Final version

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

for the

Afghanistan
Second Sustainable Development of Natural Resources Project (SDNRP-II)

25 November 2011
CURRENCY EQUIVALENTS
(Exchange Rate Effective March 31, 2011)
Currency Unit = Afghani (AFN)
AFN 45.5 = US$1
US$ 1.5855 = SDR 1

FISCAL YEAR
March 21 – March 20

ABBREVIATIONS AND ACRONYMS
ADB Asian Development Bank
AFN Afghani (currency)
AGS Afghan Geological Survey
AP Affected Person (including all persons in an affected household)
ARDS Afghanistan Reconstruction and Development Services
BAT Best Available Techniques
BGS British Geological Survey
BP Bank Procedures of the World Bank
BTK Bull Trench Kiln
BTK-FCK Bull Trench Kiln of type: Fixed Chimney Kiln
BTK-MCK Bull Trench Kiln of type: Moveable Chimney Kiln
CAS Country Assistance Strategy
CBAGS Capacity Building of AGS (subproject of SDNRDP-I and II)
CBD Convention on Biological Diversity
CITES Convention on International Trade of Endangered Species
CMS Convention on Migratory Species
DAFA Délégation Archéologique Française en Afghanistan
DFI Direct Foreign Investment
DFID Department for International Development (UK Government)
EC European Commission
EHS Environment, Health and Safety
EI Extractive Industries
EIA Environmental Impact Assessment
EIRP Emergency Irrigation Rehabilitation Project
EITI Extractive Industries Transparency Initiative
EMDP Ethnic Minority Development Plan
EMP Environmental Management Plan
ESIA Environmental and Social Impact Assessment
ESMF Environmental and Social Management Framework
ESMP Environmental and Social Management Plan
FDI Foreign Direct Investment
GDP Gross Domestic Product
GoA Government of Afghanistan
Ha hectare (an area of land)
HDI Human Development Index
HLP Horticulture and Livestock Project
HSE Health, Safety and Environment
# TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

2 BACKGROUND AND PROJECT CONTEXT
   2.1 Purpose of the ESMF
   2.2 Country Context, Recovery Strategy, and Project Rationale
   2.3 Development Objective
   2.4 Project Description
   2.5 SDNRP Achievements and Follow-on Work of SDNRP-II
   2.6 Implementation Arrangements

3 POLICY, LEGAL AND REGULATORY FRAMEWORK
   3.1 International Conventions
      3.1.1 Environmental conventions
      3.1.2 Social conventions
   3.2 National Legislation
      3.2.1 Environmental laws and regulations
      3.2.2 Social laws and regulations
   3.3 Environmental Laws and Regulations
      3.3.1 Environment Law (2005)
      3.3.2 NEPA Administrative Guidelines for Preparation of EIAs
      3.3.3 NEPA EIA Policy - An Integrated Approach to EIA in Afghanistan
      3.3.4 NEPA Regulations (Draft 2.3)
   3.4 Water Law (2009) and the Water Sector Strategy (WSS)
   3.5 Law on Land Expropriation (2005)
   3.6 Relevant Provisions from the Law on Managing Land Affairs
   3.7 Afghan Labor Law
   3.8 Comparison between Law on Land Expropriation and WB OP 4.12
   3.9 Law on Preservation of Historical and Cultural Artefacts, 2004
   3.10 World Bank Operation Policies triggered in SDNRP-II
      3.10.1 WB Safeguards
      3.10.2 Environmental Assessment (OP/BP 4.01)
      3.10.3 Physical Cultural Resources (OP/BP 4.11)
      3.10.4 Involuntary Resettlement (OP/BP 4.12)
      3.10.5 Additional ESMF Safeguards
   3.11 ESMF Guidelines
      3.11.1 Initial Screening Form
      3.11.2 Sample ToRs for Environmental and Social Impact Assessment (ESIA)
      3.11.3 Social Policy Guidelines for Mining Sector
      3.11.4 List of Excluded Activities
      3.11.5 Fieldwork Screening Form
      3.11.6 Guidelines for Protection of Cultural Heritage Sites
      3.11.7 Procedures for Mine Risk Management
      3.11.8 MoM Socio-Economic Surveys
      3.11.9 ESMF Safeguard Sheets

4 APPROACH TO ENVIRONMENTAL & SOCIAL ISSUES
### 4.1 ESMF and Large-scale Mining

### 4.2 ESMF and Artisanal and Small Scale Mining

### 5 CAPACITY BUILDING IN ESMF

#### 5.1 Insight from ESMF implementation in other projects

#### 5.2 ESMF translation and dissemination of key documents

#### 5.3 ESMF Training

- **5.3.1** ESMF Training Modules
- **5.3.2** ESMF Safeguards Workshops
- **5.3.3** ESMF Study Tours
- **5.3.4** ESMF Overseas Training

#### 5.4 ESMF Research Papers

#### 5.5 ESMF Budgetary Staffing Requirements

- **5.5.1** Overview
- **5.5.2** International Social Advisor
- **5.5.3** International Environmental Advisor
- **5.5.4** ESMF Support Staff
- **5.5.5** ESMF Local Consultancies
- **5.5.6** NEPA Contract Compliance Office

#### 5.6 ESMF Consultative Process

### 6 ANNEX OF GUIDELINES

- **ANNEX 1** - Initial Screening Form
- **ANNEX 2** - ToRs for Environmental & Social Impact Assessment
- **ANNEX 3** - Social Policy Guidelines for Mining Sector
- **ANNEX 4** - List of Excluded Activities
- **ANNEX 5** - Fieldwork Screening Form
- **ANNEX 6** - Guidelines for Protection of Cultural Heritage Sites
- **ANNEX 7** - Procedures for Mine Risk Management in WB Projects
- **ANNEX 8** - Resettlement Process of Aynak Project Affected Persons
- **ANNEX 9** - ESMF Safeguard Sheets
  - ESMF Safeguard Sheet #1 - Coal Mining
  - ESMF Safeguard Sheet #2 - Clay Quarries and Brick Production
  - ESMF Safeguard Sheet #3 - Hardrock Quarries for Angular Construction Materials
  - ESMF Safeguard Sheet #4 - River Quarries for Sand and Gravel
  - ESMF Safeguard Sheet #5 - Asbestos Quarries
  - ESMF Safeguard Sheet #6 - Placer Gold Mining and Processing
  - ESMF Safeguard Sheet #7 - Hardrock Gold Mining and Processing
  - ESMF Safeguard Sheet #8 - Mercury Exploration and Mining
  - ESMF Safeguard Sheet #9 - Fluorspar Mining and Processing
  - ESMF Safeguard Sheet #10: Chromite Mining
- **ANNEX 10** – Draft National Standard for Large Projects
Afghanistan
Second Sustainable Development of Natural Resources Project
Environment and Social Management Framework

1 EXECUTIVE SUMMARY

Project Components

The project will have four components:

- **Component A.** Award of Contracts and Licenses;
- **Component B.** Regulation and Monitoring of Operations;
- **Component C.** Preservation of Aynak antiquities and support for alternative livelihoods through sustainable artisanal and small-scale mining (ASM); and
- **Component D.** Project Implementation Support.

The project will build upon and scale up activities supported under the on-going SDNRP-I project via the MoM and AGS. In addition, it will support capacity building of NEPA and assist NEPA activities.

SDNRP-II focuses on the provision of technical assistance and capacity building similar to SDNRP-I, and implementation is not expected to involve any significant adverse environmental or social impacts. The project will not involve direct IDA investments in specific mineral assets or the preparation of pre-feasibility, feasibility, or engineering studies. The nature of advisory services to be provided to MoM and NEPA is to enhance the capacity of key regulatory institutions to evaluate and facilitate mineral and hydrocarbon investment in a manner that is consistent with international good practice in terms of technical, environmental and social standards.

The appropriate environmental laws and frameworks are in place, to which the environmental challenge is to ensure that sustained capacity building around tangible mineral developments is implemented. On social issues, the government is less advanced and in particular there is a need for improved legislation relating to eminent domain and the taking of land in the national interest for mining; and sustained capacity building is also required around tangible mineral developments to ensure that social performance is improved and more satisfactory outcomes are achieved.

Work is also required to prepare strategic assessments and evaluations of existing SOEs. This work will be in the nature of strategic technical and policy assessments as well as training of MoM/NEPA staff in technical, environmental and social assessment evaluations. While this project is not directly involved in mine investments, its role in facilitating sustainable mineral sector investments requires an **Environmental Category "B"**, which is in line with current World Bank practice.
Environment and Social Management Framework

Preparation and disclosure of an Environmental and Social Management Framework is a mandatory requirement of the IDA Financing Agreement\(^1\) for SDNRP-II, and a further requirement is to ensure and/or cause to ensure that the monitoring and regulation of all activities in the mining sector will be carried out in accordance with the ESMF.

The ESMF prescribes guidelines and procedures that would avoid, mitigate, or minimize adverse environmental and social impacts of SDNRP supported activities and interventions. The ESMF was prepared by the Ministry of Mines on behalf of the Government of Afghanistan (GoA) in accordance with safeguards as defined in the World Bank Policies on Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12).

In addition, the ESMF addresses other WB policies that SDNRP-II may indirectly affect notably Natural Habitats (OP/BP 4.04) and Forests (OP/BP 4.36), as well as relevant national laws and regulations, and national obligations under international treaties.

During preparation of the present ESMF, the experience of design and implementation of ESMFs in several projects (IRD, NSP, NERAP, HLP and EIRP) in Afghanistan was reviewed and good practices and lessons learned have been incorporated.

The ESMF is based on the following principles:

(i) SDNRP-II will give technical assistance to MoM to develop mining and infrastructure projects, the detailed designs of which may not be known at the time of project appraisal. To ensure the effective application of the World Bank’s safeguard policies, the Framework provides guidance on the approach to be taken during the selection and design of projects, requirements for ESIAs and the planning of mitigation measures;

(ii) All proposed sub-projects of SDNRP-II will be screened to ensure environmental and social risks are adequately addressed through the application of standardized guidelines;

(iii) Similarly, all project proposals encouraged, supported or enabled by SDNRP-II will be screened to ensure environmental and social risks are adequately assessed, as above;

(iv) The ESMF includes a screening checklist to help NEPA and MoM identify potential social and environmental impacts and to avoid, reduce and/or to mitigate these impacts;

(v) SDNRP-II will assist MoM ensure project design and selection maintains regional balance along gender, ethnic and religious groups, considering variations in population density. Employment opportunities within the projects will be available on an equal basis to all, on the basis of professional competence, irrespective of gender, or ethnic or religious group. In all projects consultations with local communities or beneficiaries will be conducted to elicit the views of both male and female population; and

(vi) Environment and Social safeguards are not only donor-driven requirements but are also required by national legislation such as the Environment Law, EIA regulation, EIA policy and other related laws. As with many regulations, the challenge is to apply them and monitor their implementation and ensure that they are mainstreamed in the project's operations.

