

## WWF Environmental and Social Safeguards - Risk Categorization Memorandum

Version 2.1 November 2020

<b>Project Name:</b> Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal (MaWRiN) Project	<b>Date:</b> February 28, 2022
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**Executing Agency/ies:** Ministry of Forestry and Environment (MoFE), Government of Nepal

### Landscape Categorization on E&S Risks:

**High Risk - (A) \_\_\_ and/or (Special Consideration) X / Medium Risk (B) \_\_\_ / Low Risk (C) \_\_\_**

Substantive Safeguard Standards Triggered:	Yes/ TBC	No
Natural Habitats	X	
Pest Management		X
Indigenous Peoples	X	
Restriction of Access & Resettlement	X	
Community Health, Safety and Security	X	
Physical and Cultural Resources		X

**In addition to the Substantive Safeguards above, the four Process Standards apply to all projects:**

- Environmental and Social Risk Management
- Consultation and Disclosure
- Community Stakeholder Engagement
- Grievance Mechanism

**Landscapes categorized as low risk have been screened in accordance to the Standard on E&S Risk Management.**

### Project Area Context

Climate change poses one of the biggest challenges to sustainable development in Nepal, which is featured among the ten countries most affected by climate change between 2010 and 2019 according to the Global Climate Risk Index 2021. The country is beset with climate-induced hazards such as floods, landslides and debris-flows along with extended dry spells and drying up of water sources along the mid hills and mountains while glacial melt is significantly increasing the potential risk of Glacial Lake Outburst Floods (GLOFs) in the high mountains.

The Marin Watershed has been identified as one of the most vulnerable areas to the impacts of climate change in the country. Increasing floods, droughts, fires and associated landslides in the area affect the subsistence of agrarian, largely indigenous, communities in the area. Drought and fire are exacerbating the human-caused degradation and loss of forests, which is a resource upon which the subsistence living communities depend.

The Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal (MaWRiN) Project, located in Marin watershed in the central-east of the Churia region, was conceptually approved in November 2020 by the GEF for funding from the GEF-managed Least Developed Countries Fund (LDCF). To be implemented over a period of five years by WWF in close association with the Ministry of Forests and Environment (MoFE) as the national executing partner, the project will enable the government and local stakeholders to invest in protecting the Marin watershed while bolstering the longer-term resilience of

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local and indigenous communities against climate emergencies. The project will address these challenges with the following three components:

**Component 1:** Enabling environment for mainstreaming climate change, through the development of capacity of the municipalities and other key local agencies to assess and understand climate risks and vulnerabilities, and accordingly mainstream climate change adaptation strategies and actions in local plans and policies, and the establishment of a multi-stakeholder platform for dialogue and cooperation on climate change adaptation at the watershed level.

**Component 2:** Community-based natural resource management to enhance resilience of communities to climate change, through community identification of adaptation interventions, support and demonstration of sustainable and climate-resilient agriculture and livestock practices, improved water management, strengthened management of community and leasehold forests, and NBS interventions that reduce climate impacts and risks.

**Component 3:** Monitoring, evaluation and knowledge management, through tracking of project progress on a regular basis, garnering and analysis of lessons and good practices, and development and dissemination of knowledge that reinforces project results from components 1 and 2, providing sound basis for their replication, adaptation and sustainability

### Summary of Key Safeguard Issues

#### Natural Habitats:

This Standard is triggered as the proposed Project directly targets protecting and restoring natural habitats; especially through community-based natural resource management, improved agricultural and livestock practices and improved water management practices.

#### Indigenous Peoples:

The project will take place on lands customarily and legally owned and used by a number of Indigenous communities, and therefore this Policy has been triggered. The Indigenous Peoples within the Marin Sub-watershed are highly diverse, with around 45 castes and ethnicities but dominated largely by Tamang along with Magar, Brahmin, Chhettri, Newar, Majhi and Dalits making up around 90% of the population. These Indigenous communities are represented by their formal organizations, as well as the Nepal Federation of Indigenous Nationalities (NEFIN), an umbrella body of all organizations representing Indigenous communities in Nepal. Nepal Foundation for Development of Indigenous Nationalities (NFDIN) is the Government of Nepal-established body tasked with ensuring the overall welfare of Indigenous nationalities of the country. The foundation is an autonomous body, fully authorized to operate independently where Indigenous nationalities' interests are concerned.

