



Government of Nepal
Ministry of Forests and Environment

Nepal Forests for Prosperity Project

Stakeholder Engagement Plan (SEP)

March 8, 2020

Abbreviations

ACOFUN	Association of Collaborative Forest Users Nepal
AFO	Assistant Forest Officer
CBFM	Community Based Forest Management
CF	Community Forest
CFM	Collaborative Forest Management
CFUG	Community Forest User Group
CTEVT	Centre for Technical Education and Vocational Training
DANAR	Dalit Alliance for Natural Resources
DFO	Divisional Forest Officer
DGM	Dedicated Grant Mechanism
DoFSC	Department of Forests and Soil Conservation
DoI	Department of Industry
EA	Environmental Assessment
EIA	Environmental Impact Assessment
ERP	Emissions Reduction Program
ESMF	Environmental and Social Management Framework
ESMP	Environment and Social Management Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
FBE	Forest-Based Enterprise
FCPF	Forest Carbon Partnership Facility
FECOFUN	Federation of Community Forestry Users Nepal
FenFIT	Federation of Forest-Based Industry and Trade
FFP	Forests for Prosperity
FLFUG	Federation of Leasehold Forest User Groups
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FWEAN	Federation of Women's Entrepreneurs Association of Nepal
GESI	Gender and Social Inclusion
GHG	Greenhouse Gas
GIZ	German Development Agency
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
HIMAWANTI	Himalayan Grassroots Women's Natural Resource Management Association
HPPCL	Herbs Production and Processing Company Limited
ICIMOD	International Centre for Integrated Mountain Development
IOF	Institute of Forestry
IP	Indigenous Peoples
IPLC	Indigenous People and Local Communities
IPVCDP	Indigenous Peoples and Vulnerable Communities Development Plan
JAWAN	Jadibuti Association of Nepal
KaFCol	Kathmandu Forestry College
LFUG	Leasehold Forest User Group
LHF	Leasehold Forest
MoITFE	Ministry of Industries, Tourism, Forests and Environment
MoF	Ministry of Finance
MoFE	Ministry of Forests and Environment
MSFP	Multi-Stakeholder Forestry Programme
NEFIN	Nepal Federation of Indigenous Nationalities
NFA	Nepal Foresters Association
NGO	Non-Government Organisation
NIC	National Information Commission
NPC	National Planning Commission
NTFP	Non-Timber Forest Product
PAD	Project Appraisal Document

PDO	Project Development Objective
PGMC	Provincial Grievance Management Committee
PLMG	Public Land Management Group
PMCD	Planning, Monitoring and Coordination Division
PMU	Project Management Unit
PPMU	Provincial Project Management Unit
REDD	Reducing Emissions from Deforestation & Forest Degradation
REDD IC	REDD Implementation Centre
RTI	Right to Information
SEP	Stakeholder Engagement Plan
SESA	Strategic Environmental and Social Assessment
SFM	Sustainable Forest Management
SME	Small and Medium Enterprise
FBE	Forest-Based Enterprise
WB	World Bank
WWF	World Wide Fund for Nature

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1. STAKEHOLDER ENGAGEMENT PLAN

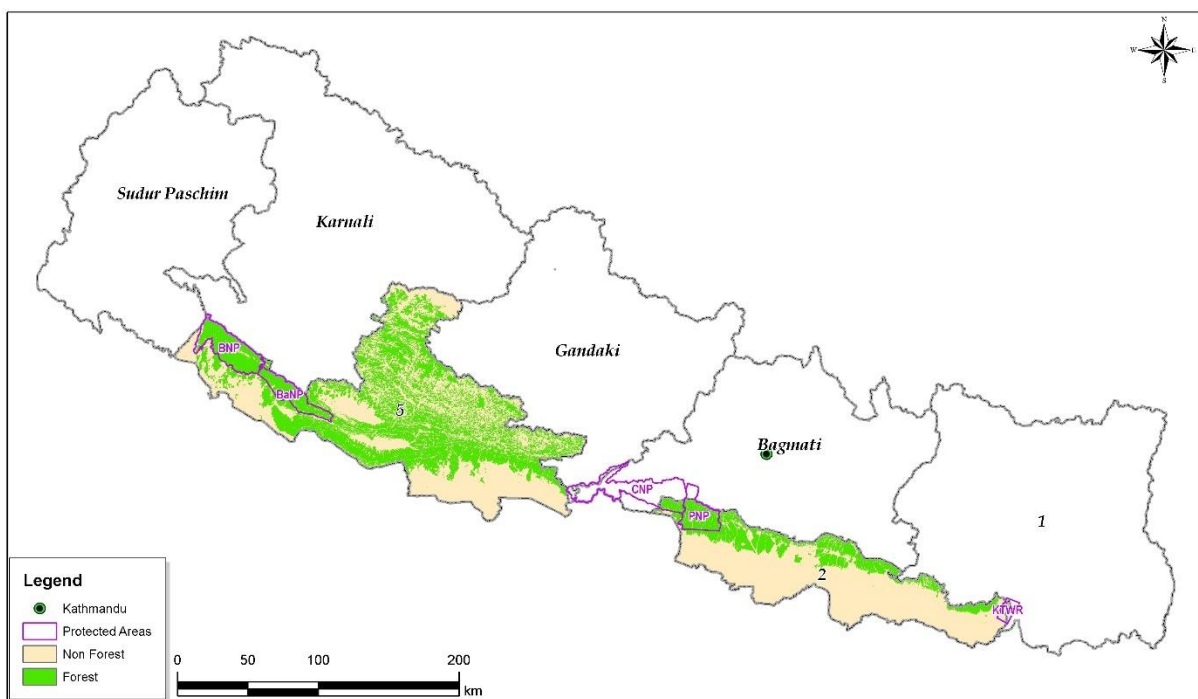
1.1 Objective

1. This Stakeholder Engagement Plan (SEP) has been prepared for effective implementation and monitoring of the Forests for Prosperity (FFP) project, to ensure that all the stakeholders/affected people and communities in the project area are informed, consulted, and mobilized to participate in and benefit from the project. The SEP has been prepared as part of the requirements of the World Bank (WB) Environment and Social Standard (ESS) 10: Stakeholder Engagement and Information Disclosure.

2. The SEP will help stakeholders to benefit more from the FFP project and to receive protection from any potential adverse impacts of the project activities. It involves all stakeholders, including affected people and concerned non-government organizations, early during the project preparation process and ensures that their views and concerns are made known to and considered by decision-makers. Stakeholder engagement during FFP project implementation will be ensured to maintain transparency, reduce potential conflicts, and minimize the risk of delays in carrying out project activities. This SEP document describes and recommends a set of stakeholder engagement and information dissemination activities for local people and communities, among others.

3. The FFP project includes a wide range of stakeholders at the national and sub-national levels, including the Ministry of Forests and Environment; the Ministry of Industry, Commerce and Supplies; the Ministry of Finance; Sub-/Division Forest Offices; Watershed Management Offices; Province Forest Directorate; Province Ministry of Industry, Tourism, Forests and Environment; Department of Forest and Soil Conservation; Department of Plant Resource; Department of Industry; and the Trade and Export Promotion Centre. Stakeholder engagement also includes Local Governments and civil society and indigenous peoples organizations in the project areas where affected people/communities will be regularly provided with information on the project and consulted on how they can be involved in and otherwise benefit from the project.

Figure 1: FFP Project Area Showing Participating Provinces (2 & 5) and Forest Cover



2. PROJECT OVERVIEW

2.1 Project Development Objective

4. The project development objective (PDO) is:
 - To improve sustainable forest management; increase benefits from forests and help to address climate change in selected landscapes in Nepal.
5. The project will have the following PDO indicators:
 - Forest land under Community Based Forest Management (CBFM) with productive, sustainable forest management plans being implemented (ha)
 - Incomes from sales of forest products earned by CBFM groups
 - Skilled jobs in sustainable forest management and forest-based enterprises (No. jobs disaggregated by gender/caste/ethnicity)
 - GHG emitted/sequestered (tons CO² eq.)

2.2 Project Components

6. The FFP project is designed with four components:

Component 1: Policy & capacity building support for new government structures and processes for sustainable forest management

Component 2: Community-based sustainable forest management and smallholder forest plantations

Component 3: Forest Enterprise Improvement and Development

Component 4: Project Governance, Monitoring and Learning

7. These four components aim to increase the forest area under sustainable, community-based, productive management and under private plantations, resulting in greater supplies of wood and non-wood forest products becoming available. At the same time, investment in forest-based small and medium enterprises (SMEs) will be stimulated to utilize these products and generate paid employment, by removing regulatory constraints and by providing accessible credit for businesses and entrepreneurs.

8. Project impacts will be delivered in the context of Nepal's Federal Constitution (2015) which requires significant reforms to the functions and capacities of the different institutions operating in the forest sector.

9. The Government of Nepal (GoN) and World Bank have agreed to implement the FFP project in two provinces (Province 2 and Province 5), shown in Figure 1. In each Province, municipalities will be selected in clusters for project implementation, giving a total of 50 for the project. Participating municipalities will be selected based on the criteria described in the Project Appraisal Document (PAD) after project approval but before the start of project implementation.

3. SCOPE OF SEP APPLICATION

10. The scope of the SEP shall be as outlined in the World Bank's ESS 10 of the Environmental and Social Framework (ESF). Stakeholder engagement has been planned as an integral part of the project's environmental and social assessment during project design and during implementation and monitoring of the SEP will continue for the duration of the project. Provisions under relevant national laws with regard to citizen's engagement and information disclosure will be also taken account of. The SEP is a living document which will be updated and revised, as needed in the future, including in response to the findings of the Functional Review and Institutional Assessment. All updates will be redisclosed.