\(^1\) Section 1.E (b) of Schedule 2 to the Financing Agreement (FA).
Consultation and disclosure requirements will be fully met, with public consultation designed to stimulate constructive inputs from a wide audience, particularly as existing mines are numerous and information about their environmental and social impacts is largely incomplete. This Environmental and Social Management Framework will be disclosed in Afghanistan in Dari, Pashto and English, and at the World Bank InfoShop.

The project will deploy social and environmental staff in the PMU, MoM and NEPA to implement the provisions of the ESMF. Environmental and social training of MoM and NEPA staff, plus associated capacity building are an essential element of the project design.

A joint PMU/MoM/NEPA team of named professionals will provide technical assistance, oversee, monitor and report on compliance with the ESMF.

In addition an independent third party will be employed to report on compliance with the ESMF.

Where land acquisition and resettlement is required then a detailed Social Impact Assessment (SIA) and Resettlement Action Plans (RAP) would be prepared with appropriate arrangements for independent monitoring.
2 BACKGROUND AND PROJECT CONTEXT

2.1 Purpose of the ESMF

Social and environmental management in Afghanistan currently faces critical capacity constraints. Proposed project activities may have potential adverse impacts on the physical and social environment. The mitigation and management of these impacts is key to sound and sustainable development of the mining sector and integrating it with the broader economy. Accordingly a framework approach is adopted which recognizes and addresses the existing management capacity of MoM and NEPA, and permits the necessary flexibility to take account of factors unknown at the time of project appraisal. This approach provides for early identification of potential adverse impacts and also provides broad guidance for their effective mitigation. Consistent with existing national legislation, the objective of the ESMF is to help ensure that activities under SDNRP-II will:

(i) Protect human health;
(ii) Prevent or compensate any loss of assets and livelihood;
(iii) Prevent environmental degradation;
(iv) Prevent a widening of the gap between the better off and the poor;
(v) Enhance positive environmental and social outcomes;
(vi) Support gender equality principles;
(vii) Assist compliance with Afghanistan’s international treaty obligations;
(viii) Ensure compliance with national legislation; and
(ix) Ensure compliance with World Bank safeguard policies.

The ESMF has been developed to effectively address environmental and social concerns and opportunities. The ESMF builds upon the generic safeguard framework developed for emergency operations in Afghanistan and used for all emergency operations.

This ESMF is an integral part of the Second Sustainable Development of Natural Resources Project (SDNRP-II), a project funded by an Emergency Grant of SDR32.8 million (US$52 million equivalent) to the Islamic Republic of Afghanistan.

The project will continue the technical assistance that began under the Sustainable Development of Natural Resources Project (SDNRP) to support the Government’s efforts to create a sound policy and institutional framework for the extractive industries (EI) sector.

Specific aims of SDNRP II are to enable the Ministry of Mines to:

(i) transparently and effectively manage the process of rapid and large-scale foreign direct investment (FDI) in the sector; and

(ii) manage the impacts and improve the sustainability of the numerous smaller mining and quarry operations in the country, many of which are unlicensed.
2.2 Country Context, Recovery Strategy, and Project Rationale

Country Context: Since 2002, the Government of Afghanistan (GoA) has been engaged in programs to build security, legitimacy, and the economy in Afghanistan. GoA has since then made remarkable progress in many areas such as primary education, basic health services, irrigation rehabilitation, and rural development. However, the country remains extremely fragile.

Security remains a serious obstacle to the delivery of reconstruction assistance and implementation of reconstruction programs. Afghanistan’s poverty and social indicators remain among the lowest in the world. Government capacity is weak despite improvements and the pace of implementation of reconstruction programs has been short of earlier expectations. The combination of poverty, insecurity, a significant dependence on foreign aid, a very low domestic revenue base, and poor governance means the GoA faces daunting challenges in taking the reconstruction agenda forward.

Poverty Remains Persistent: There has been strong, though slowing, economic growth in Afghanistan since 2002, with annual GDP growth varying between 9 percent and 16.2 percent. The per capita annual income has increased from US$189 in 2002/03 to US$426 in 2008/09.

However, despite ongoing reconstruction efforts Afghanistan remains one of the poorest countries in the world. In 2007, Afghanistan ranked 174 out of 178 countries on the global Human Development Index (HDI). According to the 2008 National Risk and Vulnerability Assessment (NRVA), 36 percent of the population was below the poverty line (i.e. AFN 1,942 per person per month in urban areas of central Afghanistan). While 36 percent of the population were unable to meet their basic needs, many more people are susceptible to becoming poor. Even a small negative shock has the potential to move many individuals into poverty. The vast majority of the poor (84%) and above 70% of the overall population live in rural areas and are dependent on agriculture and livestock for livelihoods.

Sector Context: Afghanistan has a rich endowment of mineral and energy resources. It possesses deposits of copper, gold, and iron ore, among other metals, as well as construction materials, dimensional stone and gemstones, coal, and hydrocarbons. Development of the minerals sector has been identified as the single most important lever to diversify the economy, create employment and raise government revenues. Existing mineral production is currently limited to small scale operations of construction materials (sand, gravel, crushed rock) as well as of artisanal operations of gemstones and dimensional stones. Hydrocarbon production consists of natural gas in the Sheberghan area and very limited production of oil in Sar-i-Pol. Afghanistan’s resource endowment could support substantially larger operations (see Box 1):
Box 1: Afghanistan’s Mineral and Energy Resources

Afghanistan is reported to have a significant mineral endowment (upwards of US$1 trillion), but much of that wealth is locked in the ground pending development of supporting infrastructure that will link mines to global markets. Both the Aynak copper resource and the Hajigak iron ore resource are among the largest deposits being offered under competitive tender at this time in the region. Not surprisingly, those assets are stimulating much discussion around their ability to act as anchor tenants to support development of large-scale infrastructure. In addition to copper and iron ore, Afghanistan has extensive natural gas, limestone, and other mineral resources; as well as significant gold and gemstone deposits. The most significant development in the Afghanistan mineral sector has been the Government’s successful tender of the Aynak copper deposit, with World Bank technical assistance. Successful conclusion of the main agreement has resulted in a payment of US$80.8 million to the Government, as the first tranche against a total signature bonus of US$808 million for the right to develop the deposit. The agreement also includes a sliding scale of royalties which increase as metal prices rise. Building on the success of the Aynak tender, the Government has begun the tender process for the Hajigak iron ore deposit, the largest in Asia being offered at this time, as well as three petroleum blocks. In addition, on March 16, 2009 the Government endorsed the principles of the Extractive Industries Transparency Initiative (EITI), signalling its commitment to transparent and accountable sector governance.
Emerging new geological data has served to increase understanding of the potential for oil, gas and minerals production. The Ministry of Mines and the Afghan Geological Survey are promoting this potential, emphasizing that Afghanistan is a global minerals warehouse that has missed a generation of modern prospecting technologies and for which discovery potential remains high (see Box 2).

**Box 2: Known Mineral Resources and Potential for New Discoveries**

<table>
<thead>
<tr>
<th>Mineral Commodity</th>
<th>Province(s)</th>
<th>Deposit type</th>
<th>Known Resource Estimates from Abdullah and others (1977)</th>
<th>USGS-AGS assessment of undiscovered deposits (mean expected values)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>METALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>Kabul, Logar</td>
<td>sediment-hosted copper AYNAK</td>
<td>12,340,600 tons Cu</td>
<td>16,880,000 tons</td>
</tr>
<tr>
<td></td>
<td>Kandahar, Zabul, Herat</td>
<td>igneous-related copper</td>
<td>68,500 tons Cu</td>
<td>28,469,200 tons Cu, 724,010 tons molybdenum, 682 tons gold, 9,067 tons silver</td>
</tr>
<tr>
<td>Iron</td>
<td>Bamyan, Baghlan</td>
<td>sediment-hosted iron HAJIGAK</td>
<td>2,261,200,000 tons &gt; 62% Fe</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Badakhshan, Kandahar</td>
<td>igneous-related iron</td>
<td>178,000,000 tons 47-68% Fe</td>
<td>Further study</td>
</tr>
<tr>
<td>Chromite</td>
<td>Logar, Paklia</td>
<td>chromium oxide</td>
<td>approx 200,000 tons 43%</td>
<td>979,484 tons</td>
</tr>
<tr>
<td>Aluminum</td>
<td>Zabul, Baghlan</td>
<td>bauxite</td>
<td>4,535,000 tons 50.5% alumina and 12% silica</td>
<td>Further study</td>
</tr>
<tr>
<td>Lead and Zinc</td>
<td>Kandahar, Herat, Paklia</td>
<td>igneous-related lead and zinc</td>
<td>90,000 tons (combined) Pb/Zn</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Ghor</td>
<td>sediment-hosted lead and zinc</td>
<td>153,900 tons (combined) Pb/Zn</td>
<td>Further study</td>
</tr>
<tr>
<td>Tin and Tungsten</td>
<td>Herat, Farah, Uruzgan</td>
<td>Sn veins, Sn and W skarns and gneis</td>
<td>No previous estimates</td>
<td>Further study</td>
</tr>
<tr>
<td>Gold</td>
<td>Talgar, Ghazni</td>
<td>Placer gold</td>
<td>918 kg Au</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Badakhshan, Ghazni, Zabul</td>
<td>lode gold</td>
<td>1,780 kg Au</td>
<td>Further study</td>
</tr>
<tr>
<td>Mercury</td>
<td>Farah, Ghor</td>
<td>hot-spring mercury</td>
<td>May contain gold and silver</td>
<td>32,234 tons</td>
</tr>
<tr>
<td><strong>INDUSTRIAL MINERALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barite</td>
<td>Parvan, Herat</td>
<td>bedded and vein barite</td>
<td>151,500,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Brick clay</td>
<td>Kabul</td>
<td>clay</td>
<td>2,200,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Kaolinite</td>
<td>Baghlan</td>
<td>residual kaolinite</td>
<td>100,000-150,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Baghlan</td>
<td>sedimentary kaolinite</td>
<td>385,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Celestite</td>
<td>Baghlan, Kunduz</td>
<td>celestite</td>
<td>&gt;1,000,000 tons @ 75%</td>
<td>Further study</td>
</tr>
<tr>
<td>Halite</td>
<td>North Afghanistan</td>
<td>evaporite</td>
<td>No previous estimate</td>
<td>Further study</td>
</tr>
<tr>
<td>Potash</td>
<td>Balkh, Kunduz, Samangan</td>
<td>evaporite</td>
<td>No previous estimate</td>
<td>27,513,690 tons</td>
</tr>
<tr>
<td>Fluorite</td>
<td>Uruzgan</td>
<td>fluorspar</td>
<td>8,791,000 tons ore av. 46.69%</td>
<td>Further study</td>
</tr>
<tr>
<td>Rare earth elements</td>
<td>Helmand</td>
<td>carbonatite</td>
<td>No previous estimates</td>
<td>1,405,179 tons REE, 3,480,159 tons niobium, phosphorous, uranium, thorium</td>
</tr>
<tr>
<td>Sulfur</td>
<td>Balkh, Badakhshan</td>
<td>Bedded and fumarolic sulphur</td>
<td>450,000 tons</td>
<td>6,000,000 tons</td>
</tr>
<tr>
<td>Graphite</td>
<td>Badakhshan</td>
<td>Disseminated flake graphite</td>
<td>5,000,000 tons</td>
<td>1,050,223 tons</td>
</tr>
<tr>
<td>Lazurite</td>
<td>Badakhshan</td>
<td>skarn lazurite</td>
<td>1,300 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Talc, asbestos, and magnesite</td>
<td>Nangarhar</td>
<td>metasomatic/metamorphic replacement magnesite</td>
<td>1,250,000 tons talc 31,200 tons magnesite</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Nangarhar</td>
<td>ultramafic-hosted talc-magnesite</td>
<td>50,000 tons (mined previously)</td>
<td>13,365,563 tons asbestos</td>
</tr>
<tr>
<td><strong>BUILDING MATERIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marble</td>
<td>various</td>
<td>building stone</td>
<td>1.3 billion tons coarse crystalline marble</td>
<td>Further study</td>
</tr>
<tr>
<td>Sand and Gravel</td>
<td>Badakhshan</td>
<td>aggregate</td>
<td>3196,000,000 m³</td>
<td>Further study</td>
</tr>
<tr>
<td>Sandstone</td>
<td>Bamyan</td>
<td>building stone</td>
<td>650,000 tons siliceous sandstone</td>
<td>Further study</td>
</tr>
<tr>
<td>Limestone</td>
<td>Bamyan</td>
<td>building stone</td>
<td>3,500,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td></td>
<td>Badakhshan, Herat, Baghlan</td>
<td>cement and flux</td>
<td>&gt;500,000,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Dolomite</td>
<td>Bamyan</td>
<td>building stone</td>
<td>1,040,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Aragonite</td>
<td>Helmand</td>
<td>dimension stone</td>
<td>770,000 tons</td>
<td>Further study</td>
</tr>
<tr>
<td>Glass Sand</td>
<td>Balkh</td>
<td>Sand</td>
<td>110,000 tons siliceous sand and 15,900,000 tons sandstone</td>
<td>Further study</td>
</tr>
</tbody>
</table>
Current Scale of Mining Sector: Mining is already a major contributor to the Afghanistan economy. A tentative study in preparing the ESMF suggests Afghanistan has at least 6,000 mining operations with a tentative estimate of more than 120,000 workers engaged in mining and mineral processing, but documentation is limited and patchy (see Box 3).