This policy is triggered to ensure the Project respects Indigenous Peoples' rights in the project areas, including their rights to FPIC processes and to tenure over traditional territories; that culturally appropriate and equitable benefits (including from traditional ecological knowledge) are negotiated and agreed upon with the indigenous peoples' communities in question; and that potential adverse impacts are avoided or adequately addressed through participatory and consultative approach. Indigenous peoples live in and/or have cultural, spiritual and economic ties all areas where Project activities will happen, and are the majority populations in those areas. The Marin Sub-watershed is predominantly inhabited by Tamang and Magar communities, and they use natural resources as per their cultural faith and beliefs, including sacred groves, graves, water sprouts and springs or parts of forests which they do use but not legally own.

Due to the ongoing COVID pandemic restrictions, true FPIC processes were not established with communities during the ProDoc stage, and therefore an Indigenous Peoples Planning Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework. The Indigenous Peoples Plan will be co-created with communities during the first six months of project implementation with the guidance of the Gender and Safeguards Specialist, who will be hired as part of the PMU.

#### Restriction of Access & Resettlement

While the proposed Project is unlikely to cause displacement of people, the project might lead to certain access restrictions, especially given the disputed nature of governance and government oversight in the project area. Given that the activities proposed under the project include, but are not limited to, mainstreaming of climate change policy recommendations, strengthened management of community and leasehold forests, and changes to agriculture, livestock grazing practices and collection of NTFPs,

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WWF's policy on Involuntary Resettlement is triggered because the Project will help define and thereby potentially restrict access to natural resources and livelihoods activities.

WWF policies prohibit forced evictions, which include acts involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating or limiting the ability of an individual, group or community to reside or work in a particular dwelling, residence, or location without the provision of and access to, appropriate forms of legal and other protection. In addition, the project will exclude financing any activities that would lead to physical displacement and voluntary or involuntary relocation. However, economic displacement or restriction to livelihoods or access to natural resources may occur (e.g. as a result of negotiating through FPIC-based consultations). This, however, will only occur with the consent of the affected peoples and following a decision made with all required information at hand. As the specific project activities will only be confirmed with communities within the first year of project implementation, a Process Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework.

### **Community Health, Safety and Security**

This standard is triggered because of necessary safety protocols related to the ongoing COVID 19 pandemic. All related WWF, Nepalese government and community regulations regarding COVID will be followed during project implementation. Occupational health and safety for adult project workers may also present a challenge, since national legislation on these issues is weak, and enforcement is generally low. Detailed guidelines will be provided to project contractors and included as part of the bidding documents.

**Accountability and Grievance Mechanism:** In addition to stakeholders having access to national level grievance and redress mechanisms, the WWF GEF Agency mechanism and the GEF Agency Mechanisms for Conflict Resolution and Accountability, a project level Grievance Mechanism will be created and implemented for this Project per GEF and WWF requirements.

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**Summary of Cross Cutting Issues;** (Human Rights, Gender Equality and Women's Rights, Children's Rights, Conflict Sensitivity and Climate Change).

### **Human Rights:**

The majority of the people in the project area live below the poverty threshold- they do not have year-round food security and depend on agricultural land or forests by selling timber and other forest produce, or both. The Indigenous Peoples and Dalits living here are highly marginalized, which may be attributed to the marginalization of the Churia region. However, extreme pressure on natural resources from the migrant populations, mainly from mid-mountains, from the people of the Tarai and the market forces for natural resources have highly degraded or destroyed the natural resource base. This has further marginalized, or even displaced, large numbers of Indigenous Peoples.

There are other contextual challenges, including the fact that local and national government representatives as well as the PMU staff who are engaged in the project planning and implementation may encounter challenges in meeting safeguards obligations due to lack of skilled person, lack of awareness regarding safeguards requirements and the importance of community engagement, as well lack of prior experience with these issues. At the same time, there is the risk that local communities in the project area are unaware of their rights and are not familiar with the process of how to claim their rights, which is predominantly occupied by Indigenous groups and marginalized communities including the Dalit.

