

**POTENTIAL SAFEGUARDS IMPACTS OF POLICY PROGRAMS**

Policy Actions	Environmental Impacts	Social Impacts	Mitigating Measure/Remarks
<b>TRANCHE 1 (September 2019)</b>			
<b>Reform Area 1: Food Safety and Quality Monitoring Systems Improved</b>			
<p>1. Cabinet shall have endorsed the draft Pesticide Management Bill 2075 (2018) to MOALD for submission to the Parliament to (i) regulate production, sales, storage, transportation; and (ii) discourage the overuse of harmful chemicals.</p>	<p>No anticipated negative environment impacts</p>	<p>No anticipated IR or IP impacts</p>	<p>Pesticide Management Bill 2075 (2018) seeks to:</p> <ol style="list-style-type: none"> <li>1. regulate and control pesticide production, export, commercial use, storage, sales distribution; and</li> <li>2. form a committee that will provide suggestions for the approval of the international treaty and agreement of pesticide to the Government of Nepal.</li> </ol>
<p>2. MOALD shall have submitted a notification on the World Trade Organization Notification Submission System for the MRL of pesticides in at least ten fruits, vegetables, and food items, for comments and suggestions by trading partner countries.</p>	<p>No anticipated negative environment impacts</p>	<p>No anticipated IR or IP impacts</p>	<p>MRL is aligned with ADB SPS 2009 as it ensures human health protection and food safety through:</p> <ol style="list-style-type: none"> <li>1. compulsory provision under food law and regulation,</li> <li>2. monitoring of export and/or import, and</li> <li>3. maintenance of safe food products.</li> </ol>
<p>3. Cabinet shall have approved the National Food Safety Policy 2076 (2019) incorporating a comprehensive framework for food safety and quality, developing national food industry, and promote food exports.</p>	<p>No anticipated negative environment impacts</p>	<p>No anticipated IR or IP impacts</p>	<p>National Food Safety Policy 2076 (2019) will provide human health protection and food safety through:</p> <ol style="list-style-type: none"> <li>1. regulations on food business (production, import-export, and sale),</li> <li>2. establishment of an institutional system for food hygiene, and</li> <li>3. inspection and monitoring mechanism.</li> </ol>
<p>4. MOALD shall have prepared a draft Food Safety and Quality Bill and submitted to the Ministry of Law, Justice, and Parliamentary Affairs for review, including provisions to align the certification system with international food safety standards.</p>	<p>No anticipated negative environment impacts</p>	<p>No anticipated IR or IP impacts</p>	<p>The Act is aligned with ADB SPS 2009 by providing human health protection and food safety.</p>
<p>5. MOALD shall have approved a road map for international accreditation of (i) the Central Veterinary Laboratory, (ii) National Avian Disease Investigation Laboratory, and (iii) Veterinary Standards and Drug Administration Laboratory.</p>	<p>No anticipated negative environment impacts</p>	<p>No anticipated IR or IP impacts</p>	<p>International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and occupational health and safety.</p>

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<b>Reform Area 2: Agriculture Commercialization Promoted</b>			
6. MOALD shall have submitted a draft of the Agribusiness Promotion Bill 2075 to the Cabinet to encourage contract farming and agriculture marketing, with provisions on the participation and benefits of marginalized and women farmers.	No anticipated negative environment impacts	No anticipated IR or IP impacts	Not applicable.
7. Cabinet shall have endorsed a draft third amendment to the Seed Act 2045 (1988) to MOALD for submission to Parliament to (i) ensure farmer protection, and (ii) encourage private sector participation in seed business.	No anticipated negative environment impacts	No anticipated IR or IP impacts	The Seed Act regulates seed standards, production, distribution, and sale. It is aligned with ADB SPS 2009 as it seeks to prevent introduction and prevalence of new alien species for agricultural activity and importation outside the country.  The Seed Act also protects farmers against sale of defective seeds.
8. Cabinet shall have endorsed the draft amendment to Plant Protection Act 2064 (2007) to MOALD for submission to the Parliament to regulate and protect crops against invasive species and pests.	No anticipated negative environment impacts	No anticipated IR or IP impacts	The major objective of the Act is to protect national or regional fauna in preventing the introduction and spread of pests and any new alien species by: 1. regulating the import and entry of any plants, plant products, biological control agents, beneficial organisms and soil; 2. regulating trading of any infected plants or plant products; and 3. inspecting plants, plant products, biological control agents and beneficial organisms. This is in line with ADB SPS 2009.
<b>Reform Area 3: Institutional Capacity Strengthened</b>			
9. MOALD shall have conducted ADS orientation workshops in all provincial government MOLMACs to align subnational level agriculture strategies and plans to the national ADS.	No anticipated negative environment impacts	No anticipated IR or IP impacts	The development of ADS was supported by ADB (TA7762-NEP: Preparation of the Agricultural Development Strategy) and other development partners.
<b>TRANCHE 2 (April 2021)</b>			
<b>Reform Area 1: Food Safety and Quality Monitoring Systems Improved</b>			
10. MOALD shall have endorsed a draft Pesticide Management Regulation for submission to the Ministry of Law, Justice, and Parliamentary Affairs for consent.	No anticipated negative environment impacts	No anticipated IR or IP impacts	TA incorporates international good practices.