Box 3: Current Employment in Mining and Mineral Processing in Afghanistan

<table>
<thead>
<tr>
<th>Mineral Commodity</th>
<th>Artisanal mines</th>
<th>Artisanal employment</th>
<th>Mines in Cadastre</th>
<th>SME mines</th>
<th>SME Employment</th>
<th>Large mines</th>
<th>Exports</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>METALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminum</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>probably nil</td>
<td>0</td>
<td>Aynak</td>
<td>0</td>
<td>0</td>
<td>Aynak</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Iron</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Chromite</td>
<td>10?</td>
<td>300?</td>
<td>0</td>
<td>27</td>
<td>500?</td>
<td>Modest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead and Zinc</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Tin and Tungsten</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Mercury</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Gold - placer</td>
<td>Occasional</td>
<td>5,000?</td>
<td>1</td>
<td>1</td>
<td>2007</td>
<td>0</td>
<td>Modest</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Gold – hardrock</td>
<td>rare?</td>
<td>200?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td><strong>INDUSTRIAL MINERALS &amp; QUARRY MATERIALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>50?</td>
<td>3,000?</td>
<td>6</td>
<td>67</td>
<td>1,000</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Barite</td>
<td>rare?</td>
<td>0-200?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Celestite</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Fluorite</td>
<td>20?</td>
<td>500?</td>
<td>0</td>
<td>27</td>
<td>2007</td>
<td>0</td>
<td>Modest</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Rare Earth Elements</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Sulfur</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Brick Clay Quarries</td>
<td>Grouped with SME</td>
<td>0</td>
<td>2,000</td>
<td>&gt;30,000?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Brick Clay Kilns</td>
<td>0</td>
<td>&gt;1,000</td>
<td>&gt;30,000?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Pottery Clay Quarries</td>
<td>200</td>
<td>5,000</td>
<td>0</td>
<td>Grouped with Artisanal</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adobe Clay Quarries</td>
<td>1,000</td>
<td>10,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Kaolinite Clay Quarries</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Bentonite Clay Quarries</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Gypsum Quarries</td>
<td>100</td>
<td>5,000?</td>
<td>4</td>
<td>47</td>
<td>2007</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Halite (Rock Salt) Quarries</td>
<td>30?</td>
<td>2,000?</td>
<td>6</td>
<td>67</td>
<td>500?</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Potash</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Talc Quarries</td>
<td>probably nil</td>
<td>0</td>
<td>8</td>
<td>87</td>
<td>1007</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Magnesite Quarries</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Asbestos Quarries</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Marble Quarries</td>
<td>Grouped with SME</td>
<td>16</td>
<td>50?</td>
<td>1,000?</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Marble Processing</td>
<td>n/a</td>
<td>50?</td>
<td>2,000?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Sand/Gravel (River Quarries)</td>
<td>500?</td>
<td>3,000?</td>
<td>31</td>
<td>50?</td>
<td>1,000?</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Sand/Gravel (Other Quarries)</td>
<td>200?</td>
<td>1,200?</td>
<td>135</td>
<td>2007?</td>
<td>5,000?</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Limestone &amp; Dolomite Quarries</td>
<td>200?</td>
<td>1,200?</td>
<td>135</td>
<td>2007?</td>
<td>5,000?</td>
<td>0</td>
<td>0</td>
<td>see ANNEX 9</td>
</tr>
<tr>
<td>Aragonite</td>
<td>50?</td>
<td>200-1,000?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Glass Sand</td>
<td>probably nil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>GEMSTONES &amp; LAZURITE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gem mining</td>
<td>100?</td>
<td>5,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Gem processing</td>
<td>n/a</td>
<td>8,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Lazurite</td>
<td>50?</td>
<td>1,000?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Modest</td>
<td></td>
</tr>
</tbody>
</table>
Tentative findings reveal quarrying and making of construction products exceed all other extractive industries by an order of magnitude in terms of the number of quarries, processing plants and workers. Quarrying has expanded rapidly to produce river gravel, crushed aggregate, bricks, tiles, cement and concrete, driven by the rising demand of the buoyant construction sector; and production of marl, lime and adobe are rising to keep pace with the revival of the agricultural sector. Quarrying is integrated into the rural and urban economic fabric and is dominated by ASM and local companies. Products are cheap and of moderate to low quality; and the sector is inefficient being shielded from competition by high transport costs for heavy low value goods. Conversely, there is little or no export potential for these common minerals or their products.

Gems, lapis lazuli, marble, aragonite, talc, fluor spar, chromite and gold are mined - albeit often in low volumes and with little or no value-added. All have considerable potential for rapid ramping up of production of value-added products suitable for export such as chemical grade fluor spar, chromite pigments, gold ornaments, polished facing stones, and cut and polished gems.

A third category are minerals that await substantial investment in large new mines to create export-orientated mineral concentrates and manufactured goods, led by Aynak (copper) and Hajigak (iron).

**Government Strategy for the Development of the Mineral Sector**

With assistance provided under the IDA-supported SDNRP-I, the regulatory framework for the minerals sector is nearing completion; there has been significant progress in institution building on the technical and revenue-generation aspects of mining, and the first stages of development of a world-class copper mine at Aynak are underway following competitive award procedures.

The Government has recently further elaborated its strategy in two documents, namely, the *Oil, Gas and Mining Sector Vision*, and the *National Extractive Industries Excellence Program (NEIEP)*, with the following goals:

(i) Fully developed sector policies and legislative reform to support extractive industries growth in Afghanistan;
(ii) A strong regulatory environment for responsible sector management, including environmental and social performance;
(iii) A modernized and strong Ministry of Mines able to deliver results;
(iv) An enabling business environment to attract private sector investment; and
(v) Reliable and updated geological information to support sector growth.

The expected results are a strengthened, dynamic and efficient mineral sector which will be imperative to stabilize the Afghan economy and will have positive widespread downstream effects on the people of Afghanistan. Job creation, revenue generation and alternative livelihoods will have considerable impacts at the local / provincial level. In addition, ensuring proper management of the extractives sector will improve the environmental impact of mining nationally and will also help to provide gender benefits in some of the remote gemstone mining areas.

The GoA has requested donor support for the sector and has continuously collaborated with the World Bank and other key donors since 2004. Donors have supported mineral sector development through technical support for the Afghan Geological Survey (notably the U.S. Geological Survey and the British Geological Survey), provision of policy advice, regulatory support, administrative strengthening and investment promotion. Also, the Asian Development Bank (ADB) is involved in conducting feasibility studies for railroads in the north of the country.

---

Rationale for Proposed Bank Emergency Project - SDNRP-II

Notwithstanding the Government’s commitment and initial progress, Afghanistan faces huge challenges to successfully implement its strategy and achieve its goals for the minerals sector. The GoA has held a series of consultative discussions with the donor community on the above-referenced strategy documents and has requested donor support to assist with the implementation of the strategy. In the wake of increasing foreign investors’ interest in the minerals sector in Afghanistan, the most critical and urgently needed technical assistance pertains to expert advisory services and further capacity building of the key institutions (MoM and NEPA in particular) for managing the activities in the first two chevrons of the EI Value Chain, (i.e. Award of Contracts and Licenses, and Regulation and Monitoring of Operations), particularly for enforcement and monitoring of environmental, social and cultural resource safeguards compliance and public communications and consultation processes associated with proposed large scale mining development such as Aynak and Hajigak (see Figure 1).

Figure 1. The Extractive Industries Value Chain


The proposed project responds to the Government’s request to provide immediate technical assistance that is crucial to help ensure the sector activities are being pursued on a transparent and sustainable development path. While the SDNRP is responsible for putting in place many of the basic underlying frameworks and regulations, enforcement of these as well as the need to respond to the rapidly developing environment of the sector underscore the emergency nature of the proposed project interventions. The World Bank with its global experience of assisting countries with a holistic approach to mineral sector development is uniquely positioned to continue to support the GoA to achieve its goal of maximizing the development outcomes of its mineral resources. The successful (and ongoing) implementation of the original SDNRP project (which started in 2006 and is expected to be completed in 2013) has laid the foundations for further successful sector engagement.

2.3 Development Objective

Development objective: to assist the Ministry of Mines (MoM) and the National Environmental Protection Agency (NEPA) in further improving their capacities to effectively regulate Afghanistan’s mineral resource development in a transparent and efficient manner, and foster private sector development.

The project will continue the technical assistance that began under the SDNRP-I to support the Government’s efforts to create a sound policy and institutional framework for the extractive industries (EI) sector. SDNRP-II will aim, in particular, to enable the Ministry of Mines to:

(i) transparently and effectively manage the process of rapid and large-scale foreign direct investment (FDI) in the sector; and

(ii) manage the impacts and improve the sustainability of the numerous smaller mining and quarry operations in the country, many of which are unlicensed.
2.4 Project Description

The project will build upon and scale up activities supported under the on-going SDNRP-I project via the MoM and AGS. In addition, the project will support NEPA’s capacity building and activities.