4. RELEVANT NATIONAL LAWS AND INSTITUTIONS

11. **Right to Information Act (2007):** This act was enacted with the following objectives:
 - To make the functions of the state open and transparent in accordance with the democratic system and to make it responsible and accountable to citizens
 - To make access to information of public importance held by public bodies simple and easy for citizens
 - To protect sensitive information that could have adverse impacts on the interests of the nation and of citizens
 - To have the necessary legal provisions in place to protect the rights of the citizen to be well-informed and to put these into practice
12. **National Information Commission (2008):** The National Information Commission was established in 2008 as an independent body for the implementation of Right to Information (RTI) as per the provisions of the RTI Act. It is responsible for the protection, promotion and practice of RTI in Nepal.
13. **The Consumer Protection Act (2018):** This Act, seeks to promote and protect: the interest of consumers against deficiencies and defects in goods or services; the right to receive compensation if any harm or injury is caused due to the use of goods or services; the right to be informed and right to receive remedy or hearings among others. It also seeks to secure the rights of consumers against unfair or restrictive trade practices.
14. **Consumer Protection Council (2018):** A Consumer Protection Council is formed in order to make policy on the matters of protecting and implementing the rights of consumers and performing other functions under the Consumer Protection Act.
15. **Local Governance Operational Act (2017):** The Act outlines the procedures for the functioning of local governments i.e. municipalities and rural municipalities, and empowers the 753 newly created local governments with executive, legislative and judicial powers. However, the powers provided under the Act are not absolute and are subject to compliance with federal and provincial laws and regulations. Under this Act all local legislative, judicial, regulative and management functions related to forest, wildlife, birds, water-use, environment, ecology and bio-diversity are under the jurisdiction of local governments. Under this act there are provisions for accountability and access to information for the general public as well as for vulnerable groups. The Act makes various specific provisions for social and legal justice and transparency e.g. public/social audits, public hearings, gender responsive budgeting (GRB), an Elected Assembly, a Judicial Committee and consultation processes to be followed during planning and preparing budgets.
16. **International Labor Organization (ILO) Convention 169:** Nepal is the only signatory of ILO 169 convention in the South Asia Region as such it is very important international commitment relevant to the proposed FFP Project. Being a signatory of this convention Nepal has to adopt special measures as appropriate for safeguarding the persons, institutions, property, labor, cultures, and environment of indigenous peoples. ILO 169 requires assessment of likely impacts of any development interventions on indigenous peoples and mentions that governments shall ensure this whenever appropriate, studies are to be carried out, in cooperation with the peoples concerned, to assess the social, spiritual, cultural, and environmental impacts on them of planned development activities. Free, prior and Informed Consent (FPIC) under this convention serves as a safeguard mechanism to ensure that potential impacts on indigenous peoples will be considered in the decision-making process of those programmes or projects affecting them.

5. WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARD ON STAKEHOLDER ENGAGEMENT

17. The World Bank's Environmental and Social Framework (ESF) *ESS 10: Stakeholder Engagement and Information Disclosure*, recognizes 'the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice' (World Bank, 2017: 97). Specifically, the requirements set out by ESS 10 are as follows:

- Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
- The process of stakeholder engagement will involve the following (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultations with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not (World Bank, 2017: 98).

18. A SEP proportionate to the nature and scale of the project and its potential risks and impacts needs to be developed by the Borrower. It has to be disclosed as early as possible, and before project appraisal, and the Borrower needs to seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Borrower has to disclose the updated SEP (World Bank, 2017: 99). According to ESS 10, the Borrower should also propose and implement a Grievance Redress Mechanism (GRM) to receive complaints and to facilitate the resolution of the concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner (World Bank, 2017: 100). This document describes the stakeholder consultation process to be followed throughout the project, identifies and analysis the issues and concerns of the different stakeholder groups, and also outlines the GRM to be followed during the course of the project.

6. PROJECT STAKEHOLDERS

19. The following steps were followed while mapping the stakeholders for the FFP project and their prioritization.

6.1 Stakeholder Identification (Mapping)

20. During team discussions with the design team consultants, MoFE REDD IC, and based on previous identification activities done during various assessments including REDD+ SESA and ESMF for Nepal's Emissions Reductions Program (ERP) and during the Feasibility Study carried out during 2017, the following stakeholders were identified for consultation during FFP project design and preparation (Table 1).

Table 1: List of Likely Stakeholders

<p>Regulatory Bodies: Municipalities; Small and Cottage Industry Offices; Sub-/Division Forest Offices; Watershed Management Offices; Province Forest Directorate; Province Ministry of Industry, Tourism, Forests and Environment; Province Ministry of Agriculture and Land Management; Province Ministry of Social Development; Department of Forest and Soil Conservation; Department of Plant Resource; Department of Industry; Trade and Export Promotion Centre; Nepal Rastra Bank; Ministry of Agriculture and Livestock Development; Ministry of Forests and Environment; Ministry of Industry, Commerce and Supplies; Ministry of Finance; Ministry of Women, Children and Senior Citizens</p>
<p>Forest Product Producers: Community Forest User Groups; Leasehold Forest User Groups; Collaborative Forest User Groups; Private Forests/Nursery Owner; Public Land Management Groups; Farmers; Sub-/Division Forest Offices; Sagarnath Forestry Development Project</p>
<p>Stakeholder Networks: Nepal Foresters' Association (NFA); FECOFUN; ACOFUN; HIMAWANTI Nepal; NEFIN; FNCCI; DANAR Nepal; FWEAN; Cooperative Associations</p>
<p>Forest Product Traders: Local to National/International timber and NTFPs (essential oil, herbal medicine, cosmetics) traders i.e., Jadibuti Association of Nepal (JAWAN); Nepal Herbs and Herbal Products Association; FenFIT; HPPCL; Nepal Forests Corporation (previously the Timber Corporation of Nepal and the Forest Products Development Board merged)</p>
<p>Forest Product pre/processing/End product production industries: Forest-based industries (Alloo, Resin, Veneer, ply-wood, handmade paper, furniture, saw mill, treatment plant, seasoning plant) including herbal medicine company; HPPCL; Nepal Forests Corporation</p>
<p>Academic/Training Institutions: CTEVT, IOF, KaFCol, Forestry Research and Training Centres, Agro-forestry University</p>
<p>Others: Forestry Projects/Programmes, I/NGOs working in the project area, commercial banks, Finance Companies (Central and Regional), Media</p>

6.2 Stakeholder Prioritization

21. Following the universal mapping of stakeholders, brief analysis was done to further prioritize primary stakeholders, who are likely to be affected by the project interventions, and those who have an interest in and influence over project interventions as well as vulnerable people and communities:

6.2.1 Stakeholders affected or likely to be affected (project-affected parties)

22. These stakeholders are those that the project aims to benefit through implementation of project interventions

- Individual Women residing in the proposed project implementation area and organisations representing women in forest resource management like Himawanti, Women's Cooperatives, Womens' chapter of the Chamber of Commerce, Federation of Women Entrepreneurs Association of Nepal (FWEAN), Women entrepreneurs doing forest-based business, Women Foresters and Rangers, Women Development Officers
- IPs, Dalits, forest-dependent poor and other vulnerable groups, local communities
- Others e.g. climate and disaster affected/vulnerable individuals and groups living in project area

6.2.2 Stakeholders with an interest in and influence over the project (other interested parties)

23. These stakeholders might have an interest in the project because of the project location, its key areas of intervention, its impacts, or matters related to public interest. These stakeholders may have high interest as well as high influence over the project outputs and impact.

- Federal, Provincial and local government and regulators

- Forestry, Environment, Social and Gender related bureaucrats and champions
- Political parties and leaders at the federal, provincial and Local Government level
- Forestry professionals, consultants, and NGOs
- Civil society, FECOFUN, ACOFUN, FLHFG, FenFIT, JAWAN and business associations
- Banks and financial institutions
- Private sector and investors
- Other forestry and climate change /environment projects and programs in the province and Local Government
- Contractors, traders, suppliers, middlemen and brokers in timber based and NTFP business
- Media

6.2.3 Identification of Indigeneous and vulnerable communities, other disadvantaged groups (target project beneficiaries)

24. Data analysis, Field consultations and various assessments including FFP Project Gender and Social Inclusion (GESI) assessment has identified: woman-headed households, Dalits, IPS (endangered and marginalized groups) and the poor as vulnerable and disadvantaged individuals and groups and as target beneficiaries for project interventions. Following table presents a glimpse of caste, ethnicity and existing social diversity in the Provinces 2 and 5.

Table 2: Distribution of population by major caste/ethnic groups in the Project Area

Category	Province 2		Province 5		Total (for project area)	
	Population	Percent	Population	Percent	Population	Percent
Chhetri	162,124	3	762,472	17	924,596	9
Brahmin	216,166	4	583,067	13	799,232	8
Hill Janajati (Major group is Magar)	270,207	5 (0)	807,323	18 (16)	1,077,530	11
Newar	27,021	0.5	44,851	1	71,872	1
Terai Janajati (Major group is Tharu)	486,373	9 (5)	717,620	16 (15)	1,203,994	12
Terai middle caste (Madhesi)	2,593,990	48	583,067	13	3,177,056	32
Hill Dalit	27,021	0.5	448,513	10	475,534	5
Terai Dalit	972,746	18	224,256	5	1,197,003	12
Muslim	648,497	12	313,959	7	962,456	10
Total	5,404,145	100	4,485,128	100	9,889,273	100

Source: Census 2011

25. Looking at the distribution of caste/ethnic population in the project area, the largest ethnic group is Terai Middle Caste (32 percent) followed by Terai Janajati (12 percent), Terai Dalit (12 percent), Hill Janajati (12 percent) and Muslim (10 percent). In Province 2, the largest group is Terai middle castes (48 percent), second largest is the Terai Dalit castes (18 percent) while third largest is the Muslim population (12 percent). Fourth largest population in Province 2 is the Terai Janajati (9 percent). In Province 5, there is much more ethnic spread with no single caste/ethnic group larger than 20 percent of the population. Hill Janajati are 19 percent and Terai Janajati are 16 percent. Terai middle caste is the third largest group (13 percent) with hill Dalits 10 at percent.

26. Field visits and stakeholder consultations undertaken during the project preparation phase indicate that indigenous peoples--mainly Tharu and Magar, followed in population size by other ethnic groups¹--as well as other vulnerable communities such as Dalits² and landless forest dependent local peoples (both women and men) are residing in the proposed provinces for project implementation, i.e. in Province 2 and Province 5, and have expectations from the proposed FFP project. The project area is also home to other disadvantaged or vulnerable groups (Dalits) such as Chamar, Musahar, Pasawan, Dom, Sarki, Kami, Damai, Badi and religious minorities such as Muslims and other forest-dependent poor people whose livelihoods are dependent on forest to a greater or lesser extent and who may be affected while implementing proposed project interventions such as establishment of plantations, forest protection and sustainable harvesting of trees and NTFPs from community managed forests.

27. As described in para 23 these are the FFP project's primary target stakeholders. The FFP Project Concept Note had identified Dalits, IPs and poor as target groups but women were not specifically mentioned either as a target group or as primary stakeholders. However, field-based consultations and earlier gender assessments for FCPF-supported activities and the national REDD+ Strategy revealed this gap in identification, further substantiated by FFP GESI assessment and field consultations during the design phase. It highlighted the significant role of women in forest conservation, management and leadership especially in community forestry and other community-based forest management (CBFM) models like Leasehold Forest (LHF); Collaborative Forest Management (CFM); Public Land Management Groups (PLMGs). The need for informed and meaningful engagement of women and equal access to benefits and resources from forest management and project interventions was recognized; hence women across all categories have been recommended and included as a primary target group and key stakeholders during project design and implementation.

