



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

[DRAFT]

Stakeholder Engagement Plan (SEP)

Nepal Digital Transformation Project

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1. Introduction/Project Description

The Stakeholder Engagement Plan (SEP) for the Nepal Digital Transformation Project outlines the strategies and actions for engaging stakeholders throughout the project lifecycle. The SEP aims to ensure transparent and inclusive project implementation, incorporating stakeholder feedback into project design and execution. The proposed Nepal Digital Transformation Project (NDTP) is a World Bank-funded initiative to support resilient digital public infrastructure and priority digital services which aims to improve delivery and increase use of inclusive and high-impact services

The project is aligned with and supports the objectives of DNF, e-government blueprint, and the 16th National plan. The project will support GoN to rebuild trust with its citizens by investing in digital development and service delivery systems that are inclusive and responsive. The project will help bring government services directly to the people, including marginalized and hard-to reach populations. This will enable individuals and businesses to transact via the Nagarik app, an integrated online- and mobile portal. To enable such seamless, online service delivery, the project will also invest in the necessary underlying DPI for secure data sharing including data exchange, Verifiable Credentials Infrastructure (VCI), and digital wallet. Recognizing that technology deployment alone cannot achieve service transformation, the project will strengthen business process reengineering (BPR) capabilities across key ministries to simplify procedures, eliminate redundancies, redesign workflows, while realigning institutional structures and governance mechanisms to better support digital delivery and inter-agency coordination. In addition, the project will finance the digitalization of three to four high-impact government services as pilots to demonstrate improved efficiency, transparency, and user experience, and to serve as scalable models for other ministries. The project will also support the government to develop appropriate data hosting infrastructure and data classification policy to ensure insulation from any natural or manmade disasters.

The project will also support the GoN to create a legal and regulatory enabling environment to effectively develop their digital economy and create a trusted environment. This will include the drafting of a data protection law to safeguard personal data and attract foreign direct investment. In addition, the project will support the GoN to develop data governance frameworks to effectively leverage data hosting and cloud computing. This will include data classification frameworks as well as data hosting guidance on use of hybrid or public cloud, outside of Nepal. Given Nepal's fragilities it will be important to develop a cloud-first policy and proactively develop digital diplomacy to ensure data sovereignty is respected while enhancing resilience and supporting business continuity.

The project will also help create a trusted and secure digital environment by investing in safeguards such as data protection, cyber security, and electronic signature services. The Asian Development Bank (ADB) will cofinance this project under the Full Mutual Reliance Framework (FMRF), working in close coordination with the World Bank and the GoN. The project design is focused on bite-sized priorities aligned with country context and building on design appropriateness and readiness. The first phase of the project will develop and enhance Nepal's DPI foundations and pilot high impact digital services. The project will also design gender specific interventions.

Project Components:

Component 1: Digital Government

This Component will support the delivery of high-impact and trusted digital services by enhancing data hosting, b) building Digital Public Infrastructures (DPIs), and c) reinforcing the trust ecosystem (cybersecurity and data protection). The project will also support the gradual digital transformation of

services leveraging DPIS through a phased approach. The project will finance the digital transformation of two services (driver's license, vehicle registration and business registration) and develop transformation plans for 9 services. Activities will be aligned with the DNF and eGovernment blueprint to support implementation and improve coordination among MDAs.

Subcomponent 1.1: Secure Data Infrastructure

- **Data centers and hosting services:** The project will finance the comprehensive modernization and expansion of Nepal's government data hosting and infrastructure capabilities. These investments will strengthen resilience, security, and operational efficiency of digital public services.
- **Cyber security:** The project will finance Nepal's cybersecurity capacity and responsiveness to enhance national resilience against evolving cyber threats and ensure that critical digital government systems operate securely and reliably.