SDNRP-II focuses on the provision of technical assistance and capacity building similar to SDNRP-I, and implementation is not expected to involve any significant adverse environmental or social impacts. The project will not involve direct IDA investments in specific mineral assets or the preparation of pre-feasibility, feasibility, or engineering studies. The nature of advisory services to be provided to MoM and NEPA is to enhance the capacity of key regulatory institutions to evaluate and facilitate mineral and hydrocarbon investment in a manner that is consistent with international good practice in terms of technical, environmental and social standards.

The proposed project design follows the World Bank’s integrated approach to managing the full extractive industry value chain to transform mineral resource potential into sustainable development outcomes, with a particular focus on the first two chevrons - Award of Contracts and Licenses, and Regulation and Monitoring of Operations.

Project Components

The project will have the following four components:

Component A: Award of Contracts and Licenses - Access to Resources (US$12.4m)

(i) Development of Policy Frameworks including Resource Corridor Assessments

Preparation of sub-sector development policies by commodity to guide sustainable development. This will include the policy frameworks for artisanal and small-scale mining (ASM), and decorative stones and quarry development. Further, this sub-component will address wider Sector Development Policy to guide EI sector development (with a strong emphasis on creating an enabling environment for major projects with international investors for precious metals, strategic minerals, other ferrous minerals and industrial minerals). It will also assist in the provision of policy frameworks for planning Public Private Partnership schemes for infrastructure development, specifically for railroads, roads and energy, which are an underlying necessity for successful deposit development, especially for iron ore.

(ii) Tendering processes of deposits

Establishment of a Secretariat within the Inter-Ministerial Committee (IMC) that is charged with the processing of the tenders, and the provision of additional advisory assistance through the International Advisory Panel (IAP); also, this activity will continue to execute the ongoing Hajigak tender process.

(iii) Advancing Geoscientific Knowledge

Advancing geoscientific knowledge by collection of new geodata and the digital capture of existing historical geodata for the development of a modern computerized geo-database in order to attract exploration interest that is necessary to sustain discovery of new deposits and sector growth.
Component B: Regulation and Monitoring of Operations (US$22.0m)

(i) Modernization of the Cadastre

Modernising of the Minerals Cadastre by including the provision of up-to-date software to enable computerized cadastre management and related training for MoM staff.

(ii) Implementation of a Dynamic Inspection & Contract Compliance Regime

Strengthening of monitoring and enforcement capabilities covering all aspects of mining related activities, including the training of inspectors in Kabul and the decentralized offices, support for NEPA including preparation of environmental and social frameworks and instruments including a Resettlement Policy Framework for Hajigak and an Environmental and Social Management Framework; development of a national directive for the use of explosives; strengthening of contractual compliance monitoring in general, and for Aynak and Hajigak as a specific activity. Since monitoring of mining activities is a multi-stakeholder activity, local communities will also be supported by drafting stakeholder participation frameworks.

(iii) MoM Mining Institute

Setting up of the MoM Mining Institute to provide relevant technical and vocational education and training. The Institute will provide up to ten workshops annually after inauguration, including classroom courses, field courses and short courses.

(iv) Improving the Business Environment and Reform of State Minerals Enterprises

To include the first phase reform of gas, fertilizer and minerals extraction enterprises, complemented by appropriate training for relevant staff. This activity will further be supported by a strong communication strategy to make the global investors community aware of the progress in the country.

(v) Extractive Industries Transparency Initiative

Continuing to support for the implementation of the EITI, in close collaboration with other donors. Emphasis will be put on enabling the regular production of independent reconciliation of extractive industries revenues and the subsequent dissemination, as well as capacity building and training for the multi-stakeholder working group.

(vi) Policy Framework for Mineral Revenue Management

Provision of policy frameworks and options in accordance with good governance practices in order to support stakeholder consultation with the goal to find sufficiently flexible rules that will direct use of mining revenues towards benefit sharing and spending on public goods.
Component C: Preservation of Aynak Antiquities and Support for Alternative Livelihoods through Sustainable ASM (US$7.6m)

(i) *Aynak Antiquity and Artisan craft production.*
Support the implementation of the Archaeological Recovery and Preservation Plan of the Aynak antiquities for the recovery and preservation of the cultural resources of the Aynak valley (Mes Aynak antiquities) with emphasis on integration of the artefact recovery plan with the Aynak mining plan, and ensuring recovery in high-priority areas. The communities around Aynak will also be supported with jewellery making programs, with an emphasis to boost women’s employment.

This sub-component provides ongoing immediate assistance; the GoA is seeking financing of about US$30 million from other sources for full recovery and preservation of cultural artefacts.

(ii) *Artisanal and Small-scale Mining Directorate*
Drafting of a strategy for an ASM Directorate within the Ministry of Mine, and the subsequent establishment thereof. Training for staff working under this Directorate will also be included.

(iii) *Training and Market Access for Gemstones*
Direct technical assistance to the artisanal gemstone sector to support added value e.g. cutting and polishing, with a special emphasis on women’s employment in jewellery making and gemstone cutting.

(iv) *Support for ASM Communities and Mining Cooperatives through Technical Training*
Training (modern mining techniques, environmental management, small business management) will be tailored according to the type of mineral mines, and can include market access strategies for gemstone and decorative stone miners.

Component D: Project Implementation Support (US$10m)
To finance all the activities of the Project Management Unit (PMU) needed to manage the project activities efficiently and effectively. This will include funds to cover incremental operating costs, PMU staff costs, monitoring and evaluation of project activities, and compliance with Bank fiduciary and safeguards requirements. This component will also finance direct capacity building for the Ministry of Mines to enable more effective public information disclosure as well as related public consultation processes.
2.5 SDNRP Achievements and Follow-on Work of SDNRP-II

The table below summarises what has been achieved under the ongoing SDNRP-I project and what will be addressed under the SDNRP-II.

<table>
<thead>
<tr>
<th>Achievements of SDNRP-I and planned activities of SDNRP-II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector and Subsector Policy Frameworks including transport corridor assessment</strong></td>
</tr>
<tr>
<td>SDNRP I</td>
</tr>
</tbody>
</table>
| SDNRP II | a) Preparation of sub-sector development policy for ASM.  
| | b) Preparation of sub-sector development policies for different commodities.  
| | c) Preparation of policy frameworks for Public Private Partnerships and mining-related infrastructure development. |
| **Tendering of Deposits** |
| SDNRP I | a) Aynak copper deposit successfully tendered by MoM.  
| | b) Hajigak iron deposit tendering process is well-advanced.  
| | c) International Advisory Panel (IAP) established and operational; reviewed Aynak tender process. |
| SDNRP II | a) Establish a Secretariat within the Inter-Ministerial Committee (IMC) to be responsible for all tendering of mineral deposits (including Hajigak).  
| | b) Extend assistance from the International Advisory Panel. |
| **Advancing Geoscientific Knowledge** |
| SDNDP I | AGS has received extensive geological training; digitisation has been started on the AGS’s extensive geological data. |
| SDNRP II | a) Completion of digitisation of geo data and development of a comprehensive and user-friendly geo-database.  
| | b) Support for new field work to collect additional geological data in order to attract private sector exploration. |
| **Cadastre** |
| SDNRP I | Mining and Hydrocarbons Title Registry and Cadastre Department established within MoM and became operational; training was provided. |
| SDNRP II | Completion of the modernization of the cadastre through up-to-date software and development of a fully computerized cadastre management system and related training for staff. |
| **Implementation of a Dynamic Inspection and Contract Compliance Regime** |
| SDNRP I | (i) Inspectorate established and operational; training was provided.  
| | (ii) Environmental laws and regulations strengthened; MoM Environmental and Social Protection Unit, (including a Liaison Unit with NEPA) established and operational; training provided and coordination between MoM and NEPA improved.  
| | (iii) A ‘Strategic Environmental and Social Assessment (SESA) for the Mining and Hydrocarbons Sector initiated, with a strong focus on Aynak and Hajigak.  
| | (iv) Environmental and social monitoring started at Aynak, with support via an international consultant to work on social issues; Resettlement Action Plan has been prepared; compensation agreed and paid for houses and residential land; MoM representative has been placed in Logar Province to work on Aynak at province level.  
| | (v) Environmental and social training through Indian School of Mines.  
| | (vi) EIA Board of Experts established at NEPA.  
| | (vii) Public Consultation and Community Awareness Plan being prepared. |
| SDNRP II | h) Continue strengthening of monitoring and inspection capabilities including establishment of MoM field offices for project monitoring and inspection and training of inspectors in Kabul and the field offices.  
| | i) Strengthening of MoM and NEPA social and environmental monitoring and |
enforcement capabilities including developing a national directive for the use of explosives and providing, and providing capacity building for NEPA regarding (i) identification, management and mitigation of project-related environmental and social impacts; (ii) preparation, implementation, and review of environmental/social impact assessments and environmental/social management plans; and (iii) monitoring and enforcement of environmental and social requirements.

j) Follow up regarding the results of the SESA when completed.

k) Environmental and social monitoring of Hajigak and establishment by NEPA of a Contract Compliance Office; and preparation of a Resettlement Policy Framework and grievance redress mechanism at MoM.

l) Implementation of Public Consultation and Community Awareness activities by MoM; support for the National Solidary Program (NSP) to draft stakeholder participation frameworks.

### MoM Mining Institute

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) External training supported, as with Indian School of Mines.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>b) Establish MoM Mining Institute and continue specialized training.</td>
</tr>
</tbody>
</table>

### Corporatisation of State Minerals Enterprises

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>Implementation delayed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>Preparation of scoping analyses and corporatisation plans for reform of gas, fertilizer and minerals extraction enterprises, including related training.</td>
</tr>
</tbody>
</table>

### Extractive Industries Transparency Initiative (EITI)

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) Afghanistan accepted as candidate country with implementing structure in place.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>b) Continue support for implementation and validation, in close collaboration with other donors.</td>
</tr>
</tbody>
</table>

### Mineral Revenue Management Policy Frameworks

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) Implement consultation processes and analytical work to develop policy frameworks for management including possible direct use of mining revenues towards benefit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>a) Implement consultation processes and analytical work to develop policy frameworks for management including possible direct use of mining revenues towards benefit.</td>
</tr>
</tbody>
</table>

### Artisanal and Small-scale Mining (including Gemstone Sub-sector)

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) Gemstone subsector policy drafted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>b) Scoping analysis of empowerment of women in gemstone/jewellery trade.</td>
</tr>
<tr>
<td>SDNDP I</td>
<td>c) Preparation of ASM policy: establishment of ASM Directorate within MoM and training for staff.</td>
</tr>
<tr>
<td>SDNRP II</td>
<td>d) Establishment of a gemstone centre and related technical assistance to the artisanal gemstone sector, including local artisans at Aynak in Logar province.</td>
</tr>
<tr>
<td>SDNDP I</td>
<td>e) ASM training in environmental protection and safer and more efficient mining techniques and in market access.</td>
</tr>
</tbody>
</table>

### Aynak Antiquities Preservation

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) Emergency support of the archaeological assessment of cultural activities at Mes Aynak and a funding assessment for full recovery conducted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>b) Support the implementation of the Archaeological Recovery and Preservation Plan of the Aynak antiquities with emphasis on integration of the artefact recovery plan with the Aynak mining plan, so supporting recovery of antiquities in high-priority areas.</td>
</tr>
</tbody>
</table>

### PMU and Direct Ministerial Support

<table>
<thead>
<tr>
<th>SDNDP I</th>
<th>a) PMU established and fully functioning.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDNRP II</td>
<td>c) Same PMU will be used; capacity building for MoM to enable more effective public information disclosure as well as public consultation processes.</td>
</tr>
</tbody>
</table>
2.6 Implementation Arrangements

Implementing Agency

The Ministry of Mines (MoM) will be the implementing agency for SDNRP-II using the existing Project Management Unit (PMU) that will concurrently manage the existing SDNRP-I project.

