC, including promotion of lesser-known heritage and pilgrimage sites associated with the life of Buddha. Suggestions included developing additional tourism avenues beyond the core circuit, supporting local cultural groups, promoting local traditions and heritage, and ensuring that all heritage-related interventions are undertaken through broad consultation and community consensus.

Transparency and Ownership: Overall, stakeholders emphasized that project selection and implementation should be transparent, inclusive, environmentally responsible, culturally sensitive, and aligned with local development priorities while ensuring meaningful participation and tangible benefits for local communities.