Subcomponent 1.2: Core digital public infrastructure

- **National Identity:**
 - i) The project will finance improvements to the current NID system, including authentication capabilities, necessary hardware infrastructure, and legal amendments to enhance inclusiveness by addressing constraints such as enrollment eligibility, data-collection requirements, and smartcard mandates;
 - ii) The project will support the design of a new NID system, enabling the NID to function as a fully digital ID with long-term scalability.
- **Electronic signature infrastructure:** The project will finance the infrastructure necessary for Nepal's transition toward trusted, presence-less, and paperless service delivery through legally recognized digital transactions.
- **Nagarik App:** The project will finance the comprehensive upgrade and modernization of the Nagarik App
- **National and Sectoral Data Exchanges:** The financing will procure consultancy services to draft a national data-sharing and consent framework, as well as systems integrators to configure, operationalize, and maintain the National Data Exchange and sectoral exchanges, while providing hands-on integration support for service providers across sector
- **Integrated Social Protection System:** The Integrated Social Protection System (ISPS) is a comprehensive system that integrates different steps in the delivery chain of one or more social protection programs and disaster response (outreach, intake and registration, payments etc.). A social/family registry constitutes the core building block for the ISPS that will provide a single window registration system for multiple programs. The registry will include demographic and socioeconomic information of the members of households where each member is uniquely identified using their National ID or Civil Registration. The project will support the development and implementation of the registry as core building block of the ISPS. Social Security Allowances (SSA) will be the first user of the ISPS. There will be a phased roll out of the ISPS across LLs and other social protection programs.

Subcomponent 1.3: Digitalization of High-Impact Services

- **Business Process Reengineering (BPR) for services:** 11 high-impact services prioritized: land administration, business registration, driver's license, vehicle registration, Social Security Fund

registration, Health Insurance registration and renewal, PAN application, Passport issuance, Foreign Labor registration, Tourism Business licensing, Company registration, and Industry approval

- The services will be clustered into four thematic areas
 - Business & Economic Services Cluster
 - Social Protection & Labor Mobility Cluster
 - Identity & Compliance Services Cluster and
 - Transport Services Cluster

The **reengineering** will define pathways for modernizing workflows, eliminating manual steps, and ensuring integration with DPI components such as the National ID, Data Exchange, and Nagarik App.

The GoN has prioritized

- Business & Economic Services Cluster (which includes business registration) and
- Transport Services Cluster (which includes DL and VR) as the first set of services for BPR.

Component 2: Project Management and Implementation Support

This component will finance project management and implementation of project-associated activities. The component will support one project management unit (PMU) and two project implementation units (PIUs) to conduct procurements, financial management (FM), monitoring and evaluation (M&E), and environmental and social (E&S) risk management according to Bank policies and procedures. Additional activities to be covered include citizen engagement and outreach, grievance redress, and capacity building. In addition, this Component will support institutional coordination between MoCIT and its agencies, OPMCM, Ministry of Finance (MoF), and other MDAs involved in the Project.

2. Objective/Description of SEP

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

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

3. Stakeholder identification and analysis

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

3.1 Methodology

To meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- **Informed participation and feedback:** Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- **Inclusiveness and sensitivity:** Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of diverse ethnic groups.

3.2 Affected parties and other interested parties ¹

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

- **Government Ministries and Departments:** Ministry of Communication and Information Technology (MoCIT), Department of Information Technology (DoIT), Integrated Data management Centre (IDMC), National Cyber Security Centre (NCSC), Ministry of Finance (MoF), Ministry of Home Affairs (MoHA) and other line Ministries, Departments and agencies (MDAS) including local governments involved in the delivery of services, Provincial and Local Governments.
- **Private Sector:** IT industry associations, service providers, and other relevant private entities.
- **Civil Society and Community Groups:** Including representatives from rural populations, women, and marginalized groups.
- **Think tanks** such as Policy Research Institute (PRI), Universities/ Educational Institutions, Research organizations
- **General Public:** Citizens and businesses who will be the end-users of the digital services.

Interested parties include

- National and Local Media (Kathmandu Post, Online khabar, etc.)
- General Public not yet engaged in digital systems
- Certain INGOs and Development partners with no direct link
- Development Partners such as USAID, FCDO, and other international organizations and bilateral agencies.

3.3 Disadvantaged/vulnerable individuals or groups²

Within the Project, vulnerable or disadvantaged groups may include but are not limited to the following:

Those without internet access, those without smartphones, remote and rural populations, persons with disabilities and their caretakers, disadvantaged groups that meet the requirements of ESS 7.