6.3 Stakeholder Consultation Plan for Design Phase

28. Eight districts of Province 2 were grouped into three clusters and 12 districts of Province 5 were grouped in four clusters (Table 2). The municipalities within each cluster were selected (for SFM, Enterprise Development, Plantation) based on the area of the forests and human population e.g. municipalities having high population but no forest areas were selected for their plantation potential and municipalities with a large forest area and high population were selected for their SFM potential. The participants and methods of consultation were determined based on the local context. Stakeholder consultations took place from September-October 2019 in two phases covering both provinces.

Table 2: Clustering of Districts for Field Consultations

Province	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Province 5	Nawalparasi (Bardaghat-Susta west)	Dang	Palpa	Rukum (East)
	Rupandehi Kapilvastu	Banke Bordia	Gulmi Arghakhanchi	Rolpa Pyuthan
	Potential for SFM, Wood-based Enterprise NTFP - Sabai (<i>Babio</i>) grass	Potential for SFM, Wood-based Enterprise	Palpa, Gulmi, Arghakhanchi (NTFP-Cinnamon/bay leaf, broom grass, butter plant (<i>Churi</i>) Part of Arghakhanchi also potential for SFM	Potential for NTFP (<i>Timur</i> , butter plant, rosin and turpentine, Ritha, cinnamon etc.)
Province 2	Parsa	Sarlahi	Dhanusa	

¹ More information on the FFP project's approach to mitigating potential adverse impacts on, and enhancing benefits for, indigenous peoples, see the Indigenous Peoples Planning Framework (IPPF) prepared for the project (Annex 1 of the ESMF).

² Including Dalit sub-groups such as Mushar, Bantar, Chamar, Dom (in the Terai) and Biswoakarma, Damai, Kami (in the Hills).

Province	Cluster 1	Cluster 2	Cluster 3	Cluster 4
	Bara Rautahat	Mahottari	Siraha Saptari	
	Potential for SFM, Wood-based enterprise, private and public land plantation	SFM, Wood based Enterprises NTFP cultivation and processing (Citronella, Palmarosa, Mentha, Chamomile etc)	Private and public land plantation, Conservation water ponds and related activities	

6.3.1 Stakeholder Consultation Methods

29. The following methods were used to consult with each of the stakeholder groups. Methods used varied according to target group, individuals, and potential beneficiaries of the project.

- i. **Key Informant Interviews** with individuals or groups of stakeholders and relevant organization representatives (as per identified list of persons and organizations and networks). Checklists and questionnaire were developed for this purpose.
- ii. **Focus group discussions** on a specific topic - Women in forest-based enterprise and business, Women in forest conservation, management and leadership, vulnerable and forest resource dependent poor individuals and groups, public land management groups, forest product traders' groups, private business owners, DFOs, Provincial Policy/Planning commission etc. Checklists and questionnaire were developed for this purpose.
- iii. **One-to-one meetings** with civil servants, professional experts and mayor/deputy mayor of municipalities or chairperson/vice chair of rural municipalities
- iv. General meetings.
- v. Enterprise-related stakeholder-specific **interaction workshops** at the province level
- vi. **Validation workshops** at the provincial level with presentation of issues, problems and suggested solutions gathered from the stakeholders at community, Local Government and individual levels
- vii. **Validation workshop at the national level** with the presentation of PAD prepared based on issues, problems and suggested solutions gathered from the stakeholders as presented and discussed from two provincial validation workshops in each of Provinces 2 and 5.

7. STAKEHOLDER CONSULTATIONS ALREADY COMPLETED

30. Altogether 36 focus group discussions, 35 key informant interviews, 28 one-to-one Interviews, 2 interaction meetings, 3 validation workshops (2 at the province level and 1 at the federal level) and finally 2 ESMF and draft project design work sharing and disclosure workshops were held in each province recently on February 12th in province 5 and on February 14th in province 2. Stakeholders raised their problems/issues, gaps, and opportunities, and the results of discussions that were held during community/Local Government level consultations were compiled before provincial validation workshops in each province and in the separate interactive workshops held for enterprise-related stakeholders. The federal- or national-level validation workshop was organized after compiling issues, gaps, and opportunities and identification of potential Project activities from the provincial validation workshops and the final outcome of the stakeholder consultations were incorporated into the draft Project Appraisal Document (PAD) considering FFPP objectives, areas of intervention and the available budget.

31. Table 3 summarises the stakeholder consultations that took place during project preparation including discussion points and issues raised and types and numbers of participants at the Federal, Provincial and Local levels.

Table 3: Summary of Consultation Events Held, Discussion Points and Issues Raised

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
Federal Level	Meeting with REDD IC	Half day	REDD IC staff and Consultant Team	10 9	1 3	Initial meeting for discussion on work Plan including consultation plan and budget Periodic progress review meeting	<ul style="list-style-type: none"> All stakeholder groups to be covered during consultations
	Meeting with WB Team	Half day	WB Team, Consultants, FIP focal person WB Team, Consultants	10 9	2 1	Sharing consultation plan and progress updates with WB mission Discussion on ESMF	<ul style="list-style-type: none"> Stakeholders to be consulted during project design process and after the design
	Meeting with Chief, PMCD, MoFE	Half day	Chief, PMC Division MoFE, Lead Consultant, REDD IC Planning Officer and/or Chief	4-5 =13	3	Consultation plan and budget, Progress updates Fund flow mechanism	<ul style="list-style-type: none"> Participating municipalities to be selected based on pre-defined criteria
	Meeting with MoF	Half day	Under secretary and Section Officer (budget section), Under Secretary (Planning), MoFE, Financial Management Consultant and Lead Consultant	5	2	Discussion on fund flow mechanism	<ul style="list-style-type: none"> Fund flow to municipalities and provinces as conditional grant Fund for credit line through financial intermediaries
	Consultation meeting with DoFSC	30 min	DG/DDGs/ Section Chief of DoFSC, Section Chief of DoI,	3 Total 2x3 = 6	2	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> Chure conservation Capacity of DoFSC staff
	Consultation meeting with DoI	1 hour	Under secretary, section chief of DoI	3-4 = 7	2	Discussion on enterprise/industry registration process and present status	<ul style="list-style-type: none"> Difficulty in monitoring scattered industries/enterprises
	Consultation with DGM Steering Committee	Half day	DGM Steering Committee members, consultant team, FIP focal person, REDD Chief	20	1	Sharing project preparation plan, complementarity with DGM	<ul style="list-style-type: none"> Representation of Indigenous and local communities in decision making of FFP project

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
	Consultation meeting with Forest User's Association (FECOFUN, ACOFUN, HIMAWANTI) in Kathmandu	Half day	Central members, consultant team, FIP focal person	20 (4x5)	4	Sharing project preparation plan, Collaborative action Discussion issues raised during field consultations	<ul style="list-style-type: none"> • Policy making process is not consultative • Timber oriented SFM guidelines • Preparation of SFM plan costly • Difficulty in registration of FBEs • CFUGs are not capable to implement SFM • Complicated harvesting procedures • Government's tax policy promoting wood and wood products import instead of utilizing own forest resources
	Consultation with Federation of Forest-Based Industries and Traders (FenFIT) in Kathmandu	Half day	Executive members, consultants	12	1	Sharing issues on forest-based enterprises and discussion on possible way out	<ul style="list-style-type: none"> • Enterprises/industries running in half capacity due to shortage of raw materials • Financial institutions not accepting forest products as collateral • Pro-import government policy (for forest products) • Difficulty in transportation of raw materials (forest products) and end products • Utilization of soft wood has not been possible due to lengthy harvesting and auctioning process
	Consultation with Nepal Foresters' Association	Half day	NFA Members, Consultants	25	1	Sharing issues from field consultations and discussion of way out	<ul style="list-style-type: none"> • Engagement of academic institution in the project activities • Removal of policy hurdles before implementation • Focus on private and public land plantation in Terai • No prosperity without FBEs

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
Province	One to one Interview	1 hr	Divisional Forest Officers, Assistant Forest Officers, Provincial Financial Comptrollers, Secretary MoITFE	15	15	Detail discussion on forestry and enterprise related issues	<ul style="list-style-type: none"> Sub-division Forest Office have limited knowledge and skill to implement SFM Difficulty in doing works due to policy gaps Renewal of management plans of CBFMs (many backlog) Big gaps in the demand and supply of tree seedlings
	Key Informants Interview	30 – 60 min	Province Policy Commission, Entrepreneurs including Women entrepreneurs, Himawanti Nepal, Focal person Women Dev. Division, MoSD, Private Tree growers,	2-3 each event Total = 37	15	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> Participation of women in FBEs is nominal (if it is there limited to small enterprises) Many hurdles in transportation of products from private forests Women access to loan is restricted due to land ownership issue
	Focus Group Discussion	Half Day	Private Tree Growers' Association, NEFIN, NGO, FenFIT, Provincial Planning Commission, FECOFUN, ACOFUN, FLFUG, CUFUG, CFMG,	6-13 each event Total = 63	10	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> Policy making process is not consultative Preparation of SFM plan costly Difficulty in registration of FBEs CFUGs are not capable to implement SFM Complicated harvesting procedures Government policy more control oriented than facilitative
	Provincial enterprise specific Interaction workshops with producers, traders, users and promoters of forest products	Full-day	Producers (DFOs, CFUGs, LFUGs, CFMG, PLMG, Private Tree Growers), Traders, Forest workers, entrepreneurs including women entrepreneurs, Cottage and Small Industry chief, Province Forest Director, Secretary and Forest Officers from Province MoITFE, FECOFUN, ACOFUN, FLHF	45-52 each event Total = 97	2	Discussion on findings from field consultations (Status, problems, issues, gaps, challenges and opportunities)	<ul style="list-style-type: none"> Shortage of the raw materials for the enterprises to run in full capacity Many hurdles in forest products transportation Poor storage facilities for raw or processed forest products No insurance of the workers in forest enterprises Enterprises running with old technology, unable to compete with foreign products in quality and cost

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
			Federation, Private Tree Growers Association,				<ul style="list-style-type: none"> • Complicated process in registering and running industries
	Province level validation workshop (Provinces 2 and 5)	Full -day	Gov. officials (MoITFE, PFD, MoALM, MOSD, Provincial Policy/Planning Commission, DFOs, AFOs, CSIO Chief, Watershed Management Officers), traders, entrepreneurs including women entrepreneurs, forest worker, cooperatives associations, Forest User's Networks (FECOFUN, ACOFUN, FLHF, Himawanti Nepal), NEFIN, Private Tree Growers Association; FenFIT, CFUG, LHFG, CFMG , Mayor/Deputy Mayor/Chair/Vice chair and other elected representatives/media	65-70 each event Total = 135	2	Validation of the findings of province level consultations	<ul style="list-style-type: none"> • Long time to approve CFOP • Large number of OP backlog • Utilization of wastes from timber harvesting (SFM) • Training on logging techniques to forestry field staff and workers • Women, poor, Dalit and other disadvantaged groups have poor access to forest resources • Protection problem of public land plantation • Sharing of benefits from public land – not clear • Difficulty in monitoring scattered private plantations • Many enterprises are dependent on private plantations for raw materials • Investment on forest enterprise taken as risky business • Strengthen existing section (Forest, Environment) within municipalities instead of creating new Forest Knowledge Center • Private and public land plantation program to be implemented through municipalities • CBFM support to be implemented through Sub/Division Forest Office • Population and forest area to be considered as Local Government selection criteria
				45-50 each event Total = 95	2		