### **Gender Equality and Women's Rights:**

In the project area, as in other parts of the country, decision-making is dominated by men. Illiteracy, low capacity & self-esteem, time for participation in meetings and trainings bar women from access to information and new technology and lack of assets inhibits their access to resources. This has disempowered women in asserting their rights to decision-making positions. Existing cultural practices that curtail mobility due to gender-based violence has further disempowered women to make decision on their own. Due to the low level of literacy, women's participation in decision-making and community level planning process is low. In the project area, women are responsible for all domestic work within the households, but have less power than men over decision-making within the households. This pattern is changing as men migrate to urban centers and outside country in search of employment. In such circumstances, women are the de facto household head and take household decisions.

Regarding the participation of women in planning processes, there is a general tendency of excluding women, poor and disadvantaged groups in decision-making arenas that are critical for their livelihood. Women are responsible and involved in the management of forest and agriculture resources as they are responsible for collecting forest resources and work as agriculture workers. They have in-depth knowledge about the utilization of such services, but they are excluded from the decision-making and planning process in user committee and community works. Furthermore, as men and women are responsible for different roles within agricultural practices, climate-adaptive technologies that support the type of work undertaken by men may further marginalize women if care is not given to ensure equitable distribution of project benefits. A Gender Action Plan will be prepared as part of the project to ensure that the needs, concerns, livelihoods and knowledge of both women and men are equitably integrated into the project design and implementation.

### **Children's Rights:**

Child labor may present a risk in project sites, as it is a cultural norm for children to help their parents in agricultural work. The ESMF will provide mitigation measures to address this risk, and special precautions will be undertaken to ensure that children are not involved in any project activities.

### **Conflict Sensitivity:**

In the last decade, forest management in Chure has remained contested. The President Chure Terai Madhesh Conservation Development Board (PCTMCDB) was formed to plan and implement Chure management interventions and to achieve conservation goals. However, stakeholders perceive this as a top-down approach and the imposition of stringent measures, including a ban on harvesting green trees has led to negative impressions of the Board among stakeholders. The declaration of the Environmental Protection Area (EPA) and the formation of Chure Board has raised concerns among the stakeholders about re-centralization of power, which in turn has triggered mistrust and contestation between the government and CFUGs. The boundary of the Chure Environmental Protection Area is currently contested, particularly after the unilateral designation by the government; issues also remain around the rights to utilize forest resources. In fact, these factors have resulted in over exploitation of the resources, mainly by the upstream communities.

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In many cases, the involvement of, and consultations with stakeholders in preparing relevant policies and regulations is low. Local organizations, NGOs and individuals have either limited or no access to the information related to the approved policies. In many cases, it has created conflicts between service providers and receivers, as well as poor participation in program implementation. The other important representation issue regards the relationship of the local and tribal communities with government agencies. Such agencies forward the local people's aspirations to the government, and they must consult the concerned stakeholders— the farming community, local and Indigenous community and user's community— while deciding on issues which affect their livelihood. However, people do not feel that these agencies are doing that, leading to further potential conflict in the project area.

This conflict between Community user groups and government bodies, as well as between communities over natural resource use poses several interconnected risks to effective project implementation, and must be factored into the risk mitigation planning for the project.

### **Climate Change:**

Climate change is the main risk being addressed by this project, and its threat to human and environmental well-being is existential and well documented. The country is beset with climate-induced hazards such as floods, landslides and debris-flows along with extended dry spells and drying up of water sources along the mid hills and mountains while glacial melt is significantly increasing the potential risk of Glacial Lake Outburst Floods (GLOFs) in the high mountains. These risks also pose a threat to the project implementation and measures to mitigate these risks have been incorporated into the project activities and timelines

### **Required Actions for Impact Assessment (ESIA) and Mitigation Framework (ESMF):**

An Environmental and Social Management Framework will be required for this project, created by consultants prior to project implementation. The ESMF will include an Indigenous Peoples Planning Framework, a Process Framework, and guidance on COVID protocols. A Stakeholder Engagement plan will also be drafted, including specifics of how the project will ensure that lessons from past projects in Nepal are integrated into the current stakeholder engagement and project planning processes.

Based on the information contained in the Screening tool, as well as lessons from past projects in Nepal, there is a level of mistrust between communities and the government in the area, and a strong resistance to top-down approaches. Therefore, the ESMF, related Plans and the Project in general must factor this into the design and implementation of the MaWRiN project.

In addition to the actions noted above, a Gender Assessment and Gender Action Plan will be drafted and submitted with the ProDoc and a Grievance Redress Mechanism will be drafted prior to final agency approval, which will include specifics of a project-level grievance mechanism and named PUM staff responsible for its implementation.

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