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

4. Stakeholder Engagement Program

4.1 Summary of stakeholder engagement done during project preparation

The Nepal Digital Transformation Project has been prepared following the Digital Nepal Project which was prepared in 2024 but dropped before approval. Prior to that, Digital Nepal Acceleration (DNA) Project was approved in 2022 but eventually cancelled and closed in May 2024. Extensive stakeholder consultations were conducted for both DNA project, and Digital Nepal Project and a full SEP was prepared for each one. During November to December 2024, a series of consultations were held with civil society, the private sector, and public entities involved in Nepal's digital ecosystem. Civil society groups raised concerns about fragmented digital governance, limited consultations during the Digital Nepal Framework's preparation, weak donor coordination, and human rights risks linked to data systems, recommending baseline assessments, local-level service centers, data protection policies, and community-based approaches. Private sector representatives, through NAS-IT, discussed participation challenges in government procurement and suggested adopting agile contracting, integrating with the National ID system, and improving e-waste and infrastructure standards. A separate roundtable on the digital ID ecosystem emphasized linking digital IDs to service delivery, while the IIDS -World Bank "Lab Process" on the Digital Nepal Framework identified priorities such as improved connectivity, skilled workforce development, and investment in digital infrastructure. Consultations with implementing agencies (MoCIT, DoIT, NCSC, and IDMC) highlighted institutional capacity gaps, the need for safeguards on inclusion, gender, SEA/SH, and e-waste, and the establishment of activity-level GRMs. A joint orientation later familiarized agency staff with World Bank requirements, where participants provided feedback and discussed capacity development needs for E&S compliance.

For the proposed NDT project, different level consultations were conducted with civil society representatives and the private and public sector entities involved in the digital ecosystem. Please refer to Annex: 1 for details. A summary of the discussions, recommendations received, and responses is below:

Private Sector and Civil Society: A consultation was held on November 11, 2025, with Private sector and Civil Society representatives.

The consultation focused on understanding how the Nepal Digital Transformation Project can contribute to Nepal's broader development goals, including economic growth, social inclusion, and resilience. Discussions were based on strategies to address the gender gap and the inclusiveness in internet access and digital skills, ensuring equitable participation across all groups and the potential environmental and social risks associated with the deployment of digital infrastructure and appropriate mitigation measures along with strategies for effective e-waste management.

Stakeholders emphasized the importance of inclusion and accessibility in the Digital Services, particularly for persons with disabilities, by ensuring that all websites and digital platforms are user-friendly. Concerns were raised about potential corruption risks that could limit accessibility, highlighting the need for strong engagement and grievance management mechanisms. They stressed that local governments should play a more proactive and meaningful role in these processes. Stakeholders also noted persistent challenges in data exchange and interoperability across platforms, which require users to repeat KYC procedures. They encouraged the project to leverage private sector capacities, such as sandboxing services, and to provide targeted training to help local digital products access global markets.

Participants called for clear categorization of environmental and social (E&S) risks and assessment of impacts on youth, especially considering recent Gen Z led movements and impacts related to human rights. They urged strong linkages between existing policies and E&S assessments, suggesting integration of policies like the e-waste management policy. Strengthening soft skills to promote digital literacy, reduce online crimes, and aligning data classification with the Right to Information were stressed as essential steps for building public trust, transparency, and inclusion.

The Project Implementation Team affirmed that grievance management will follow a Grievance Redress Mechanism (GRM), with Environmental and Social focal persons designated within Project Implementation Units (PIUs). The Ministry of Communication and Information Technology (MoCIT) will play a key coordinating role, ensuring that local governments are meaningfully involved in the grievance handling process. The World Bank reaffirmed its support to the Government of Nepal in strengthening right-to-information, transparency, and accountability frameworks. The Stakeholder Engagement Plan (SEP) will guide ongoing engagement, ensuring inclusion of local governments and coordination with partners such as the UN to avoid overlap. The project will ensure the accessibility of digital services and establish a Digital Coordination Unit to promote efficiency and collaboration across institutions. The private sector will have opportunities to participate through procurements for service delivery. Furthermore, alignment with the Digital Nepal Framework (DNF) and inclusion of Gender Equality and Social Inclusion (GESI) principles will be prioritized. Considering Nepal's open data policy, the project team also acknowledged the need to improve researcher access to data to enhance evidence-based innovation and decision-making.