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11. MOALD shall have (i) issued and published in the official gazette the MRL of pesticides in at least ten fruits, vegetables, and food items; and (ii) submitted a notification on the <i>World Trade Organization Notification Submission System</i> for the MRL of pesticides for at least ten additional fruits, vegetables, and food items for comments and suggestions by trading partner countries.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and community health and safety.
12. MOALD shall have (i) developed pesticide residue test protocol and surveillance plan for selected two vegetables; (ii) conducted a pilot study of pesticide residue test in the selected two vegetables.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and community health and safety.
13. MOALD shall have (i) prepared a plan for upgrading existing food safety laboratories under the DFTQC, and (ii) completed all pre-requisites for ISO/IEC 17025 certification for either pyrethroid or carbamate group pesticides testing in the National Food and Feed Reference Laboratory in preparation for international accreditation.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and occupational health and safety.
14. MOALD shall have completed all pre-requisites for ISO/IEC 17025 certification for molecular unit in the Central Veterinary Laboratory in preparation for international accreditation.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and occupational health and safety.
15. MOALD shall have completed all pre-requisites for ISO/IEC 17025 certification for new castle disease vaccine production unit in the National Vaccine Production Laboratory in preparation for international accreditation.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and occupational health and safety.
16. MOALD shall have completed all pre-requisites for ISO/IEC 17025 certification for PPR vaccine production unit in the National Vaccine Production Laboratory in preparation for international accreditation.	No anticipated negative environment impacts	No anticipated IR or IP impacts	International accreditation is aligned with ADB SPS 2009 as it promotes the implementation of international good practice such as pollution abatement and occupational health and safety.

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<b>Reform Area 2: Agriculture Commercialization Promoted</b>			
17. Gandaki MOLMAC shall have approved operational guidelines for custom hiring of agricultural machinery, including after-sales service and procedural requirements; and approved sample business plans comprising technical, financial, branding, and marketing aspects for (i) custom hiring of agricultural machinery and (ii) at least two high-value commodities; and Gandaki MOLMAC shall have posted the business plans on respective government websites for public access.	No anticipated negative environment impacts	No anticipated IR or IP impacts	TA to ensure business plans: 1. will incorporate environmental safeguards provisions such as biodiversity conservation and sustainable natural resource management, pollution prevention and abatement, and health and safety; and 2. are socially inclusive by consulting relevant organization representing IPs prior to finalization and prepared in declared official language of Gandaki province.
18. National Seed Board shall have approved minimum standards for establishing seed testing laboratories of different categories.	No anticipated negative environment impacts	No anticipated IR or IP impacts	TA incorporates pollution prevention and abatement, and health and safety in the national standards for establishing seed testing laboratory.
19. MOALD shall have prepared a draft plant protection regulation and submitted to the Ministry of Law, Justice, and Parliamentary Affairs for consent.	No anticipated negative environment impacts	No anticipated IR or IP impacts	Not applicable.
<b>Reform Area 3: Institutional Capacity Strengthened</b>			
20. Gandaki MOLMAC shall have formulated and submitted to provincial cabinet, gender- and socially-inclusive provincial strategic investment plans for at least one prioritized commodities and aligned it with the provincial MTEF for strengthening its capacity in public investment planning and budgeting.	No anticipated negative environment impacts	No anticipated IR or IP impacts	TA ensures investment plan: 1. incorporates environmental safeguards provisions such as biodiversity conservation and sustainable natural resource management, pollution prevention and abatement, and health and safety; and 2. is socially inclusive, by consulting with relevant organization representing IPs prior to finalization and prepared in declared official language of Gandaki province.
21. To strengthen institutional capacity and framework for gender and social inclusiveness, (i) Gandaki MOLMAC shall have designated a focal person or a unit with clearly defined job description to look into the gender equality and social inclusion	No anticipated negative environment impacts	No anticipated IR impacts. IP impacts are positive.	1. TA to provide inputs on TOR of designated gender and social inclusion focal person or unit. 2. TA ensures training manual: (i) incorporates environmental safeguards provisions such as biodiversity conservation and sustainable natural resource

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<p>aspects in Gandaki MOLMAC operations;</p> <p>(ii) Gandaki MOLMAC shall have prepared training manual for promotion of improved agricultural practices and agribusiness development, and delivered training to at least 150 farmers (including indigenous peoples, other marginalized groups, and at least 50% women); and</p> <p>(iii) MOALD shall have conducted ADS orientation workshops among at least 50% municipal governments of Gandaki province including orientation on GESI strategy of the ADS.</p>			<p>management, pollution prevention and abatement, and health and safety;</p> <p>(ii) is socially-inclusive by consulting with relevant organization representing IPs prior to finalization and prepared in declared official language of Gandaki province.</p> <p>In the delivery of training, TA ensures that IPs are informed and included and/or represented in the training. Participation of IPs in the training is on voluntary basis. TA ensures that a report on the training is submitted; and</p> <p>(iii) The development of ADS was supported by ADB (TA7762-NEP: Preparation of the Agricultural Development Strategy) and other development partners.</p>

ADB = Asian Development Bank; ADS = Agricultural Development Strategy; DFTQC = Department of Food Technology and Quality Control; GESI = gender equality and social inclusion; IP = indigenous peoples; IR = involuntary resettlement; MOALD = Ministry of Agricultural and Livestock Development; MOLMAC = Ministry of Land Management, Agriculture, and Cooperatives; MRL = maximum residue limit; MTEF = medium-term expenditure framework; PPR = peste des petits ruminants; SPS = safeguard policy statement; TA = technical assistance; TOR = terms of reference.

Source: Asian Development Bank.