The PMU Director will report to the Minister of Mines, and the PMU Director will have overall responsibility for SDNRP-I and SDNRP-II including:

(i) contracting consultants and guiding their work;
(ii) monitoring and evaluation activities;
(iii) reporting on implementation progress;
(iv) effective implementation of the Environmental and Social Management Framework; and
(v) implementing project activities within budget and on schedule.

Technical and safeguards specialists will be hired to support the work of the PMU Director.
AFGHANISTAN
Second Sustainable Development of Natural Resources Project
Environment and Social Management Framework

3 POLICY, LEGAL AND REGULATORY FRAMEWORK

3.1 International Conventions

3.1.1 Environmental conventions

The main relevant international conventions covering environmental issues are:

(i) Bonn Convention on Migratory Species CMS (1992), preparing to sign;
(ii) Ramsar Convention on Wetlands (1971), preparing to sign;
(iv) Montreal Protocol on Substances that Deplete the Ozone Layer (1989), ratified 2004;
(v) CBD - UN Convention on Biological Diversity (1992), ratified 2002;
(vi) UNFCCC - Framework Convention on Climate Change (1994), ratified 2002;
(vii) Basel Convention on Trans-boundary Movement and Disposal of Hazardous Waste (1992);
(viii) UNCCD - UN Convention to Combat Desertification (1994), ratified 1995;
(ix) CITES - Convention on International Trade in Endangered Species (1975), ratified 1986;

3.1.2 Social conventions

The main international conventions covering social issues are:

(xi) ILO Convention on Abolition of Child Labour (1973), signed 2010;
(xii) ILO Convention on Elimination of the Worst Forms of Child Labour (1999), signed 2010;
(xiii) ILO Convention on Abolition of Forced Labour (1957), signed 1963;
(xiv) ILO Convention on Underground Working of Women (1935), signed 1937;
(xv) ILO Convention on Equal Remuneration (1951), signed 1969;
(xvi) ILO Convention on Night Rest (Industry) (1921), signed 1939.
3.2 National Legislation

3.2.1 Environmental laws and regulations
The main laws and regulations framing environmental issues are:

(i) Environment Law (2007);
(ii) NEPA - Interim Environmental Impact Assessment Regulations (2007);
(iii) NEPA - Administrative Guidelines for the Preparation of EIAs (2007);
(iv) NEPA - EIA Policy (2007);
(v) Law on Preservation of Afghanistan’s Historical and Cultural Heritages (2004); and

3.2.2 Social laws and regulations
The main additional laws and regulations framing social issues are:

(vii) Law on Land Expropriation (2005);
(viii) Law on Managing Land Affairs (2008); and

3.3 Environmental Laws and Regulations

Until as recently as 2005, ‘environment’ was not dealt with in a holistic manner in Afghan legislation. This began to change in 2005 when the GoA adopted its first-ever environmental framework law, the Environment Act 2005, with the goal of ensuring that environmental issues were addressed as an integral part of the process of development, and the Act established the National Environmental Protection Agency (NEPA). Legislators continued this new theme, leading to the drafting of an enhanced Environmental Law in 2006, approved in 2007.

The Environmental Law establishes a clear legislative framework and defines the overarching role of NEPA as an independent agency for environmental governance in the country. NEPA has overall responsibility to address policy and legal issues as well as environmental management in coordination with other related departments, and NEPA reports directly to the Office of the President.

In coordination with other government offices and external agencies, NEPA is in the process of drafting and updating environmental regulations and guidelines for the country’s environmental management. Presently, there exist the following environmental laws, regulations, guidelines and policies relevant to extractive industries:

(i) Environmental Law (2005 and 2007);
(ii) NEPA - Interim Environmental Impact Assessment Regulations;
(iii) NEPA - Administrative Guidelines for the Preparation of EIAs, March 2007 (draft 2.3);
3.3.1 Environment Law (2005)

The Environment Act was approved by the Cabinet in December 2005. The Act contains a specifically designed legal framework needed to sustainably manage Afghanistan’s natural resources and rehabilitate its damaged environment. The Act also clarifies institutional responsibilities and contains the compliance and enforcement provisions required to allow the Government to enforce the legislation. The Act is a fundamental prerequisite to enable NEPA to fulfil its mandate. The primary objectives of the Act are to:

(i) improve living conditions and protect the health of humans, fauna, and flora;
(ii) maintain ecological functions and evolutionary processes;
(iii) secure the needs and interests of present and future generations;
(iv) conserve natural and cultural heritages; and
(v) facilitate the reconstruction and sustainable development of the national economy.

The Environment Act was developed by NEPA over a period of two years with assistance of UNEP, IUCN and international experts, including extensive stakeholder consultation including ministries, quasi-government agencies, civic society and other interested parties (United Nations agencies, ADB, World Bank, IUCN, USAID etc. Today UNEP is supporting NEPA in developing regulations subsequent to the Environment Act, particularly in the fields of environmental impact assessment, integrated pollution control, and compliance and enforcement, and the institutional processes and systems required to adequately and effectively implement the Environment Act.

3.3.2 NEPA Administrative Guidelines for Preparation of EIAs

NEPA with assistance of UNEP created these guidelines (draft 2, March 2007) to provide guidance to project proponents while undertaking development projects that may have potential impacts on the environment. They also provide guidance on how the public should be consulted and define the roles and responsibilities of various stakeholders in that process.

3.3.3 NEPA EIA Policy - An Integrated Approach to EIA in Afghanistan

NEPA, with assistance from UNEP developed this policy in August 2006 to stipulate broad guidelines for project proponents on integrating EIA into the process of development, and procedures to address environmental consequences and involve necessary institutions in the process of project implementation. The policy has yet to be approved by the Cabinet (Ministry of Justice), which is necessary for it to obtain statutory status with regard to project proponents.
3.3.4 NEPA Regulations (Draft 2.3)

These regulations govern the EIA process on an interim basis pending establishment of the EIA Board of Experts under Article 20 of the Environment Law and issuing of final regulations. These regulations provide the detailed process of EIA and divide the projects into categories A and B based on potential impacts. In accordance with Article 13(1) of the Environment Law, these regulations apply to the following prohibited activities:

(i) Category A activities, set out in Schedule I of the Regulations, are those activities likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, and that will impact a broader area than the sites or facilities subject to the physical works of the activity.

(ii) Category B activities, set out in Schedule I of the Regulations, are those activities likely to have significant adverse impacts on human environments or environmentally sensitive areas that are less adverse than those of Category A activities, are site-specific, and in most instances are not irreversible.

(iii) Any activity that is likely to have significant adverse impact on the environment of an area that has been determined by NEPA to be an environmentally sensitive area.

(iv) Any other activity that is likely to have a significant adverse impact on the environment and is determined by NEPA to be a prohibited activity.

It is envisaged that some activities of the SDNRP-II project will fall under Category B; that large mining and infrastructure projects will be Category A and B.

Figure 2. The EIA process in Afghanistan - NEPA
Figure 3. The EIA process in detail - NEPA

- Proponent prepares
  - Screening report provided to NEPA
    - Prohibited activity in Annex of EIA regulation
      - NEPA advises Proponent
        - NEPA undertakes
          - Public disclosure
            - 14 days

            - NEPA advises Proponent
              - EIA required
                - Certificate of compliance released
                  - 21 days
                    - Proponent commences site works
                      - 45 days
                        - NEPA advises Proponent
                          - Certificate of compliance released
                            - EIA not compliant with best practice
                              - 30 days to appeal
                                - Proponent prepares
                                  - Proponent reviews EIA study and resubmits
                                    - Proponent appeals decision of NEPA
                                      - DG of NEPA makes decision
                                        - Appeal rejected
                                          - Appeal upheld
The Afghan EIA Regulation requires for Category B that the project proponent and owner should submit an application form and a screening report to NEPA. The documents should be meeting the agency’s required technical guidelines for the screening report, e.g. description of the activities, completion of Rapid Environmental Assessment (REA) to identify potential impacts and their sources and the relevant mitigation measures, public participation in the assessment process and etc.

Once the application form and other relevant documents are submitted to NEPA according to the agency EIA regulation NEPA would: (i) issue a Certificate of Compliance, with or without conditions, (ii) advise the applicant in writing to review the technical reports and address the concern of NEPA. According to the EIA regulation NEPA would grant a Certificate of Compliance or would refuse to do so and provide written reasons for the refusal to the applicant.

A deficiency in the EIA regulations is that they are silent on NEPA rules during implementation of the activities and projects. This is one of the issues to be addressed in capacity building of NEPA by SDNRP-II.

3.4 Water Law (2009) and the Water Sector Strategy (WSS)

SDNRP-II will assist MoM and NEPA to minimise water consumption for mineral processing, especially in watersheds where water is scarce and a constraint on irrigation of crops, such as with the Aynak copper project and the Hajigak iron project.

SDNRP-II will assist MoM and NEPA to ensure extractive industries abide by the Water Sector Strategy (WSS) to promote an integrated water resources management (IWRM) based on a transition towards river basin development and a strong role for local stakeholder participation.

Throughout the years of conflict, NGOs developed and maintained strong links with rural communities in all provinces and the WSS proposes broadening their role to coach Water Users Associations and members of Community Development Councils (CDCs) in conservation techniques and water management systems. This provides SDNRP-II with an established mechanism for public participation in decision-making about balancing the water needs of rural communities with the water needs of large mining projects. In particular, the WSS advocates end-user participation in decision making relating to water resource management, operation and maintenance of water supply systems and agreeing water use allocations.

The Water Law recognizes the key role of local Water Users Associations in the protection and management of water resources. The Ministry of Energy and Water (MEW) has responsibility for setting up Water User Associations (Article 10), and the Ministry of Agriculture, Irrigation and Livestock (MAIL) has the task of setting up Irrigation Associations (Article 11).
3.5 Law on Land Expropriation (2005)

The Law on Land Expropriation (LLE) sets out the provisions governing the expropriation or acquisition of land for public interest purposes, such as the establishment/construction of public infrastructure or for acquisition of land with cultural or scientific values, land of higher agricultural productivity and large gardens. Accordingly the LLE Law declares that:

(i) Acquisition of a plot or portion of a plot land for public use is decided by the Council of Ministers and is compensated at fair value based on current market rates (Article 2);
(ii) The right of the owner or land user will be terminated three months prior to the start of civil works on the project and after the proper reimbursement to the owner or person using the land has been made. (Article 6); and
(iii) The value of land, value of houses and buildings on the land and value of trees and other assets on the land will be considered for compensation (Article 8; and f) and compensation is determined by the Council of Ministers.