Consultation with officials of implementing agencies, and MDAs November 21, 2025:

A stakeholder consultation was conducted on November 21, 2025 with officials from key implementing agencies and mandated government bodies (MDAs) under MoCIT. The consultation aimed to gather feedback on the proposed project activities, including system integration, data center upgrades, cybersecurity, environmental considerations, and stakeholder engagement.

The stakeholders highlighted the importance of effective engagement with all 753 local governments, addressing language barriers, and ensuring pre-engagement planning. Data center-related questions were prominent, particularly regarding whether new centers would be constructed or existing ones upgraded. Concerns related to the complexity of implementing Environmental and Social Standards (ESS), cybersecurity risks, and the need for clear institutional arrangements were raised. The implementing agency clarified that no new buildings are proposed at this stage, and any future additions will undergo environmental screening. The need for Digital Sector-specific environmental guidelines (including requirements of EIA, IEE, BES, and EMP processes) was emphasized and will be explored in conjunction with the national e-waste management policy. The implementing agency clarified that ESS requirements will be integrated throughout the project design phase and that cybersecurity considerations are embedded in system architecture, with further mitigation measures to be elaborated during detailed assessments.

DHM, DoTM, and NCSC stressed the importance of interoperability, data consistency, legitimacy of digital signatures, and the development of clear guidelines for log retention and digital footprints. The project will incorporate these considerations through Business Process Reengineering (BPR), targeted capacity-building programs, and further policy-level interventions. The National Women Commission requested integration of its "Khabar Garaun Pranali" system with NID, which the implementing agency confirmed can be addressed through proposed digital service integration activities.

Overall, the NCSC representative affirmed the importance of a citizen-centric approach on capacity building for the use of digital services, robust cybersecurity infrastructure, strong institutional coordination, attention to indirect impacts, and comprehensive capacity building prior to full-scale implementation.

4.2 Stakeholder engagement plan

Topic of consultation/message	Target Stakeholders	Method(s) of Engagement	Frequency/ time frame
Project Phase: Planning and preparation			
<ul style="list-style-type: none"> Objectives and the planned activities of the project E&S principles policies and scopes Stakeholder consultations and information disclosure Grievance mechanisms (GM) Citizen Engagement (CE) Activities GBV and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks and impacts, including the SEA/SH Action Plan Engagement and consultation program with project stakeholders Information about the mitigation measures and implementation modality, Citizen Engagement Activities 	<p>At Federal Level</p> <ul style="list-style-type: none"> Federal government line agencies/officials Network/Internet service providers and telecom operators (Or organizations if they have any) National level Media <p>At the provincial and local levels</p> <ul style="list-style-type: none"> Provincial government Municipalities District Coordination Committees (DCCs) Affected individuals (project beneficiaries) Local communities Vulnerable groups including women's groups and Dalits Indigenous peoples Local NGOs Local press and media Community leaders 	<ul style="list-style-type: none"> Phone, call centers, email, official letters Orientation/Training workshops Periodic stakeholder engagement activities Periodic-project-related information disclosure All face-to-face meetings and Virtual meetings (One-on-one/Group discussions) meetings with local municipalities FGDs with stakeholders Targeted outreach activities and FGDs with women, IP organizations, and other vulnerable groups, such as Dalits 	Throughout the project preparation
Project Phase: Implementation			
<ul style="list-style-type: none"> Project scope with progress on ongoing activities, and project status Revision/updates of E&S instruments Implementation of mitigation measures Updated SEP and related activities Functioning of the GM Periodic stakeholder consultations Project-related information 	<p>At Federal Level</p> <ul style="list-style-type: none"> Federal government line agencies/officials Network/Internet service providers and telecom operators (Or organizations if they have any) National level Media <p>At the provincial and local levels</p> <ul style="list-style-type: none"> Provincial government line agencies/officials Municipalities and 	<ul style="list-style-type: none"> Phone, call centers, email, letters Face-to-face/virtual meetings with federal, provincial, and local agencies and officials Orientation Program/ Training/workshop Regular information updates on the MoCIT project websites Periodic consultation with project stakeholders Information disclosure through mass meetings, brochures, flyers, project website, and local media, 	Throughout the project implementation