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
	Province level (2 and 5) draft ESMF, SEP, GRM and draft project design work sharing and disclosure workshop	Half day	Same as above			Sharing, disclosure and final inputs from stakeholders in the draft project design, ESMF draft and SEP	
Community level	Consultation meeting with indigenous peoples	2 hrs	Indigenous peoples, Janajati	5-17 in each event Total = 24	3	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> • Missing linkage of forest management with traditional knowledge and skills of indigenous peoples
	Focus Group Discussion	2 hrs	Forest Users Group (CFUG, LFUG, CFMG, and their Networks) LFUG cooperative, Entrepreneurs, Public land Management Group, Private forest owner, Traders, Collectors	5-6 in each event Total = 132	21	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> • High demand of wood within CFUG • Forest fire difficult to control • Poor knowledge of CBFM groups in forest management • Poor knowledge on NTFP cultivation
	Key Informants Interview	1 hour	Identified during FGD (such as community leaders, traders, Entrepreneur, Collectors, Forest users (Women, Dalit, Poor),	3 each event Total = 36	12	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> • Benefits from the project to women, poor and Dalit • Uncertain market of forest products
Local Level (Local Government)	One to one consultation	1 hr	Vice/Chairperson, Deputy/Mayor of Local Government, Administration Officer, Sub-division Forest Office chief	10	10	Start with checklist and in depth probing on responses	<ul style="list-style-type: none"> • Focus on plantation in public and private land where there is no forests • Local Government willing to provide additional fund to implement the project activities • Project to be implemented in coordination with Local Government • No forestry technician in municipalities

Level	Events	Duration	Types of Participants	No. of Participants	No. of Events	Discussion Points	Issues Raised
Federal Level	National validation workshop	Half day	Secretary, Division chiefs, Section Chiefs from MoFE, representatives of MoF, MoICS, DoI, NPC, Forest Users Networks, FenFIT, Nepal Herbs and Herbal Products Association, , NEFIN, DANAR Nepal, Private Forestry Network, Secretary from province 2, Divisional forest Officers from province 2 and 5, Chief Cottage and Small Industry Office, Media, ICIMOD, GIZ, WWF	55	1	Sharing and Feedback on draft PAD including field consultation outcomes issues, constraints and potential activities	<ul style="list-style-type: none"> • Fund allocation for enterprise development is not enough • Loan money to be spent only for productive work • Create enabling environment for investment on FBEs • Linkage missing with academic institutions

8. STAKEHOLDER ANALYSIS

32. Stakeholders identified from intensive field consultations, the desk review and one-to-one engagement during the project design phase, together with the inputs received from them, are analysed in **Error! Not a valid bookmark self-reference.** below. This analysis section includes the current status of key stakeholder; **concerns and issues** raised during consultations; their **expectations** from the project; significance of the risks of unmet expectations and unaddressed issues, priorities as High, Moderate or Low, according to the stakeholders themselves and based on the outcomes of the relevant discussions, and **corresponding measures** or conditions required to address, prevent and/or mitigate it during implementation.

Table 4: Stakeholder Analysis with Current Role, Issues and Concerns, Expectations and Corresponding Measures

Federal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks ³	Corresponding Measures
Ministry of Finance (MoF)				
<ul style="list-style-type: none"> A credit line will be established by the Ministry of Forests and Environment in consultation with Federal Ministry of Finance (MoF) for component 3 to be channeled through Apex body and selected commercial banks 	<ul style="list-style-type: none"> Establishment of credit line for channeling fund to commercial banks, who are yet to acknowledge forests as a productive and investable sector is a quite an innovative and challenging approach Use of loan money only for productive activities No foreign training/visit from the loan money 	<ul style="list-style-type: none"> Technical and Knowledge sharing from World Bank of similar practice in Nepal or elsewhere Regular tripartite dialogue between MoFE/PMU, MoF and WB 	M	<ul style="list-style-type: none"> Dialogue events/forums will be created, enabling policy support and technical support will be provided under component 1 and component 3 of the project Loan will be used for new enterprise establishment and improvement of existing one and nursery establishment
Ministry of Forests and Environment (MoFE)				
<ul style="list-style-type: none"> Policy making and regulating body for SFM, facilitating Private Sector engagement, supporting FBE 	<ul style="list-style-type: none"> The overall responsibility for the project lies with MoFE which has not implemented a World Bank investment finance operation for last 15 years and has no experiences on line of credit 	<ul style="list-style-type: none"> Improve exposure and learning events in country and overseas Collaboration and engagement with WB, 	M	<ul style="list-style-type: none"> Project includes learning events and exposure especially in Forest-Based Enterprise (FBE) Development and Engagement of Private Sectors including commercial banks and in SFM good

³ These are risks to the project if the listed stakeholder expectations are not met. H = High Risk, M = Moderate Risk, L = Low Risk

Federal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks ³	Corresponding Measures
<ul style="list-style-type: none"> MoFE will be responsible for the overall management and coordination of the FFP project Three PMUs 1 at the federal level MoFE, and 2 (one each in Province 2 and 5) Provincial MoITFE will be executing the project 		financial institutions and Civil Society actors for better steering the project		practices jointly with provincial MoITFE and other relevant stakeholders
Enterprise related associations e.g. JAWAN –Jadibuti Association of Nepal (Herbs traders/producers association); Federation of Forest-based Industry and Trade (FeNFIT)				
<ul style="list-style-type: none"> Nepal's Terai, Hills and Mountains are all rich sources of Herbal and Medicinal Plants, Currently around 2.5 million families are directly and indirectly engaged in collection, processing and selling. JAWAN represents interest of traders and business people. (based on JAWAN's publication and field consultation) Collectors and farmers are not represented in an organized way It is now a federated association with working committee in each of the 	<ul style="list-style-type: none"> Discouraging forest-based enterprise registration process Insufficient supply of raw materials to the enterprises Utilization of soft woods for construction purpose Lack of Cold storage facility for precious aromatic and medicinal herbs. In absence of this quality diminishes Traders are forced to sell in low price during high collection season to Indian market and later they have to import again same herbs in high price for processing when there is shortage in domestic market Heavy dependency in Indian market and their fluctuating rules and regulation and restrictions on import like PRA (pest risk assessment) and plant quarantine, Transit Permit from state government 	<ul style="list-style-type: none"> Establishment of cold storage with a capacity of 5,000 ton for herbal and herbal products storage. Private sector ready to join hands with Gov. for investment. Bilateral talk with Indian Gov. to include max no of herbs in Indian plant quarantine list for export. Facility of Pest Risk Assessment and quality testing of essential oils Market diversification opportunity in China Support for establishment of modern wood based enterprises/industries Provision of commercial 	M	<p>Project facilitates collaboration and dialogue with the private sector like FenFIT and JAWAN as well as with individual farmers and collectors for possible option of Cold Storage and quality testing labs utilizing Private sector business model and concessional loan facility.</p> <ul style="list-style-type: none"> Project creates enabling environment for enterprise development through policy support under component 1 and 3 Project establishes credit line with commercial banks for financing forest product based industry/enterprises Project works with stakeholders in policy reform and deregulation on production, business startup, import and export taxes Incentivize private forestry and plantation to promote FBE Awareness and capacity building of SME's on labor management, health and safety,

Federal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks ³	Corresponding Measures
<p>seven provinces of Nepal and one central office in Kathmandu represents interest and issues of forest-based industries and traders</p>	<p>e.g. from Uttar Pradesh</p> <ul style="list-style-type: none"> • Restriction on transport and sales of privately grown herbs and essential oil plant like chamomile, mentha, lemon grass etc. • Forestry not recognized as productive sector by banks • Competition with furniture from China and Overseas in quality and price • Irregularity in supply of raw materials i.e. wood for furniture enterprise and wood based industries like plywood, handicrafts • Restriction and hurdles in timber harvesting, utilization and transport • Unequal treatment by the government for the sale of timber to Nepal Forest Corporation and private sector (traders) • No incentives to private plantation and forestry • No insurance of forest products 	<p>loan to forestry sector</p> <ul style="list-style-type: none"> • Reform regulations on timber harvest, utilization and transport • Promote private plantation in areas where no or little forests (Support in registration, plantation, post plantation) • Implement performance based payment to private plantation • Easy access to concessional loan for enterprise development and improvement • Insurance of forest products in place 		<p>environmental and social safeguard measures to be adapted</p> <ul style="list-style-type: none"> • Support creating enabling environment for insurance of forest products
Women Entrepreneurs				
<ul style="list-style-type: none"> • Women's involvement in FBE is very low especially in wood and timber-based enterprise • Women have big potential to engage in FBE with higher education level in semi urban/urban areas 	<ul style="list-style-type: none"> • Women have limited capacity to run enterprises • Women can't afford collateral for bank loan 	<ul style="list-style-type: none"> • Business planning, management training to women • Loan without collateral for women 	M	<ul style="list-style-type: none"> • Business planning and management training to women entrepreneurs • Project facilitates bank to provide loan without collateral for forest-based SMEs • women's integration in FBE value chains • Gender Integrated Value Chain Studies for wood and NTFP products

Federal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks ³	Corresponding Measures
and in the wake of male outmigration mostly in rural and semi urban areas with enabling business development support				
Associations/Federations of community-based forest management Groups (CBFM) FECOFUN, ACOFN, FLHF HIMAWANTI, Nepal				
<ul style="list-style-type: none"> FECOFUN, ACOFUN, FLFUG represents interest, issues of community forestry groups, Collaborative Forest User Groups and Leasehold Forest User Groups respectively who are its members and who manage and use forest products from the forests handed over to them by the Government 	<ul style="list-style-type: none"> FECOFUN's main concern is triple taxation system by federal, provincial and Local Government level imposed on community forestry user groups (CFUG) in the income from the sale of forest products FECOFUN has disagreement with the use of the terminology and concept of 'Scientific Forest Management'. Its concern is about potential of overharvesting of wood and benefits going to private sector. They advocate for use of the concept of Sustainable Forest Management (SFM) with engagement of the local community who created a history and example worldwide by conserving Nepal's forest ACOFUN main concern /issue is 50% of the forest product sales revenue they have to share with the different level of Government while CFUGs does not have to share with the government HIMAWANTI represents issues/concern of women users /groups from various community based forest management. 	<ul style="list-style-type: none"> Link FFP project activities with DGM to capacitate Indigenous Peoples and Local Communities Use and promote SFM concept and practice CFUGs should be exempted from triple taxation advocacy ongoing for this All CBFM groups need technical capacity building support and initial funding for applying SFM procedures effectively Women users, leaders need leadership, financial management and business development training and support from project CBFM Groups access to loan for SFM and enterprise development 	H	<ul style="list-style-type: none"> Regular meeting with DGM Steering Committee to harmonize project activities Project clarifies in various discussions forum about its very positive approach for SFM which combines technology with Sustainability. SFM planning and technical support for Operational Plan preparation and renewal to CBFMs Women empowerment activities of the project brings more women in leadership position of CBFM groups and address the issues of women users Ensure equal and equitable access of women to forest products and project-related benefits including job, income, skills training. Project supports handover of degraded forest to the poor and disadvantaged people as leasehold forest