These statutory requirements of the LLE Law are being complied with in the Aynak copper project, and shortly thereafter will be followed in the Hajigak iron project. However, the LLE Law is silent on resettlement, and makes no special provision for a Resettlement Plan or indeed any arrangements for resettlement. As a proxy, the provisions of WB OP 4.12 are being followed regarding resettlement, and SDNRP-II is giving practical guidance on its implementation.

A detailed comparison between the provisions of WB OP 4.12 and the LLE Law is presented in Section 3.8.

3.6 Relevant Provisions from the Law on Managing Land Affairs

The Law on Managing Land Affairs of Afghanistan (LMLA) is aimed at creating a legislated unified, reliable land management system to resolve the problems and issues caused by the different land management and title systems being followed during different regimes. Furthermore, this Law aims to provide a standard system for land titling, land segregation and registration; prevent illegal land acquisition and distribution; access to land to people; and conditions for appropriation of lands. The LMLA provides that:

(i) Management of land ownership and related land management affairs is the responsibility of the Ministry of Agriculture, Irrigation and Livestock (Article 4).
(ii) If no title deeds are possessed, a land settler may claim land ownership providing conditions are met, including that: there are signs of agricultural constructions; land owners bordering the said plot can confirm settlement of the land user for at least 35 years; the land is not under Government projects; and is up to a maximum 100 Jireb (Article 8).
(iii) Technical implementation and administration of land management affairs shall be conducted under the Ministry of Agriculture, Irrigation and Livestock, and also involving the Supreme Court, Ministry of Finance, Ministry of Energy and Water, General Department of Geodesy and Cartography and relevant local Departments (Article 13). Representatives of these organisations make up the Settlement Commission (Article 14).
(iv) A Provincial Level Land Settlement Commission will be established to better manage field activities and overcoming problems relating to implementation of the land settlement activities. This Commission is made up of the Provincial Governor, representative of the Appeal Court, Head of Ministry of Agriculture, Irrigation and Livestock, Head of MEW, Land Management Department, Department of Geodesy and Cartography (Article 20).

(v) The State may appropriate land under a project for permanent use by state departments and institutions (Article 21), whilst land in built-up or under residential structures should be appropriated by the relevant Departments and not the Land Settlement Commission (Article 22).

(vi) Article 90 refers to non-agricultural activities on agricultural lands are only allowed in exceptional circumstances, provided approvals are given by Ministry of Agriculture, Irrigation and Livestock and the President.

(vii) Several Articles including Article 23, 81 and 89 provide for dispute settlement in the courts. However, Article 23 also stipulates that the legal court settlement can be resorted to only after attempts to redress grievances with the settlement commission have failed.

(viii) Article 25 recognises the possibilities of customary ownership of land, water (Kariz) and other similar community linked endorsements like by elders, tribal leaders and tribes etc.

3.7 Afghan Labour Law

The mining companies have to adhere to the provisions of the Labour Law related to rights of workers employed in their mines and for the social protection of their families. Some of these related provisions of Labour Law are enumerated below:

**Article 31: Hours of Work:**

The list of jobs and occupations which are injurious to health and in which working time should be reduced will be prepared and identified by the Ministry of Public Health and Labour and the relevant organizations.

**Article 76: Vocational training and skill development of employees**

The organization will conduct in-service professional short and long term training courses individually and in group to improve the professional levels of the employees, get them experienced and develop their work related skills.

**Article 107: Provision of Health and Occupational Safety Conditions**

The organization has the responsibility to ensure hygienic and safe working conditions, utilization of safety measures in order to prevent any accident related to work and production, and ensure hygiene in order to prevent occupational diseases.

**Article 113: Medical Examinations of Employees**

Those employees who are engaged in arduous work, in types of work carried out under conditions that are harmful to health and also the work connected with driving vehicles, must undergo periodic health and medical examinations during the service period in order to see that they are fit for work and to prevent occupational diseases.
Article 120: Provisions for not Recruiting Women and Youths

It is not permissible for women and youths (below 18 years) for types of work that are physically arduous, or harmful to health or carried out in underground sites.

Article 134: Social protection

The organization concerned is responsible for measures for the social protection of its employees like food allowance, transportation means, aid in finding shelter, medical services, financial aid at the old age retirement, aid at child birth, pension for old-age, completion of service duration, illness, disability and other conditions. Also medical services or their equivalent is to be provided to the employee and its family members according to financial capacity of the institution.

Article 141: Pension of disability or death

Pension of work related disability or death and occupational disease or its related death shall be paid as hundred percent of the wage of the last rank or degree before retirement according to medical committee on disability certification without accounting the service period.

Article 148: Participation of the employees in production and development

- The employee is entitled to participate in production development, social services, cultural and livelihood discussions and give their suggestions for improvement.
- The organization has the responsibility to provide conditions for participation of the employee in leadership and development of work and production, and address his/her suggestions and inform him/her regarding decisions taken.
- The management has the responsibility to facilitate in providing suitable conditions for cultural and sports activities to the employees.
### 3.8 Comparison between Law on Land Expropriation and WB OP 4.12

<table>
<thead>
<tr>
<th>Law on Land Expropriation (LLE)</th>
<th>WB Operating Procedure 4.12 (OP 4.12)</th>
<th>Gaps between LLE and OP 4.12 with comments</th>
<th>Possible solution to gaps</th>
<th>What RPF should provide</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART ONE: PRE ACQUISITION PROCEDURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>No legal opportunities provided to potential APs and others to challenge or discuss proposed acquisition and resettlement or for any public debate and approval on proposals. In practice early discussions do take place.</td>
<td>Principle that involuntary resettlement is to be avoided where possible implies discussion of necessity for and alternatives to acquisition and resettlement.</td>
<td>The principle behind OP 4.12 is followed in practice in Kabul but the law is silent on the matter.</td>
<td>No reason why practice in Kabul could not be applied in the project areas.</td>
</tr>
<tr>
<td>2</td>
<td>Officials visit area before any official action to assess land values; values so assessed are the basis of compensation. This is practice as the LLE is completely silent on pre-acquisition procedures and processes.</td>
<td>Land values assessed as at pre-project or pre-displacement value whichever is higher.</td>
<td>No real gaps; just different approaches to the same need to limit claims and compensation.</td>
<td>No gaps.</td>
</tr>
<tr>
<td>3</td>
<td>As a matter of practice in Kabul efforts are made to determine those entitled to compensation and resettlement.</td>
<td>Census conducted of persons in the area to determine eligibility for assistance, and to limit inflow of people ineligible for assistance; encroachers.</td>
<td>No real gap here.</td>
<td>Given the practice in Kabul, there would be no problem adopting OP 4.12 as the practice to be followed in the project.</td>
</tr>
<tr>
<td>4</td>
<td>LEE Article 6: the right to own or use land is terminated 3 months prior to the actual start of the project. So information on land to be acquired is sent to APs three months before acquisition. Informal discussions and negotiations occur both on land to be acquired and on compensation. It is at this point that donations of land may be invited.</td>
<td>Prepare resettlement plan on how project to be implemented and resettlement etc provided for. Emphasis on participation by APs in preparation of process and in project implementation. Emphasis on early information to be given to potential APs of possible resettlement.</td>
<td>LLE does not provide for what OP 4.12 requires. Some preplanning of project will exist and informal discussions with APs involves participation. 3 months notice may be too little where relocation is likely but not rigidly adhered to.</td>
<td>There is nothing in LLE to prevent a more participative approach to acquisition as is called for in OP 4.12. The three month rule could be interpreted to mean not less than three months which would allow for discussions on acquisition and its consequences.</td>
</tr>
<tr>
<td>5</td>
<td>No special provision in LLE for a resettlement plan or any special arrangements for resettlement.</td>
<td>Prepare Resettlement Plan, and contents to include involvement of and ensure APs their rights to compensation relocation assistance development assistance in new location. Distinction drawn between short and full plans, depending on numbers to be resettled.</td>
<td>Major gaps of substance.</td>
<td>1. LLE is silent on resettlement but nothing suggests a resettlement plan or action to implement a resettlement plan would be illegal. 2. Provide for resettlement plan administratively. 3. Backed up by some regulations.</td>
</tr>
</tbody>
</table>
### Law on Land Expropriation (LLE) | WB Operating Procedure 4.12 (OP 4.12) | Gaps between LLE and OP 4.12 with comments | Possible solution to gaps | What RPF should provide
---|---|---|---|---
**PART TWO: ACQUIRING THE LAND**
6 | The Council of Ministers approves expropriation of land. Unlike the former law, there is no provision for the owner/user and or agent to be present throughout all stages of acquisition. It follows that acquisition may proceed whether the owner etc is present or not. However under Article 5 LLE, a commission is to be formed by the Municipality on which the owner is represented to determine damage incurred due to land expropriation which is differentiated from compensation. Damage is explained in Article 18 LLE. Under Article 22, the owner etc obliged to hand over all documentary evidence relating to land to the acquiring authority. | No specific procedures required by OP 4.12 but content of resettlement plan implies APs will be involved in all stages of acquisition. | The spirit of OP 4.12 conflicts with LLE’s non-provision of involvement of the owner apart from that provided for in Article 5. It is not clear why that is confined to the Municipality. Given many absentee owners, it may be unavoidable to allow absentee acquisition. | Spirit of OP 4.12 could be met by more protective provisions and or practice on dealing with absentee acquisition. The silence of LLE on the details of acquisition may be taken quite legitimately as providing a gap which can be filled by appropriate participatory arrangements. There is no reason why the damage provisions of Article 18 shouldn’t equally apply to all land acquisitions. | Involvement of owners present on the land to be acquired and greater protection for absentee owners should be provided by a legal framework developed as part of the RPF which could also serve as a prototype for regulations made under Article 22(5) of the new law. |
7 | LLE Article 6: after transfer of ownership, owner may enter acquired land and harvest crops except where urgent use of land prevents this. | Not mentioned. | LLE ahead of OP 4.12 on this: A good provision. | No change. |