disclosure <ul style="list-style-type: none"> • Implementation of SEA/SH Action Plan • Other potential E&S concerns 	Rural Municipalities and concerned officials <ul style="list-style-type: none"> • Affected individuals (project beneficiaries) • Local communities • Vulnerable groups • Indigenous peoples • Local NGOs • Local community leaders • Local press and media 	among other <ul style="list-style-type: none"> • Accessible and functioning GRM Periodic small groups meetings with vulnerable and IP groups • Application of audio/visual communication techniques, and other accessible formats to engage with vulnerable groups, including people with disabilities 	
<ul style="list-style-type: none"> • Understanding the perception of beneficiaries about the activities and services extended under the project (As part of the citizen engagement activities) 	Target Beneficiary level All targeted beneficiaries of the subprojects	<ul style="list-style-type: none"> • Beneficiary Satisfaction Survey 	To be decided with MoCIT officials responsible for project implementation

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

4.3 Reporting back to stakeholders

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

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

	<ul style="list-style-type: none"> • GRM procedures 	
<ul style="list-style-type: none"> • Individuals and communities with a focus on vulnerable groups, including poor and ethnic minorities, IPs, women Local NGOs and CBOs 	<ul style="list-style-type: none"> • Scope of project and related activities • Periodic updates on project status, including the implementation of ESMF, SEP and mitigation measures GRM procedures 	<ul style="list-style-type: none"> • Public notices • Press releases in the local media and on the project website • Information leaflets and brochures messages through community radios • Exchange of information through messages, use of audio- visual materials • Periodic small group meetings with vulnerable and IP groups by adopting COVID protocols • Regular contacts through phone calls, • Information sharing from local level offices <p><i>(Information will be provided in Nepali as well as local languages as needed)</i></p>

5. Resources and Responsibilities for implementing stakeholder engagement activities

5.1 Organizational Structure to Implement SEP

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

5.2. Roles and responsibilities of units/agencies and individuals

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

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

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

5.3 Estimated Budget

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

Item	Quantity/ Unit	Unit Cost (US\$)	Total Cost (US\$)	Remarks
Stakeholder consultations	10	3,000	30,000	On average twice a year, for 5 years (Cost for venues, outreach, staff costs, travel and food)
Stakeholder Engagement Management System	5 years	Lump-sum US\$ 1,000 per year	5,000	The PMU and PITs will be responsible for this task. (Cost for Operations, collecting and processing grievances, and maintaining database)
Project website development and operations	-		3,000	Lump-sum plus hosting and updating
Monitoring and Evaluation, including mid-term and end- line report and biannual stakeholder engagement reports	10	1000	10,000	10 reports
Two beneficiary satisfaction surveys	2	5,000	10,000	The first one to be conducted after two years of implementation and a second one in the last year of implementation
Total			58,000	

6. Grievance Mechanism

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

6.1 Objectives of the GM

The objectives of the GM are:

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

6.2. Grievance Implementation Procedure

The project will develop a written grievance procedure/manual in consultation with project

impacted parties and stakeholders. It will incorporate the following steps.

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

6.3 Grievance Mechanism (GM) System

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

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

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

6.4 Key steps and procedures of the GM System

Step 1: Receive, register, and acknowledge the grievance

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

- Submit complaint forms in written or record the complaint (See **Annex 3**) The project

representative at the local level will assist in filling out the complaint form for complainants who are unable to read or write and/or are unfamiliar with the grievance process. In such a case, the designated project representative will formally register the grievance by filling out the complaint form made available for the project