Federal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks ³	Corresponding Measures
	<p>Their main concern is to make visible women's voice and issues in the forest management and its utilization, taking leadership position Enterprise specific issues are not heard by policy makers and regulators both private and public sectors. They have less power and influence compared to FECOFUN, ACOFUN or NEFIN (Indigeneous peoples federation)</p> <ul style="list-style-type: none"> • LHF (leasehold forest) it is poor-focused and usually degraded forest areas are handed over as leasehold forest to be managed usually by women. However, once forest becomes productive, powerful interest groups and male captures the power and resources. • All types of CBFM groups have limited resources and technical capacity to plan and implement SFM and Productive use of forest product 			

Provincial Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
MoITFE (Province No. 2 and 5)				
<ul style="list-style-type: none"> MoITFE is the focal ministry with legal and institutional authority and mandate to work for forest and environment protection and its judicial use within their respective provinces including policy and law making Provincial MoITFE have low understanding of GESI and Environmental Safeguard Issues and inadequate capacity to identify, devise action plan and take measure to address those issues 	<ul style="list-style-type: none"> Federal Ministry's interference for the management and utilization of National Forests within the province e.g. case of Sagarnath Forestry Development Project (Plantation Forest of Province No. 2) where Federal Government keeps management authority under Nepal Forest Corporation (now the case is in the supreme court) Forestry and Environment Protection and use and Province's Priority Development Project should go hand in hand (Province 5). Little interest to increase forest areas Province 2 has lowest forest coverage only (27.4 % of land area) Province 2 is more concerned about conservation of Forest, soil and water in Chure areas. 	<ul style="list-style-type: none"> Forums/avenues for policy dialogue and respect of provincial authority and rights as per constitution and laws 	H	<ul style="list-style-type: none"> Under Component 1 of the project different activities have been planned for creating enabling policy environment, devolution of authority and mutually beneficial working environment. Specific recommendation will be implemented, from Functional review and Institutional analysis currently ongoing Under component 2 specific activities planned for Soil and water conservation in Chure. With proper screening and adapting ESMS and ESS FFP project facilitates FBE development and private forestry promotion in both provinces FFP promotes/ supports public land plantation for the benefits of poor and disadvantaged groups in both province Provincial Gender and Social safeguard guideline development Provincial EA guideline development Provincial labor standard and Health and Safety guideline development for supported FBE

Provincial Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
Provincial Forest Directorates, Divisional Forest Office				
<ul style="list-style-type: none"> • Technical and capacity support and facilitation for all project activities • Coordination between local governments (joint activities) • Support implementation of private plantation program • Formation & handover CBFM (all kinds) 	<ul style="list-style-type: none"> • Unclear Mandates and accountability to federal, provincial government under the new forest act (2019) and Federalism Context. • Limited capacity and resources for effective planning and technical support to SFM, private plantation and Private Sector Enterprise and Farmers 	<ul style="list-style-type: none"> • Supportive policy and enabling environment to practice SFM • Capacity building support skill upgrading, training in SFM and frequent engagement opportunities with private sectors and CBFM 	M	<ul style="list-style-type: none"> • Activities under component 1 and Component 3 will address issues of capacity and enabling policy and working environment
Subdivision Forest Office				
<ul style="list-style-type: none"> • To provide technical forestry related inputs and supports to the CBFM groups, private tree growers and participating municipalites 	<ul style="list-style-type: none"> • Unclarity of mandates and accountability towards the local government, under the new Forest Act (2019) and federalism • Limited resources infrastructure and technical capacity for effective SFM planning and its effective implementaiton 	<ul style="list-style-type: none"> • Clear mandates and institutional support • Infrastructure and Technical Capacity building support 	M	<ul style="list-style-type: none"> • Component 1 of the project is focused on capacity enhancement (technical, infrastructure, planning and management) • Training on SFM, safeguards and GESI

Municipal Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
Participating municipalities/Mayors/Deputy Mayors of Municipalities; Chairs/Vice chairs of Rural Municipalities				
<ul style="list-style-type: none"> • Will be executing the projects at the local level. They will work directly with the CBFM groups, service providers and poor household • Follow national federalism legislation and related local government specific rules and regulations, prepares own rules and regulations • Not familiar with WB standards and procedures • Forestry is not in priority sector for municipal funding 	<ul style="list-style-type: none"> • Local governments have capacity, governance and accountability problems. • Adherence to WB /FFP ESS requirements will be time and staff consuming exercise for them and currently they lack technical knowledge and experience in this • Limited experiences on donor funded project implementation 	<ul style="list-style-type: none"> • To bring more investments in forestry related business and enterprise, plantation and conservation • Chure conservation • Riverside protection (to reduce flood damage), • Support technical staff (forestry and environment) 	H	<ul style="list-style-type: none"> • Selection of project municipalities after agreeing on selection criteria with relevant stakeholders • Project start up meetings will be held in each Local Government to orient about the project investment procedures and stakeholders , their roles and responsibilities and opportunities • Capacity building support activities has been planned for municipalites in ESMS/ESS SEP/GRM /GESI and related plans.

Local Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
CBFM Groups				
<ul style="list-style-type: none"> • CBFM groups (CFUG,CFMG,LFUG) are the key stakeholders in forest management, protection/conservation and use in the provinces • They are the primary supplier of raw materials for forest-based enterprises • CBFM groups have well established constitutions and operational plans for management and governance of forest handed over to them as a community managed forest 	<ul style="list-style-type: none"> • Large number of CFOP backlog • Utilization of lops and tops from tree harvest • SFM plan preparation costly • Continuation of SFM plan questionable • Increasing human-wildlife conflict • Business without business plan • Over harvesting in the name of SFM • Safety of users/workers 	<ul style="list-style-type: none"> • Support for Pro-Poor and women users • Support for safety equipment's • Support for harvesting plan and EIA • Linkages with forest-based industries/enterprises • Support for Operational Plan renewal • Mechanism for Human-wildlife conflict prevention • Support for business plan preparation 	H	<ul style="list-style-type: none"> • Provincial and Local level social and environmental audit • Provincial and Local level stakeholder engagement in plan preparation and implementation • Annual Forest Stakeholder Forum is key activity of the project • EIA development for landscape level harvesting plan • Awareness raising on insurance liabilities for the harvester (private Sector) • Capacity development on health and safety of workers/users in CBFM groups • Safety equipment provisions for CBFMG during harvesting • Support for CBFM group level emergency /medical fund • Capacity support for EIA and Business Planning • Land allocation with fodder mgmt. NTFP,and livestock support for poor and poorest of the poor users Dalits/women • Capacity building of CBFM groups on group governance, GESI, Benefit Sharing

Local Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
PLMGs				
<ul style="list-style-type: none"> Some PLMG formed during the time of past projects like SNV BISEP ST and MSFP in Provinces 2 and 5 are still active In Tarai, where natural forest coverage is low and where there is adequate public land there is big potential to grow/plant forests in public land PLM e.g. river banks, grazing grounds, degraded lands have potential for conservation of soil and water as well as income generation focused on poor and disadvantaged household in the area 	<ul style="list-style-type: none"> No clear benefit sharing mechanism from public land Support to Pro-Poor households Plantation grazed/damaged by animals Enabling Policy support for harvesting of trees from Public land Unclear authority of Local government and DFOs over PLMGs and products 	<ul style="list-style-type: none"> Equitable benefit sharing mechanism from PLM Protection support Enabling policy and regulatory support for PLMG during harvesting and use of trees grown on public land 	H	<ul style="list-style-type: none"> Group formation support and capacity support to PLMG Fodder, trees and vegetable growing support to pro-poor PLMG groups as well as livestock improvement support Performance based payment to the PLMG members PLMG policy review and institutionalization support Access support to solar energy for poor households
Private Tree growers				
<ul style="list-style-type: none"> Private tree growers and private forest are key suppliers of 	<ul style="list-style-type: none"> Big gaps between demand and supply of tree seedlings Quality of seedlings are not 	<ul style="list-style-type: none"> Networking of private tree growers Enabling policy and technical 	H	<ul style="list-style-type: none"> Support to farmers and private tree growers for plantation in private land e.g. Technical assistance and quality tree seedlings

Local Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
<p>wood for FBE particular in Terai where natural forest coverage is low.</p> <ul style="list-style-type: none"> • Growing attraction in private forest and plantation esp. in fallow and degraded agriculture land • Hindrance/obstacles from different layers of Government e.g. forest office, security personnel etc. in movement of harvested trees from private forest 	<p>assured</p> <ul style="list-style-type: none"> • Protection of plantations in private land from wildlife • Policy support lacking • Poor technical support 	<p>assistance</p> <ul style="list-style-type: none"> • Enabling and regulatory environment for movement of harvested product from private forest 		<ul style="list-style-type: none"> • Support networks of private tree growers • Support agroforestry practices in private land • Result based payments • Policy review and update support
Women				
<ul style="list-style-type: none"> • Limited economic opportunities • Gender gap in income and employment • Visible at community forestry groups even in leadership position 	<ul style="list-style-type: none"> • Low technical skills in SFM • Low opportunity to engage in productive and paid job • Lack of women targeted forest-based entrepreneurship development policies and incentive mechanism • competition will be high, have to compete with men who are more mobile and socially in a powerful position 	<ul style="list-style-type: none"> • Need equal access, if needed additional incentives to entrepreneurship trainings, Skill development opportunity • Equitable access to project related benefits and information • Increase employment opportunities due to project intervention minimizes out migration 	H	<ul style="list-style-type: none"> • Priority given to women during selection of members for PLMG, private plantation, enterprise support. • Special measures taken like quotas for skill and enterprise development training to women • Information channels accessible to women used to spread information about concessional loan for Forest-Based Enterprises and avoid exclusion of women • The project helps women to develop business plans (support of business advisors) to be eligible for the concessional loan provided by the project and the grants provided by CBFM groups • GESI training to couples and elderly family members, e.g. mother in law and other social gatekeepers