### PART THREE: COMPENSATION PAYMENT PROCEDURES
8 | The bulk of LLE deals with compensation but says nothing about who is entitled to compensation. The assumption is that owners are entitled to compensation but the law does not define owners. The old law drew a clear distinction between those with legal title and those with customary title or no title with respect to the payment of compensation. Practice in rural areas was quite accommodating to those with customary titles. Practice in Kabul is to acquire documentary evidence for a claim for compensation. | Fundamental principle of OP 4.12 is that all those on land are to be entitled to fair compensation and assistance with resettlement irrespective of their title to land. | Major gap of substance in the law but given practice in rural areas, it is not unbridgeable. | Accommodate OP 4.12 by changing practices where necessary. Advantage may be taken of absence of legal definition of owner to accommodate those with customary titles which is likely to be the majority in project areas. | Given huge numbers of people not having and not going to get formal legal titles to their land in the foreseeable future, LLE should be interpreted so those living and or working on land at the census date receive fair compensation and resettlement assistance. As with 6 above, the RPF can develop a legal framework for compensating all those on the land and this can be a
<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Constitution provides for payment of prior and just compensation. LLE Article 2: payment of prior and adequate compensation. If there is a distinction between just and adequate, then the Constitution provision of just compensation prevails. LLE Article 8: compensation shall be the price of land or houses or trees etc. LLE Article 10: the Council of Ministers shall determine the price. But LEE Article 15 provides that the municipality and the administration for agriculture determine the compensation for trees etc. LEE Article 13: sets out detailed provisions for obtaining residential plots where a person has had land acquired; the more land acquired the more residential plots are paid as compensation. Disturbance compensation not provided for. Compensation can be land for land. Unlike the former law which provided for compensation may be paid into a bank, LLE is silent on the mechanics of paying compensation. No assistance for APs to access bank for their compensation. Practice on the ground is careful and painstaking.</td>
<td>OP 4.12 requires prompt and effective cash compensation sufficient to replace the lost land and other assets at full replacement cost in local markets. Compensation for lost livelihoods required. Disturbance compensation required. Land for land compensation encouraged. Resettlement costs and start-up expenses required.</td>
<td>There does appear to be a gap between the LLE and OP 4.12. The LLE has a lot of gaps in it. Sensible not to insist on market value in the absence of reliable functioning markets. Biggest gap is compensation for squatters and even then best practice does provide some compensation to those with no legal title. Practice of paying compensation into a bank even when APs not absentee difficult to reconcile with prompt payment of compensation.</td>
</tr>
<tr>
<td>10</td>
<td>LEE sets out no provision on resettlement support. Practice seems a little haphazard and tends to turn on legality of occupation of APs who are to be relocated.</td>
<td>OP 4.12 requires implementation of resettlement plan the contents of which are noted at 4 above.</td>
<td>Major gap of substance as noted in 4 above.</td>
</tr>
</tbody>
</table>
### 11 LLE provides for administrative agencies to manage acquisition processes and deal with compensation. APs are part of some committees dealing with compensation. No provision for courts to be involved or for appeals. In practice, committees may act to solve grievances. No provisions for e.g. legal aid to assist APs to make claims. Practice at least in Kabul does appear to try and help PAPs.

**OP 4.12** silent on judicial and administrative arrangements. It requires appropriate and accessible grievance mechanisms for those being resettled. OP 4.12’s references to meaningful consultation with APs and using CBOs and NGOs suggest preference for decision-making process not just part of the administration. LLE’s major gap on grievance mechanisms and current administrative arrangements in LLE difficult to reconcile with the participative approach of OP 4.12. Earlier laws involved payment of compensation in the presence of a judge and allowed an appeal albeit from the judge to a Minister. Develop grievance handling practices but keep them administrative rather than legal. Make legal provision for appeals from administrative decisions and decisions on compensation to an independent body. A combination of law and practice guidance would be the best way forward. Grievance mechanisms to provide for cooperation with shuras and community councils in areas where APs are. RPF to provide for these.

### 12 LLE does not provide for any external monitoring body or process.

**OP 4.12** states that the borrower is responsible for adequate monitoring and evaluation of the activities set forth in the resettlement instrument. Major gap on procedures but arguably monitoring is not part of land acquisition so no legal impediment to providing for same. Provide monitoring for WB projects as required by OP 4.12. Establish specialist monitoring agency for all projects involving acquisition and resettlement. Empower provincial and local institutions to monitor projects. Meaningful monitoring is required by OP 4.12. New bodies should be kept to a minimum. Consider using provincial authorities and NGOs. Reports should be regular and published.

Various eligibility of compensation entitlements, such as for landowners, squatters, agricultural tenants, sharecroppers and house owners/renters are available under the Resettlement Policy Framework.

### 3.9 Law on Preservation of Historical and Cultural Artefacts, 2004

According to The Law on the Preservation of Afghanistan’s Historical and Cultural Artefacts operations which causes destruction or harm to the recorded historical and cultural sites or artefacts is prohibited (Articles 11 and 16). The Law provides guidelines for how to deal with chance finds.
3.10 World Bank Operation Policies triggered in SDNRP-II

3.10.1 WB Safeguards

The SDNRP-II project is rated Category B.

This is based on assessment of the WB Safeguard Policies likely to be triggered by the project:

<table>
<thead>
<tr>
<th>WB Safeguard Policies Triggered by the Project</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[X] Yes</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Physical Cultural Resources (OP/BP 4.11)</td>
<td>[X] Yes</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples (OP/BP 4.10)</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td>[X] Yes</td>
<td></td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37) = see note below</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

Exceptions to Bank Policies

| Does the project require any exceptions from Bank policies? |  | Yes | [X] No |
| Have these exceptions been approved by Bank management?    |  | Yes | [X] No |

NOTE: During preparation of this document, it became apparent that OP/BP 4.37 is also now triggered as SDNRP-II international experts are repeatedly requested for professional opinions (environmental, social, geological, legal) regarding the choice of tailings dam sites at Aynak.

3.10.2 Environmental Assessment (OP/BP 4.01)

World Bank OP/BP 4.01 is triggered because world-class major sites are identified for exploitation of minerals and oil/gas; and for large-scale associated infrastructure.

In all such cases, SDNRP-II will ensure a full ESIA and EMP will be prepared by a competent consulting team, and will strictly adhere to the 2007 WB/IFC EHS General and Sectoral Guidelines.

In doing so, SDNRP-II will encourage MoM and NEPA to raise environmental, social, health and safety standards generally across the entire mining sector for the large number of smaller scale exploitation by ASM and SME of minerals including quarrying and associated infrastructure such as mineral processing and construction of haul roads.

To raise ASM/SME standards, SDNRP-II will adopt a step-by-step approach that will depend on increasing the capacity of MoM, AGS and NEPA; and on policies and strategies for each mineral that are workable in Afghanistan’s current security situation and stage of economic development.

As an essential preliminary to introducing selective measures to raise ASM/SME standards, SDNRP-II will create an ESMF Safeguard Sheet for each mineral commodity of most environmental and social concern. Each ESMF Safeguard Sheet will summarise: a) current status of the mineral; b) current issues; c) potential interventions by SDNRP-II; d) availability of relevant Asian know-how; e) ESMF concerns (environmental, social, health & safety, local economy linkages, national economy linkages; and f) ESMF safeguard mechanisms to be used to ensure SDNRP-II addresses ESMF concerns properly in a timely manner. Nine initial ESMF Safeguard Sheets have been prepared by the international environmental advisor. (see ANNEX 9)
3.10.3 Physical Cultural Resources (OP/BP 4.11)

World Bank OP/BP 4.11 is triggered because the larger schemes assisted by the SDNRP-II have major impacts on physical cultural resources, as exemplified by Aynak.

The overall objectives of the Bank’s policy on physical cultural resources are to avoid impacts where feasible, or minimise, exploring all viable alternatives. Where it is not feasible to avoid impacts, then the appropriate response is to design and implement mitigation measures. For instance by recording of such resources by professional rescue archaeology and translocation, curation, documentation and display of removable artefacts. This is exemplified by the Aynak copper project where advanced works for the mine demonstrated the Mes Aynak archaeological site to be a much more extensive and important cultural resource than the ESIA screening study had initially implied. In response, SDNRP-I has undertaken ‘rescue archaeology’ measures to document and preserve the Mes Aynak antiquities, and this continues as Component C of SDNRP-II as part of a large scale collaborative effort between the GoA and international donors in conjunction with the license holders MCC consortium of China. Details are presented in the Emergency Project Paper (WB Report No. 61397-AF) and a brief update is given the ESMF. (see ANNEX 8)

With the benefit of hindsight, it is evident that the existence and importance of the Mes Aynak archaeological site are due to the wealth generated during copper mining and smelting in historical times. Therefore, as elsewhere in Asia\(^3\), some copper mining projects in Afghanistan are likely to be juxtaposed with archaeological sites whose richness and importance derive solely and directly from earlier cycles of copper mining during antiquity or pre-history.

Guided by lessons learned in SDNRP-I, more emphasis will be placed in SDNRP-II on the early archaeological screening of prospective areas that may have attracted mining and metallurgical centres in antiquity and pre-history for particular metals and minerals, notably copper, gold, silver, lead, iron, lapis lazuli and precious stones.

Therefore as a minimum the ESMF includes a set of ‘Guidelines for Protection of Cultural Heritage Sites’ that covers ‘known sites’, and ‘unknown sites’ plus procedures for ‘chance finds’. (See ANNEX 6)

To strengthen the prediction of cultural heritage sites, and therefore enable them to be avoided or better mitigated, an ESMF Protocol for early archaeological screening will be formulated during SDNRP-II by MoM in consultation with NEPA. A constraint is the need for the inventory of known archaeological sites to be kept secret due to widespread plundering of antiques and consequent irreparable damage to archaeological sites. One blanket approach that might become the nucleus of an ESMF Protocol for early archaeological screening would be for ‘place name analysis’ of Russian 1:50,000 topographic maps in combination with systematic plotting of suspected cultural heritage sites by landscape archaeologists using remote sensing images such as freely available Google Earth, supplemented by inspection of multispectral coverage undertaken for GoA by the USGS and currently being made accessible in the AGS.

Such an approach will help safeguard physical cultural heritage across all extractive industries and associated mineral processing and infrastructure projects by enabling MoM and NEPA to prohibit quarrying of common minerals (e.g. construction materials) in sensitive areas.

\(^3\) Mongolia is a good example, with the new world-class Oyu Tolgoi (English: ‘Turquoise Hill’) copper mine that has been sporadically mined for copper and turquoise since the Bronze age; and similarly at the Soviet world-class Erdenet Ovoo (English: ‘Treasure Ovoo’) copper mine in northern Mongolia.
3.10.4 Involuntary Resettlement (OP/BP 4.12)

World Bank OP/BP 4.12 is triggered because the larger schemes assisted by the SDNRP-II project such as involve land acquisition, as exemplified by Aynak.

The overall objectives of the Bank's policy on involuntary resettlement are to avoid land acquisition and involuntary resettlement where feasible, or minimize, exploring all viable alternatives. Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs. The ESMF for the SDNRP-II is supplemented with a Resettlement Policy Framework (RPF). Any sub-project involving relocation and land acquisition will have a separate Social Impact Assessment (SIA) and a Resettlement Action Plan (RAP).

3.10.5 Additional ESMF Safeguards for large projects

A large EI project as exemplified by Aynak, Hajigak and oil/gas, automatically triggers WB operational and bank policies (OP/BP) by virtue of its large footprint and a presumption that its impact is likely to be large and widespread. As discussed above, a full ESIA and EMP satisfying WB/IFC International EHS General Guidelines and Sectoral Guidelines is therefore required for each large EI project.