- Through emails and phone numbers PITs E&S risk management focal persons

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

Step 2: Review and investigate the grievance

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

Step 3: Develop resolution and respond to the complainant

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

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

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

Step 5: Recourse to legal and other formal recourse

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

7. Annexes

Annex: 1- Detail Records of Consultation during project design

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Timetable/ Date to Complete Follow-up Action(s)
Civil Society organization/ Digital rights organizations	November 11, 2025	<p>Inclusion issues for persons with disabilities, particularly ensuring the accessibility of websites needs to be. The potential risks of corruption that could reduce accessibility, emphasizing the importance of establishing effective mechanisms for engagement and grievance management. Meaningful involvement of local governments in grievance processes is essential. The lack of data exchange and interoperability across platforms, which forces users to complete KYC procedures multiple times for different services. They highlighted the role of the private sector in providing sandboxing services and underscored the need for targeted training to help digital products reach international markets.</p> <p>They also emphasized the need for clear categorization of environmental and social (E&S) risks and called for assessment of impacts on youth, particularly in the context of recent Gen Z led movements and related human rights implications. They highlighted the importance of stronger linkages between policies and assessments and sought clarification on the project's plans to mitigate E&S impacts. Integrating contributions from existing policies, such as</p>	<p>Grievance management will be implemented in accordance with the established Grievance Redress Mechanism (GRM). If the Nagarik App requires a specific GRM, its inclusion can be discussed and considered within the project framework. E&S focal persons will be designated within the Project Implementation Units (PIUs) to handle grievances, with the MoCIT serving as a key part of the framework, the project will also ensure meaningful involvement of local governments in the grievance management process.</p> <p>The WB supports the GoN in strengthening policies to promote transparency and accountability. The SEP will serve as a key instrument to ensure openness, complemented by the public disclosure of other project documents such as the A-ESRS and PAD. Engagement of local governments will be guided through the SEP, while coordination with other development partners, including the UN, will help prevent overlap and duplication of efforts.</p>	Conduct consultation as mentioned in the section 5.3	Project period

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Timetable/ Date to Complete Follow-up Action(s)
		the e-waste management policy, was also recommended. Additionally, stakeholders stressed the need to enhance soft skills to improve digital literacy and reduce online crimes. They suggested that data classification should align with the Right to Information Act to foster inclusion, while building trust and transparency was viewed as crucial to prevent unintended consequences and ensure meaningful engagement. They urged that local governments take on a more proactive role, extending beyond that of mere beneficiaries.	All stakeholders will be actively engaged throughout the project cycle to ensure their concerns are adequately addressed and their inputs are reflected in project design and implementation, and deliberate efforts will be made to ensure the meaningful involvement of local governments throughout implementation.		
Private Sectors/ IT industry	November 11, 2025	Most digital services under the project are federal in nature and there are challenges related to data interoperability and exchange. The services are currently sporadic and sought clarification on the roles and opportunities available for the private sector in providing these services. Concerns were also raised about data protection and associated social risks, emphasizing the need for clear and robust guidelines. The grievance mechanism needs to be effective, granular project data should be made publicly available to enhance transparency and accountability.	The private sector will have opportunities to participate through procurements for service delivery under the project. Accessibility of digital services will be ensured for all users. A Digital Coordination Unit will be established to facilitate coordination and prevent overlap with other agencies, such as the UN, working on digital infrastructure in Nepal. In addition, data protection provisions will be embedded within project policies to safeguard user privacy and address related social risks.	Conduct consultation as mentioned in the section 5.3	Project period
Research Community	November 11, 2025	Digital infrastructure development should prioritize improving user access to digital services and emphasized that stakeholder engagement must align with the Digital			

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Timetable/ Date to Complete Follow-up Action(s)
		Nepal Framework (DNF), ensuring the inclusion of local governments and consideration of Gender Equality and Social Inclusion (GESI) principles. Although Nepal has adopted an open data policy, the researchers continue to face restricted access to data, limiting opportunities for evidence-based analysis and innovation.			
NDRRMA	November 21, 2025	NDRRMA stated that the Environmental and Social Standards (ESS) appear complicated to implement and may create practical challenges. They also raised concerns regarding cybersecurity issues and asked how the project intends to address them.	ESS requirements will be fully integrated into the project design and implementation processes, cybersecurity considerations have been built into the system design and procurement plan, and that additional mitigation measures will be developed during further assessments.		
MoFAGA	November 21, 2025	A proper needs assessment of existing online portals is required. They asked how all 753 local governments will be engaged as stakeholders, and noted that language-related limitations in online systems may create barriers and highlighted the pre-engagement issues that need to be addressed.	A need assessment will guide the development and upgrade of portals and assured of mechanisms for meaningful engagement of all 753 local governments, while also acknowledging language barriers and localization needs.		
National Cyber Bureau	November 21, 2025	The National Cyber Bureau requested clarification on whether the project plans to use the existing GIDC data center or establish a new one.	The cybersecurity infrastructure will be included based on assessed needs and existing data centers will be upgraded and that new containerized data centers are being studied for possible inclusion. NID and other services will be integrated as part of the project.		