Local Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
	<ul style="list-style-type: none"> Unpaid workload of women is high in rural /semi urban area Workload of women has increased due to male out migration for employment 			<ul style="list-style-type: none"> Business advisors to support women owned small businesses
IPs				
<ul style="list-style-type: none"> IP in the project area like Tharu, Jhangad, Magar, Tamangs, Dhanuk, have close association with forests in conservation as well utilization of forest products for medicinal , religious, cultural and food. 	<ul style="list-style-type: none"> Commercial Harvesting under SFM might loose some species of their choices Religious, cultural and medicinal values of forests might be at lower priority 	<ul style="list-style-type: none"> Equitable share in the benefits from SFM Preservation of religious, cultural and medicinal values of forests 	M	<ul style="list-style-type: none"> Project ensures equitable benefit sharing by developing mechanisms and including them in the existing and new operational plans of CBFM groups Protect valuable species and religious and cultural sites of IPs within the SFM sites. Separate Dedicated Grant Mechanism project for skill and enterprise development targeted to IPs
Dalits				
<ul style="list-style-type: none"> Dalits in the project areas like Mushar, Dom, Chamar, Bantar in Terai and Biswokarma, Danwar, Damai, Sarki, Kami in Hills who are socially disadvantaged and discriminated 	<ul style="list-style-type: none"> Dalits who are already in a disadvantaged and discriminated situation should not be left out from the project specific benefits and opportunities Dalits dependent on forests for their livelihoods e.g. by selling fire wood; collecting woods for making charcoal 	<ul style="list-style-type: none"> Equitable access to project benefits and funds Diversification of livelihoods options Training, skill upgrading and employment opportunities 	H	<ul style="list-style-type: none"> Project ensures equitable benefit sharing mechanism be developed and incorporated in the existing and new operational plan of CBFM groups Grants for skill and enterprise development will target Dalits Project ensures participation of Poor and Dalits in land allocation within the CF Strengthen distribution of fire wood at subsidized rate for southern belt people in Terai from CFM

Local Level Stakeholders				
Current Status	Issues and Concerns	Expectations	Risks	Corresponding Measures
	for iron tools (blacksmiths), should get opportunities for improving their livelihood options and access to benefits			

9. STAKEHOLDER ENGAGEMENT

10. The FFP Project has assigned high value and priority to stakeholder consultations from the outset, i.e. from the identification of issues, gaps, challenges and opportunities jointly with the concerned stakeholder groups as presented in STAKEHOLDER ANALYSIS

33. Stakeholders identified from intensive field consultations, the desk review and one-to-one engagement during the project design phase, together with the inputs received from them, are analysed in **Error! Not a valid bookmark self-reference.** below. This analysis section includes the current status of key stakeholder; **concerns and issues** raised during consultations; their **expectations** from the project; significance of the risks of unmet expectations and unaddressed issues, priorities as High, Moderate or Low, according to the stakeholders themselves and based on the outcomes of the relevant discussions, and **corresponding measures** or conditions required to address, prevent and/or mitigate it during implementation.

34. Table 4. These processes and mechanisms for engaging stakeholders will be continued throughout the project life-cycle (i.e. implementation, monitoring and evaluation), incorporating learning into project management in order to make it responsive to the changing social and governance context of Nepal in its current phase of transformation.

10.1 Stakeholder Engagement, Activities and Mechanisms

35. Table 5, Table 6, Table 7, Table 8 and Table 9 show the present roles and responsibilities of key actors in stakeholder engagement activities to be conducted throughout the project cycle.

Table 5: Stakeholder Engagement Activities and Mechanisms by Project Components

Stakeholder	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible party
Institutional Level (National, Provincial and Local)								
Ministry of Finance (MoF)	Interactive, Policy Dialogue	Design, Planning, Implementation, Post implementation	Written requests via official letters and e-mails personal visits, official meetinags	MoF office PMU office, Office of Focal Person MOFE	As per need	Progress updates, official requests and letters	To keep informed the ministry which is the designated authority for dealing with foreign aid (grant and loan). MoF is also responsible for fund transfer to MoFE and to Provincial MoITFE as well as to participating Local Governments	MoFE/Federal PMU/ Focal Person MoFE FFP/REDD IC Chief
World Bank	Interactive Collaboration	Design, Planning, Implementation, post implementation	Design support, implementation support, supervision missions, prior review of EOI, Credit lines to Commercial Banks, mid-term review, Final review	virtual, site visits to the target province and municipalities, FFP/PMUs, Participating Commercial Banks	Quarterly biannual regular monitoring	Aide Memoirs, monitoring reports, due diligence reports, supervision missions' report,	To keep informed about the project implementation progress, challenges faced and seek approvals for the project key transactions and procurements	MoFE/Focal Person FFP, PMU-FFP, Project Coordinator, REDD IC, WB Focal Persons, Task Team Leader, Social/Env.Safeguard Specialist

Stakeholder	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible party
Provincial Ministry of Industry, Tourism, Forests and Environment (Province Secretary)	Information/ Collaboration	Design, Implementation, post implementation	Progress updates, Face-to face meetings, informal dialogue	Official meeting place, PMU office, Provincial PMU Office	Monthly/Quarterly	Progress reports/brief updates, annual planning events	To keep informed about and engage in the project achievements / bottlenecks or conflicts that might occur	PMU and PPMU coordinators
Local Government Mayors and Deputy Mayor Rural Local Government Chair and vice chair	Interactive/ Collaboration/ Partnership	Design, Implementation, post implementation	Face-to-face meetings, workshops, annual planning events/joint planning	Local Government office/ Forest Knowledge Center at each project Local Government	As needed	Progress briefs, Detail Implementation Plan (DIP), Risk Analysis	To engage in the project activity and keep informed about the project achievements as well as any bottlenecks or conflicts that might occur	PMU and PPMU coordinators, Divisional and Sub-divisional Forest Office, CBFM groups, Private Forest Growers, PLMGs
Dedicated Grant Mechanism (DGM) project for IPs and Local Communities	Dialogue/ Collaboration	Design, Planning, Monitoring and Implementation	Meetings/Interaction/Information disclosure/ notification	DGM project Office FIP FFP project Office	Quarterly at Federal level	Meetings, Interactions, Activation of Local Government level Forest, Environment Disaster Section	To align DGM capacity building project activities with FFP project activities, avoid duplication and overlap, enhance collaboration and impact	Federal level PMU, MoFE Focal Person, WB and REDD IC, DGM Steering Committee, Chair
Commercial Banks receiving project credit	Meetings/ Consultation	Design, Implementation, Post	Face- to –face meetings, workshop,	Participating Banks HQ, Branch Office	As per need, every trimester	Criteria and terms and condition for	To make enterprise selection criteria	Focal person from Bank; PMU/PPMU

Stakeholder	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible party
Line support for forest-based enterprise		Implementation	training events on ESMF safeguards requirements	Loan recipients - enterprises location		Loan disbursement, private sector engagement in FBF enterprise report , Women's Access to Concessional loan report	fit for the purpose of FFP project, Optimum Utilization of concessional loan for promoting FBE, to identify issues and resolve it in time, to monitor progress, to monitor access of women in concessional loan	Governance & GESI specialist

Table 6: Level of Engagement for Component 1

Level of Engagement for Component 1: Policy & capacity building support for federal structures and processes for SFM								
Group	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanisms	Purpose	Responsible Party
Provincial governments in 2 and 5 MoITFE (Provinces 2 & 5)	Interactive/ Collaboration/po licy dialogues	Planning, Implementation, Monitoring	Official letters, emails, workshops/Cons ultancy	Province MoITFE office, PMU/PPMU offices	As needed	Technical and Capacity building events, Formulating forest sector policies, Strategies and Laws/ GESI	To engage effectively in provincial policy, strategy and law-making process in the federal structure of governance	PMU and PPMUs Provincial MoITFE, Federal MoFE

Level of Engagement for Component 1: Policy & capacity building support for federal structures and processes for SFM								
Group	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanisms	Purpose	Responsible Party
						integration, Exposure visits, Interaction events		
Provincial Forest Directorate	Interactive/meetings /coordination	Planning, implementation, monitoring	Letters, emails, training, interaction, awareness	Provincial MoITFE office, PMU/PPMU offices, PFD Office, Participating Municipalities/Forest, Environment and Disaster Sections	As needed	Technical and capacity building events, Interactions	To support smooth implementation of the project, support MoITFE in formulating forest policy, laws, guidelines	PPMUs Provincial MoITFE
Municipalities	Consultations/Interactive Collaboration /partnership	Planning, implementation, monitoring and supervision, collaboration	Face to face, in writing	Local Government Offices/ Forest, Environment Disaster Section	As needed	Capacity Support for forest sector planning, land-use planning, financial management, GESI and ESS safeguards application.	To take ownership, To support planning and grant management, prepare enabling environment for project implementation	Service providers, sector staff of municipalities Sub divisional forest offices, PPMU, Provincial Forest Directorate Office
CBFM groups, PLMGs	Information/Interactive participation	Planning/implementation/monitoring and learning	Face to face, in writing, media, on site visits	Offices of CBFM /PLMGs offices, public spaces	Intensive outreach/ Interaction	Public meetings, letters, leaflets, info boards FM Radios, Mobile	To arrange for wide outreach of potential grantees	Forest and Environment Section of RM/M, PMUs,

Level of Engagement for Component 1: Policy & capacity building support for federal structures and processes for SFM								
Group	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanisms	Purpose	Responsible Party
						Group Messages	Provide feedback on local level policy formulation	service providers, Division/Sub-division Forest Office ,
Private Forest Owners	Information/Consultation	Planning, implementation, monitoring, application, Process design	Face to face, CBFM group meetings,	Potential grant proposed sites, CBFM groups offices, Public Places	Before submitting grant proposal	E&S screening forms, GESI and ESMF and applicable Safeguard application, FM Radios, Messages,	To meet the WB ESS requirements, GESI requirements and outreach	Service providers, PPMUs, Local Government FKC, Mobile Group, grantees
Dedicated Grant Mechanism (DGM) project for IPs and Local Communities	Interactive collaboration	Planning, Implementation Monitoring	Interaction meetings/Works hops	FKC at municipalities, PMUs at Federal and Provincial Level	As needed	Joint planning events, learning and Sharing events	To Co-ordinate capacity-building activities for Women, IPs, Dalits, Poor and other disadvantage groups	DGM Steering Committee, PMU/PPMU coordinators Participating Municipalities

Table 7: Level of Engagement for Component 2

Level of Engagement for Component 2: Community-based sustainable forest management and forest plantations								
Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties

Level of Engagement for Component 2: Community-based sustainable forest management and forest plantations								
Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties
CBFM groups /individual beneficiaries, private forest owners	Outreach information/ Consultation	Planning, Implementation/ post implementation	Face- to –face meetings, workshop, exposure visits/Trainings During Multi-stakeholder forums held at Local Government level	CBFM group sites, adjoining communities Local Government FECOFUN, ACOFUN, HIMAWANTI, NEFIN, PLMG Forest Knowledge Centres Groups field sites and their offices	Quarterly/Monthly at the provincial/municipal level or as required.	M&E reports PMU regular monitoring visit/ Training events Annual Planning process	To monitor the progress and evaluate the grant outputs, sharing, and intra-provincial learning	PMU/PPMU Coordinators, Governance and GESI Specialist, Forestry and Enterprise Specialist, and M&E Specialist
Divisional forest office Sub divisional Forest office	Information/consultation Interaction/ Consultation/ partnership	Planning/Implementation/ post implementation	Face-to-face meetings, workshop	Offices of Divisional and Sub-divisional forest office, PPMU office , Local Government office Forest Knowledge Centres	Quarterly	Planning and monitoring reports, Process report	To inform , engage and foster collaboration between Forestry Staff and Local Government officials and private tree growers	MoITFE, PPMUs, Local Government chiefs, forestry section head of Local Government

Table 8: Level of Engagement for Component 3

Level of Engagement for Component 3: Forest Enterprise Improvement and Development								
Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties
Project supported trained Small Business Advisors (SBAS)/other Business Development Service (BDS) providers	Interaction/ Collaboration	Planning, Implementation/ post implementation learning and sharing	Face to Face, in writing, online, meetings	PMUs at provincial levels, Focal Person from bank; BDS service providers offices, online	On a regular basis	Workshops, e-mails, phones calls, written requests and reports	To facilitate the grant application process at the local level	PPMU Coordinator, Fls Credit Line Manager /Forestry and Enterprise Specialist
Small- and medium -scale processors, traders, Collectors, Storage providers other FB entrepreneurs	Information / Interaction	Implementation/ Post Implementation	Face to face, in writing, through media	Associations/ Federation offices, Entrepreneurs, PPMU offices	Intensive outreach during two weeks per grant cycle	Meetings, trainings, FM radios/TV ads/ Print Media	To arrange for/ensure potential applicants outreach, To inform/train on ESMF ,GESI and related safeguards applicable to the enterprise	Provincial PMUs, Field Coordinators, Local Facilitators, Divisional Forest Offices, FENFIT, JAWAN (Private sector FBE associations)
Forest-based industries and enterprises	Interactive Collaboration/ Policy Dialogue	Planning/Policy development /Implementation	Meetings/ Interaction/ Workshops/ Exposure visits	PMU/PPMUs Provincial & Federal Government MoFE, REDD IC office	On regular, periodic basis	Interaction/Wor kshops/exposure visits	To remove policy and regulatory bottlenecks for thriving forest-based industries	Federal MOFE, PMU/PPMUs, MoF, MoITFE, Private Sector

Level of Engagement for Component 3: Forest Enterprise Improvement and Development								
Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties
Women Entrepreneurs	Focused discussion, Interactive collaboration with Women entrepreneurs group	Activity planning, selection of enterprise for concessional loan financing, policy support	Focused meetings /interaction with women entrepreneurs, onsite factory visit, face to face meetings	PMU/PPMUs, Federal and Provincial government, MOFE, REDD IC FNCCI, FWEAN	On a regular panned basis during detail activity planning and implementation phase	Focused Women Entrepreneurs specific learning forums//worksh ops/women’s integration in training and exposure visits	To address policy and regulatory gap and discriminatory behavior /bottlenecks for aspiring and thriving women forest-based entrepreneurs.	Federal MOFE, PMU/PPMUs, MoF, MoITFE, Private Sector/FNCCI

Table 9: Level of Engagement for Component 4

Level of engagement for Component 4: Project Governance, Monitoring and Learning								
Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties
Project target beneficiaries and primary stakeholders	Information disclosure/ consultation	Benefit sharing, Project implementation, monitoring and learning	Public audit/ hearing, grievance mechanism, application of SEP Focus group discussions on specific activities and issues affecting Women, Dalits and IPs Local facilitators	Project office, Forest, Environment Disaster Section at the Local Government, Community hall etc. As appropriate	Monthly, Quarterly	Interactive mobile voice messages, TV news, Local FM radio broadcasts Public Information Board Mode of communication appropriate for women users/ vulnerable people will be chosen	To arrange for wide outreach and coverage of the project activities and benefits and achievements	PMU, PPMU coordinators /Governance and GESI Specialist

Level of engagement for Component 4: Project Governance, Monitoring and Learning

Subgroup	Levels of Engagement	Project Phases	Activities	Venue	Frequency	Mechanism	Purpose	Responsible Parties
			and local language as per need	for women and distance users				

11. INFORMATION DISCLOSURE

36. Information disclosure about project activities is critical to effective stakeholder engagement. Unless stakeholders are fully aware and have sufficient information, they will not be able to engage. In collaboration with participating municipalities and Provinces, Project Management Units (PMUs) at federal and provincial levels will share all relevant information available about proposed activities and their expected results with the affected and interested public before the consultation and when engagement is planned. This will be done by notifying/disclosing relevant information for the general public and affected peoples/communities at all stages of project implementation utilizing the following mechanisms:

- **Communication media:** e.g. use of Information and Communication Technologies such as mobile phones, radio, TV and social media and newspapers to disseminate information about FFP project implementation.
- **Documenting good practices:** e.g. the important role that women and local communities, especially Dalits, IPs, and others can play in forest-based enterprise, managing and protecting forest resources, planting trees and pursuing climate-smart landscape management strategies will be made more visible.
- **Meetings/Workshops:** Meetings and workshops with all stakeholders will be held regularly to disseminate progress, key learnings, and achievements and to share efforts undertaken by the project to reduce, offset and mitigate adverse social and environmental impacts as they arise.
- **Local Government level Forestry, Environment and Disaster Management Unit:** These units will be supported and developed as Forest Knowledge Centres which will form an important part of the project's systems for information disclosure at local level. They will be operated in close collaboration with other sector/sections under Local Government e.g. agriculture and education (the exact arrangements will be determined by each Local Government) and will be utilized by FFP project as well as by the DGM targeted to IPs and local communities.
- **Distribution of project documents:** FFP project-related information materials in Nepali and other local languages (as appropriate) will be developed and distributed during the implementation of the FFP project in the field.
- **Disclosure through designated websites:** Based on the policy of Government of Nepal on public information disclosure, PMU/PPMUs will notify and disclose the information through their designated websites. Local Governments will be supported to notify and disclose information through their own websites.
- **The Project GRM** will be set up covering all three levels of government. The intention is to ensure that grievances will be settled at the point of origin as far as possible and utilize existing local government structures, e.g. the Judicial Committees.

12. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT PLAN

12.1 Budget

37. Budget will be allocated for the implementation of the SEP from within the overall project budget, including any specific costs required for implementation of the Grievance Redress Mechanism (GRM) described in Section 11 below. Table 10 lists project activities with the allocated budget for each of these. This only includes those activities that are specific to the implementation

of SEP and GRM. Full budget details for these activities can be found in the cost tables for the project.

38. Many other budgeted project activities, whilst not specific to SEP, involve and require stakeholder engagement at different levels i.e. Federal, Provincial and Local. For example, formation and handover of new CF groups (in Component 2) follows a stakeholder engagement process that is specified in the MoFE Community Forestry Guidelines (2071). These guidelines will be followed for this activity and they include provision for local stakeholder engagement during the formation process. Similar guidelines requiring stakeholder engagement apply to collaborative forest management group formation, leasehold forest group formation and public land management group formation. At Local Government Level, the preparation of Annual Plans and Budgets (including for the forest sector activities) follows a mandatory 7-Step planning process that includes consultation with citizens and stakeholders at settlement (*tole*) level and requires disclose (dissemination) after the plans have been approved by the Local Government Assembly. Similarly, the processes for grant allocation through user committees by Local Governments and the Local Government procurement process (e.g. for services/service providers) includes mandatory steps for public hearings and public audits. These types of stakeholder engagement activities have not been included in Table 10.

39. In addition to project-funded stakeholder engagement activities, the linked dedicated grant mechanism (DGM) provides funds for capacity building for local stakeholders – especially for IPs and communities. These capacity building activities will directly contribute to effective SEP implementation by ensuring that the capacity to engage of particular stakeholder groups is enhanced throughout the project implementation period.

Table 10: Stakeholder Engagement Plan Budget

Code	Activity	Level	Budget Yrs. 1-5 (NRS)	Comment
1.1.11	Project Grievance Redress Mechanism development	Federal (PMU)	1,500,000	
1.1.45	Capacity support for judicial committees on GRM	Municipalities in Province 2	2,500,000	Awareness raising and process development for GRM
1.1.59	Capacity support for judicial committees on GRM	Municipalities in Province 5	2,500,000	Awareness raising and process development for GRM
1.1.12	SEP & implementation	Federal (PMU)	1,200,000	
1.1.24	SEP & implementation (Province 2)	Province 2 (PPMU)	2,000,000	Includes annual stakeholder meetings at Province level
1.1.37	SEP & implementation (Province 2)	Province 5 (PPMU)	2,000,000	Includes annual stakeholder meetings at Province level
4.4.1	Annual forest sector stakeholder forum	Municipalities (in Province 2)	9,500,000	
4.5.1	Annual forest sector stakeholder forum	Municipalities (in Province 5)	9,500,000	

	Total		30,700,000	
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12.2 Management Functions and Responsibilities

40. One full-time Governance and Gender Specialist and one full-time Forestry and Enterprise Development Specialist has been proposed to be hired in each provincial PMU, while one Technical Specialist is proposed to be hired in the federal PMU to support implementation of ESF-related plans and mechanisms like the GESI Action Plan, SEP, GRM (together with its case log), and any needed IVC Development Plans. These specialists will also handle process documentation, tracking, and management of the stakeholder database and commitment registers, training and capacity building. Overall responsibility for stakeholder engagement and the Grievance Redress Mechanism will lie with the senior management, essentially the Project Coordinators in the PMUs at the federal and provincial levels.

13. REPORTING BACK TO STAKEHOLDERS

41. Regular sharing and reporting events will be planned during implementation of the project at the Provincial and Local Government level by PMU/PPMUs as part of their annual planning and review process. These will be opportunities for the project to report back to stakeholders on the achievements and issues relating to implementation of project activities.

42. Stakeholders will be also informed and notified about the existence of project grievance redress mechanism (GRM) through project websites and other appropriate means.