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Timetable/ Date to Complete Follow-up Action(s)
Ministry of Women, Children and Senior Citizens	November 21, 2025	The ministry expressed appreciation for being invited to the consultation but did not raise any specific concerns.	Thanked for the Participation.		
Ministry of Forests and Environment	November 21, 2025	The ministry inquired whether new data center buildings would be constructed and, if so, whether an EIA, IEE, BES, or other assessment would be required. They emphasised the need to assess fire hazards thoroughly and highlighted the need for sector-specific guidelines for the Digital Sector regarding environmental assessments.	No new buildings are proposed under the project at this stage, and if new buildings are added later, the screening will be done to determine the required level of environmental assessment. Sectoral guidelines for the Digital Sector are an important gap and committed to exploring this further along with the development of e-waste policy. Fire hazard risks will also be assessed where relevant.		
DHM	November 21, 2025	DHM indicated that disaster risks appear minimal because the project involves upgrading existing data centers rather than building new ones. They asked whether electronic signature infrastructure exists, what role DHM will play, and raised concerns about the legitimacy of digital signatures. They also asked about data sharing through the Nagarik App and whether the project is aligned with the Digital Nepal Framework (DNF).	Issues of electronic signatures will be addressed at the policy level and that institutional challenges will be examined. The role of the private sector in supporting e-signatures will also be explored. They confirmed that the project is aligned with the DNF and stated that interoperability and integration modalities will continue to be refined as the project progresses.		
National Women Commission	November 21, 2025	The Commission asked whether their “Khabar Garaun Pranali” system could be integrated with the NID system.	This integration can be explored under the digital services integration activities and that further discussion will be carried out.		
Department of Transport	November 21, 2025	DoTM raised concerns regarding the interoperability of the license system with	Guidelines for interoperability are already in place. Several data centers		

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Timetable/ Date to Complete Follow-up Action(s)
Management (DoTM)		NID and other services. They highlighted issues related to unclear or inaccurate data and emphasized the importance of data consistency for policymaking. They also asked whether data exchange is possible, whether remote data centers can be maintained, and whether the Smart Card and NID systems will be merged or kept separate.	already exist and that the concept is for individual agencies to operate their own data centers. Cost centers and PIUs will be responsible for relevant functions and that the OCC will manage issues related to e-signatures. Issues of Smart Cards and NID is being reviewed and will depend on actual use cases.		
National Cyber Security Center (NCSC)	November 21, 2025	Digital literacy among users remains low and that capacity building will be essential based on a citizen-centric approach and at least a pilot intervention should be carried out if full-scale implementation is not possible. They also emphasized the importance of studying indirect project impacts and asked whether a Security Operations Center (SOC) is included. Additionally, they raised concerns about digital footprint retention and the need for detailed logging guidelines.	Business Process Reengineering (BPR) processes already address several of these issues. Capacity building will be carried out using a targeted and cascade approach. The establishment of a SOC is included in the project. Finally, they committed to developing guidelines for digital footprint retention and logging requirements.		

Annex: 2- Attendance of the different consultations

DIGITAL SECTOR - E&S WORKSHOP (TUESDAY) NOVEMBER 11, 2025 VENUE : MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY ATTENDANCE LIST						
S.No.	Name	Position	Organization	Tel./No.	Email Address	Signature
	SWAN KUMAR	Social Development	World Bank			
	Kimberly Jones	SR. Digital Spec.	"			
	Akhanda Raj Upadhyay	E&S Consultant	World Bank			
	Kalpna Gyawali	C.E.	MOCT			
	Surya Prakash Upadhyay	Computer Engineer	"			
	Rupesh Kumar Nidhi	CE	IDMC			
	Satish Kr Sharma	CE	IDMC			
	Hemant Rajanghi	Consultant	World Bank			

DIGITAL SECTOR - E&S WORKSHOP (TUESDAY) NOVEMBER 11, 2025 VENUE : MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY ATTENDANCE LIST						
S.No.	Name	Position	Organization	Tel./No.	Email Address	Signature
1.	Satish Bigdeli	ED	Digital Rights Nepal			
2.	Manish Modi	Member	ICT Committee ENCCI			