14. GRIEVANCE REDRESS MECHANISM

43. A Grievance Redress Mechanism (GRM) will be required to ensure that project-affected and impacted people who believe that implementation of project activities has caused or will cause harm to people and communities or harm to the environment, are able to lodge complaints or concerns, without cost, and with the assurance of a timely and satisfactory resolution of the issue. The GRM ensures that the material benefits/entitlements of redress are effectively transferred to the intended beneficiaries, and that users of the Mechanism also have a chance to provide feedback or simply request information. Stakeholders will be informed of the intention to implement the grievance mechanism, and the procedure will be communicated through appropriate channels so that women, Dalits, IPs and the poor can also get access information and utilize their right to file a complaint through the GRM if they find exclusion, negative effects to their lives or livelihoods, ineffective benefit sharing or compensation plan, negative impact to the environment, offset mechanisms or any other negative social and environmental effect and impacts from the implementation of project activities.

14.1 Scope of GRM

- **Anonymous complaints** will be received and processed by the FFP Project GRM in exceptional and sensitive cases (such as those involving Gender Based Violence).
- **Financial Fraud or Procurement Specific Corruption** is not covered by FFP project GRM (project specific separate procurement and fiduciary risk management mechanisms will be responsible for this).
- **Point of Origin.** Complaints and grievances will be initially raised and dealt with at the point of their origin. Only if this is not possible will they be elevated to a higher level.

14.2 GRM Process

- (a) **Information:** Affected persons or communities will be given detailed information about the GRM procedures as a guide on how to approach project authorities. This information will be also posted in the FFP/Project website.
- (b) **Registration:** The process of grievance redressal will start with registration of the grievances to be addressed in a case log book by the designated officer for reference, and to enable progress updates of the cases.
- (c) **Notification of receipt:** The GR Officer notifies the complainant(s) of receipt of the complaint. The GRM has the option to request additional information from the Complainant(s) at the time of notification.
- (d) **Request for additional information.** During the 10-day assessment period, the GRM has the option to request further information from the Complainant(s). If no response is received from the Complainant(s) within 10 business days of the request, the GRS contacts the Complainant(s) again. If no response is received within 10 business days of the second request, the GRS considers closing the complaint. If the complaint is closed and the complaint contains specific information about Project-related issues, the PMU Project Coordinator may take action where appropriate.
- (e) **The response time** will depend on the issue to be addressed but it should be addressed with efficiency, and within 30 days of registration of the complaint.
- (f) Case settlement, grievance redressed or closed

14.3 Detail of GR Procedures

44. **Local level:** There are Judicial Committees established in each Local Government as part of the Local Government structure as defined under the Constitution. The purpose of these is to address and resolve local level disputes and grievances and they will be the first point for registering grievances related to the Project. The detailed rules for the Judicial Committees are set out in the Local Government Operations Act (2074). The committee consists of 3 elected representatives of the Local Government – with the Deputy Mayor as the committee chair. Issues that cannot be resolved at the Local Government level within 30 days will be escalated to the provincial level. The project will provide capacity support to assist with the functioning of Judicial Committees in participating municipalities.

45. **Provincial level:** A Provincial Grievance Management Committee (PGMC) will be established in both Provinces 2 and 5. The PGMC will be chaired by Secretary of the MoITFE; regional forest directorate, Women Development Section chief/Provincial Ministry of Social Development, and other civil society organizations could be members. PPMU coordinators will function as the Member-Secretary of the committees and serve as regional Grievance Focal Point (GFP) to file the grievances and appeals. If the issue cannot be resolved at the provincial level within 15 days, then it will be escalated to the federal level.

46. **Federal level:** If there is a situation in which there is no response is coming from the local level Judicial Committees or the PGMC and provincial coordinators or if the response is not satisfactory for the complainants, they have the option to contact the federal-level PMU directly to follow up on the issue. The Federal Grievance Management Committee (FGMC) will be chaired by the Chief of the Planning, Monitoring and Coordination Division of MoFE, and the PMU Coordinator of FFPP will function as the Member-Secretary of the committee and serve as Grievance Focal Point (GFP) at the federal level for the filing of grievances and appeals. S/he will be responsible for

summarizing the number and types of all the complaints and issues received by the municipalities and two provinces with the support of the SEP/GRM responsible officer at the federal level PMU.

- **The timeline** for complaint resolution at the federal level will be 15 days upon receipt of the complaint that does not require additional study and research, and 30 days for the appeals that need additional study. The complainant will be informed of the outcome immediately and at the latest within 5 days of the decision.
- **Appeals Mechanism:** If the complaint is still not resolved to the satisfaction of the complainant, then s/he can submit his/her complaint and appeal to the appropriate court of law.

14.4 Grievance Log

47. PMU and PPMU coordinators will manage the project's Grievance Log and will ensure that each complaint has an individual reference number and is appropriately tracked and recorded actions are completed. The log should contain the following information:

- Name of the effected person/community, his/her location and details of his / her complaint.
- Date of reporting by the complainant
- Category and substance of complain
- Date when the Grievance Log was uploaded onto the project database
- People responsible for the study and investigation of the complain
- Date of Grievance Committee meeting
- Details of corrective action proposed, name of the approval authority
- Date when the proposed corrective action was sent to the complainant (if appropriate)
- Date when the response was received from the complainant
- Date when the complaint was closed out or referred elsewhere
- Monitoring and Reporting on Grievances

14.5 Responsibilities for the Project GRM

14.5.1 Local Government Judicial Committee

48. The Judicial Committee of the Local Government is established under the regular structure of Local Government to mediate and settle disputes within the powers given to it under Nepal's Constitution and the Local Government Operations Act (2074). For the project, the Judicial Committee is the first port of call for addressing project-related grievances. The Judicial Committee has specific responsibilities for:

- Registering relevant dispute cases or grievances (including those that are project-related)
- Studying and deliberating on local disputes and settling them through a mediation or adjudication process and in accordance with the law.
- Forwarding cases to the PPMU Coordinator where the type or nature of the grievance is beyond the competence or mandate of the Judicial Committee.
- Keeping records of all decisions and actions taken by the Judicial Committee.
- Providing information on all project-related grievances to the PPMU Coordinator on a regular basis.

14.5.2 PPMU Coordinators

- Registering project-related dispute cases or grievances received (including those forwarded from Judicial Committees)

- Maintaining the provincial project grievance log based on information received from Local Governments and on information about complaints received directly at provincial level
- Studying and deliberating on disputes received and proposing measures to address them according to the law
- Submitting quarterly reports on Province GRM mechanisms (with SEP implementation) to the Federal PMU

14.5.3 PMU Coordinator

- Monitoring outstanding grievance issues and proposing measures to resolve them according to the law
- Summarizing and analyzing information received from the PPMU Coordinators (including information about grievances registered with Local Government Judicial Committees in the Province) covering the substance and status of each complaint and recording them into the single project grievance log.
- Submitting quarterly reports on GRM mechanisms to the PMU M&E Specialist for submission to WB

14.5.4 Grievance Focal Point

49. The designated grievance focal point persons with contact details for the project are:

- Local Government Level: The Chair of the Local Government Judicial Committee (Deputy Mayor)
- Province Level: PPMU Coordinators
- Federal Level: PMU Coordinator

14.5.5 Reporting to the World Bank

50. PMU will submit quarterly reports to the WB including a section related to GRM which provides updated information on the following:

- Status of GRM implementation including procedures, training, public awareness campaigns, budgeting etc.
- Qualitative data on number of received grievances, applications, suggestions, complaints, requests, positive feedback etc. received by the project highlighting serious grievances related to the WB ESS
- Quantitative data on the type of grievances and responses and grievances that remain unresolved
- Level of satisfaction by the measures (response) taken
- Any corrective measures taken
- Public disclosure of information on GRM and settlement through the project website

Table 11: Summary of Proposed GRM for the Project

Step	Stage	Process Description	Timeframe	Remarks
1 Information				
		<ul style="list-style-type: none"> Timely disclosure of information about project GRM and Process usually before start of the project implementation via websites, emails, public meetings, CBFM meetings Proper orientation at the field sites and participating municipalities about the GRM and complaint process 	<p>Monthly</p> <p>Or start of new intervention</p>	
2 Registration				
		<p>Register grievance/complaints:</p> <p>Verbally: face-to-face, phone call</p> <ul style="list-style-type: none"> written: complaint box, mail project email, website <p>Where:</p> <ul style="list-style-type: none"> Judicial Committee of participating municipalities FFP PMU/PPMUs 	<p>As per need</p> <p>As soon as received through authentic channel</p>	
3 Investigation: Respond to grievance/complaints				
3.1	Screening	<ul style="list-style-type: none"> Assess reliability, validity, significance and sensitivity (scale and scope) of the grievance Identification of relevant level of government/ group to investigate according to scope of grievance and its place of origin 	7 days	<ul style="list-style-type: none"> Cross-check with related stakeholders and available other information Grievance related to local level but registered at provincial and or federal level to be directed accordingly after screening
3.2	Confirmation /notification	<ul style="list-style-type: none"> Inform concerned person/community/ groups about complaints being verified, registered and in process 	5 days	<ul style="list-style-type: none"> Notification through easily accessible channel of communication for Women, Dalits, IPs to be given with time frame
3.3	Investigation /fact finding	<ul style="list-style-type: none"> Formulate investigating/fact finding team and assign task Undertake investigation following defined protocol and mandate 	15 days	<ul style="list-style-type: none"> 6-member team (out of that 2 must be women) including representative from FECOFUN/ACOFUN/LHF G, (1) Himawanti, DALIT net and NEFIN (1) Local Government/Provincial Rep (1) Forest officer (1)

				<ul style="list-style-type: none"> • 2 additional members (1 must be women) can be added according to context, scale, and sensitivity of grievance being investigated • Team to be pragmatic (informal) and judiciary (formal) and as guided by triggered ESMP and ESS, local, forestry laws and bylaws
3.4	Reporting Decision making	<ul style="list-style-type: none"> • Conclude investigation and provide report to the designated authority 	7 days	<ul style="list-style-type: none"> • Maximum 30 days for each level of grievance handling i.e. LGRM, PGRM or FGRM (up to investigation and reporting) • The investigating team must submit its report within 5 days after field investigation completed.
4 Implementation: Grievance redressed/complaint managed				
4.1	Decisions and instructions	<ul style="list-style-type: none"> • Designated authority should endorse the decision made by investigating team 	5 days	<ul style="list-style-type: none"> • Decisions along with clear instructions for implementation should be provided to the implementing units/offices field
4.2	Redressing grievance	<ul style="list-style-type: none"> • Implementation of the decision(s) made • Compensation measures adopted as needed 	7 days	<ul style="list-style-type: none"> • Agreed Implementation mechanism to be developed, shared to and implemented for affected people/communities and stakeholders • Compensation provided /transferred to the complainant as agreed
5 Monitoring and feedback				
5.1 Progress and outcomes		<ul style="list-style-type: none"> • Monthly report will be required from Local Government and PPMUs • Quarterly progress report to WB/MoFE through PMU • Report back to stakeholders and general public through municipal level Multi-Stakeholder forums, provincial grievance committee (PGMC) and web sites as appropriate 		