DIGITAL SECTOR - E&S WORKSHOP
(TUESDAY) NOVEMBER 11, 2025
VENUE : MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY

ATTENDANCE LIST

S.No.	Name	Position	Organization	Tel./No.	Email Address	Signature
1.	Adesh Khadka	J.S.	MOCT			
2.	Shiba Kumar Pokhrel	U.S.	MOCT			
3.	Prakash Dawadi	C.O.	DoIT			
4.	Narayan Timilsina	U.S.	MOCT			
5.	Laxmi KC	Computer Engineer	NCSC			
6.	Aashish Bhatt	Computer Officer	NCSC			
7.	Bishwanath Bista	Executive President	Young Innovations			
8.	Prekshya Bimali	P. Manager	Accountability Lab			
9.	Surendra Chapagain	P. Manager	Accountability Lab			
10.	Dr. Rajan Parajuli	Executive Director	Nepal Research & Education Network (NREN)			

Nepal Digital project: E&S Consultations
(Friday) November 21, 2025

VENUE : MOCT


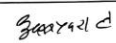







ATTENDANCE LIST

S.No.	Name	Position	Organization	Tel./No.	Email Address	Signature
1.	Adesh Khadka	Joint sec.	MOCT			
2.	Shiba Kumar Pokhrel	Under sec.	"			
3.	Narayan Timilsina	Under sec.	"			
4.	Manoj Adhikari	Section Officer	MoFAGA			
5.	Santosh Subedi	Section Officer	NDRMA			
6.	Akhanda Raj Upreti	E&S Consultant	World Bank			
7.	Bimal Man Shrestha	Computer Engineer	NCSC			
8.	Laxmi KC	"	"			
9.	Sabigya Pokharel	"	DoIT			
10.	Blam Blakta Joshi	"	DoTM			

Nepal Digital project: E&S Consultations
(Friday) November 21, 2025

VENUE : MOCIT

ATTENDANCE LIST

S.No.	Name	Position	Organization	Tel./No.	Email Address	Signature
11.	Milen Chandra Bhendari	Computer Engineer	National Women Commission	9841222222	milen.bhendari@gmail.com	
12.	Ambika Prasad Baral	Electronic Engineer	Department of Hydrology & Meteorology	9770115151	ambika.baral@gmail.com	
13.	Rabin Shakyu	Environment Inspector	Department of Environment	977615151	rabin.shakyu@gmail.com	
14.	Pradip Tamrakar	SP	Nepal Police Cyber Bureau	9770115151	pradip.tamrakar@gmail.com	
15.	Rishani Shrestha	Women Development Officer	Ministry of Women, Children and Senior Citizen (MOWSC)	9770115151	rishani.shrestha@gmail.com	
16.	Satish Subedi	Computer Engineer	OTC	9841222222	satish.subedi@gmail.com	
17.	Surya Prakash Upadhyaya	IT	MOCIT	9770115151	surya.prakash@gmail.com	
18.	Aruna Gautam	IT	IT	9770115151	aruna.gautam@gmail.com	
19.	Kalpna Gyawali	Comp. En.	MOCIT	9770115151	kalpna.gyawali@gmail.com	

DRAFT

Annex: 3-Grievance Registration form

Grievance Form

Grievance registration no.	
Date of registration	

Details of complainant: (Tick the box for anonymity) ☐

Name:

First Name	Middle name	Last name

Gender:

☐ Male ☐ Female ☐ Others

Address:

Province	District	Municipality	Ward No.	Name of place

Contact details:

Primary mobile no.		Email	
Secondary mobile no.		Facebook	

Preferred mode of contact: _____

Brief description of grievance

Mode of submission of grievance:

☐ Verbal

☐

Written

☐

Complaint Box

☐

Phone

☐

Email

☐

Others

Signature of Complainant

Signature of Grievance Officer

Annex: 4- Sample Grievance Registration Template

N o	Date of receiving incoming letter / form	Grievance Reference Number	Name / Surname of grievance originator (if not anonymous)	Gender	Type of grievance	Details of grievance	Medium of comm.	Name of staff responsible for managing the grievance	Date of grievance acknowledgement	Date of feedback provision/reference number	Present status	Remarks
1												
2												
3												
4												
5												
6												
7												
8												
9												

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

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

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