SDNRP-II will assist MoM and NEPA in ensuring these EHS standards are complied with fully by large projects. In particular, the Environmental Adviser has drafted for MoM a document that can be attached as an Annex to all future large contracts as contractually binding on the Project Proposer to comply fully with the WB/IFC Environmental, Health and Safety (EHS) Guidelines 2007 both the General Guidelines and the appropriate Sector Guidelines; ISO 14000 on Environmental Management and IFC Performance Guidelines. In addition, the Annex puts a contractual obligation on the Project Proposer to benchmark his/her project against ‘Best Available Techniques’ (BAT) for Integrated Pollution Prevention and Control (IPPC), by using the BREFs (BAT Reference documents) of the EU IPPC Bureau most appropriate to the Project.

This Annex is so worded that if can be used for any large Project in any sector in Afghanistan, and therefore if the Annex in time gains wide acceptance across different ministries then SDNRP-II will assist the raising of all so-called ‘world-class large projects’ to comply with international EHS standards and BAT for IPPC.

Two more Annex documents have been drafted by the Environmental Adviser, one designed for the Copper Industry, and one for the Iron and Steel Industry. These go further by making full compliance with the BREF IPPC contractually binding. It is expected that additional Annex documents will be prepared in due course.

In this simple elegant manner, preparing contracts is simplified, accelerated, less expensive, more transparent from the outset, and cuts the amount of legal services. The end result will be fewer contractual disputes and less risk of a Project being in breach of international norms for EHS.

In addition, MoM is considering requesting the Afghanistan National Standards Authority to adopt the Annexes as transparent voluntary National Standards to give them additional status; and give them more leverage when made mandatory as Annexes to a Contract. (See ANNEX 10)
3.10.6 Additional ESMF Safeguards for small projects

In contrast, a small EI project as exemplified by an SME brick clay quarry or an ASM gemstone mine is unlikely to trigger WB Operational Policies, by virtue of its small footprint and a presumption that its impact is likely to be small and localised. As discussed earlier (Sections 3.1 to 3.9), a local ESIA and EMP satisfying national legislation is therefore sufficient for each small EI project. SDNRP-II will assist NEPA and MoM in ensuring that these local standards are complied with fully, and in addition SDNRP-II will follow SDNRP-I initiatives to assist NEPA and MoM to strengthen the local legal and regulatory framework for extractive industries, including ASM, SME and quarries.

Nevertheless, additional ESMF safeguards are required for SDNRP-II activities concerning ASM/SME extractive industries. This requirement stems from a range of issues, notably:

(i) cumulative environmental and social impacts of clusters of ASM/SME quarries (e.g. clusters of brick clay quarries, river quarries, hardrock quarries etc);
(ii) special concerns about certain types of ASM/SME mines (e.g. coal, chromite, fluorspar, pulverised fuel ash ‘PFA’ etc);
(iii) endemic child labour in certain types of ASM/SME quarries (e.g. clay quarries and associated brick kilns; coal mines, hardrock quarries etc).

This issue is now urgent due to: i) the rapid spread of ASM/SME extractive industries in quarrying construction materials; ii) MoM’s desire to encourage ASM/SME mining of minerals with high export potential such as hardrock gold, chromite and fluorspar; and iii) the imminent readiness of the MoM cadastre to issue mining and exploration licenses in the near term, and the completion of training of a cadre of Mine Inspectors. The main plank in addressing the issue are a set of ESMF Safeguard Sheets, each devoted to a mineral of special concern. Nine such sheets have been prepared with more in the pipeline, and are dealt within the next section.

3.11 ESMF Guidelines

The ESMF provides general policies, guidelines, codes of practice and procedures for the management of environmental and social issues to be integrated into the implementation of SDNRP-II, and how MoM would identify and promote mining and infrastructure projects.

The ESMF includes the following standardized guidelines:

3.11.1 Initial Screening Form

This form is for initial screening of projects that have potential environmental and social safeguards issues. The purpose is to help determine the applicable Afghan legislation and the World Bank safeguard policies that may be triggered. NEPA will conduct the initial screening of each project during their general assessment process as mandated by Afghan legislation. NEPA will complete the screening form, assisted by the international environmental and social advisors based who will alert NEPA to any concerns. (See ANNEX 1)

3.11.2 Sample ToRs for Environmental and Social Impact Assessment (ESIA)

These sample terms of reference, are generic and intended to be a tool of the ESMF and a guide to the preparation of project-specific ESIs for mining projects and infrastructure projects including PPP transactions. These sample TORs will be modified and tailored to specific project...
requirements by NEPA, and used as a requirement for the project proponent when developing the ESIA for his/her project. (See ANNEX 2)

3.11.3 Social Policy Guidelines for Mining Sector

The ESMF embraces the Social Policy Guidelines for Extractive Industries recently approved by the Government. The Policy Guidelines indicate the strong intent of the GoA towards social development in the mining sector, and will guide the process of socio economic development in the mining districts to enable long-term sustainable community development for present and future mining projects. The Policy Guidelines will help different government departments, mining companies, NGOs etc to direct their policies and programs for social development in the mining areas in a focused and targeted manner. SDNRP-II will assist MoM and NEPA implement the Social Policy Guidelines, and ESMF will help monitor their effectiveness. (See ANNEX 3)

3.11.4 List of Excluded Activities

For the avoidance of doubt, the ESMF includes a ‘List of Activities not Allowed to Receive Support from SDNRP-II’ as these activities would be liable to breach international norms for environmental and social impacts. The list is diverse, ranging from child labour to the mining of mercury or asbestos. The list is subject to review and may increase accordingly. (See ANNEX 4)

3.11.5 Fieldwork Screening Form

Significant environmental and social impacts can occasionally occur during geological fieldwork. SDNRP-II will continue to assist the Ministry of Mines and AGS with fieldwork, notably in the Capacity Building of AGS (CBAGS) sub-project. The purpose of the Fieldwork Screening Form is to reduce the risk of impacts to local communities, sensitive ecological sites and archaeological sites. The Form will be introduced in the field season for 2012. (See ANNEX 5)

3.11.6 Guidelines for Protection of Cultural Heritage Sites

Following on from SDNRP-I, support for rescue archaeology at Mes Aynak is continuing in SDNRP-II at a joint effort between many organisations. This large ongoing activity for redoubling efforts to find such cultural heritage sites at as early as possible in order to avoid impacts, and if impacts are unavoidable to give time for rescue archaeologists to properly record the remains and where possible to translocate them ahead of mining. The ESMF therefore includes a set of ‘Guidelines for Protection of Cultural Heritage Sites’ that covers ‘known sites’, and ‘unknown sites’ plus procedures for ‘chance finds’. (See ANNEX 6)

3.11.7 Procedures for Mine Risk Management

SDNRP-II will follow the procedures for mine risk management in accordance with the ‘Procedures for Mine Risk Management for World Bank Projects in Afghanistan’ set out in the 2011 ESMF for the Irrigation Restoration and Development Project. These procedures will be reviewed and adapted to cover the rather different circumstances faced by geologists and mine inspectors while conducting fieldwork. (See ANNEX 7)

3.11.8 MoM Socio-Economic Surveys

SDNRP-II will continue to encourage both MoM and NEPA to develop strong in-house expertise in conducting Socio-Economic Surveys, under the guidance of the social advisor. The current
focus is on Aynak, and an update (August 2011) of the resettlement process of Aynak project affected persons (PAPs) has been prepared by the international social advisor. *(See ANNEX 8)*

### 3.11.9 ESMF Safeguard Sheets

SDNRP-II will formalise ESMF safeguards for mineral commodities of particular concern, by a set of ESMF Safeguard Sheets to be debated and adopted by MoM and NEPA. Nine have been drafted by the international environmental advisor, and several more are in preparation:

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of Sheet</th>
<th>Status</th>
<th>Read</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coal Mining</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Clay Quarries and Brick Production</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Hardrock Quarries</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>River Quarries for Sand and Gravel</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Asbestos Quarries</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Placer Gold Mining</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Hardrock Gold Mining and Processing</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Mercury Mining</td>
<td>draft ready</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Fluorspar Mining</td>
<td>draft ready</td>
<td></td>
</tr>
</tbody>
</table>

Preparing ‘ESMF Safeguard Sheets’ ahead of the emergence of Policies, Strategies, Guidelines and Regulations not only temporarily ‘plugs the gaps’, but also allows policy makers and regulators to gain early insight into the scale and impacts of existing and emerging extractive industries, and to ensure key issues are addressed fully and in a timely manner. Being ahead of the curve, the ‘ESMF Safeguard Sheets’ will help ensure that environmental and social concerns are a central plank of Policies, Strategies, Guidelines and Regulations, rather than attempting to tenuously address these concerns at some unknown future time.
4 APPROACH TO ENVIRONMENTAL & SOCIAL ISSUES

The ESMF shall ensure that all activities of SDNRP-II comply with the environmental and social safeguard requirements of the World Bank safeguards policies as well as with Afghanistan national legislation. In addition, SDNRP-II is developing ESMF Safeguard Sheets for minerals amenable to ASM/SME small-scale operations.

4.1 ESMF and Large-scale Mining

SDNRP-II is giving technical assistance to the Ministry of Mines in attracting investors in large mining and infrastructure projects and some are expected to have substantial environmental and social impacts. Both MoM and NEPA are committed to ensuring such projects comply with 2007 World Bank EHS guidelines and address World Bank safeguard policies as well as complying with the environmental and social safeguard requirements of the Afghan national legislation.

While SDNRP-II is primarily a technical assistance project, nevertheless significant impacts may arise directly by project activities (e.g. geological fieldwork) or indirectly via assisting MoM with legislation issues (e.g. mining cadastre and mining regulations) and in assisting MoM screen and package large mining and infrastructure projects for investment. It needs to be stressed that each of these large investment projects (e.g. Aynak and Hajigak) will require its own ESIA to address local legislation, World Bank safeguards (OPs) and international EHS guidelines (WB/IFC 2007).

The following procedures are established as a framework to ensure compliance with safeguards throughout project identification, preparation and implementation:

STEP 1 - Initial Screening for Potential Environmental and Social Safeguards Issues

The Ministry of Mines will identify the candidate mining and infrastructure projects for feasibility, including PPPs. Once the projects are identified, NEPA will be responsible for initial screening of potential environmental and social safeguards issues of candidate projects to determine the nature and extent of the environmental issues, and the applicable Afghan national laws and regulations. NEPA will also use the screening tool (see Annex 1) to conduct initial screening on the World Bank safeguards policies and the corresponding safeguard instruments. The results of the initial screening exercise will be used to determine the categorization and the safeguards documents that will be required for further feasibility studies, environmental impact assessments and implementation.

The following information provides guidance and reference for NEPA to exercise the screening using the screening tool presented as Annex 1.
Environmental Safeguards Screening

According to the World Bank safeguards policies, the project shall be classified as one of the following three categories, depending on its nature and the extent of potential environmental and social impacts:

- **Category A:** a project of this type would have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the physical works. Examples of Category A projects include construction of new roads, railways, power plants, major urban development, water treatment, waste water treatment plants and solid waste collection and disposal, etc.

- **Category B:** a proposed project may have some adverse environmental impacts, but less adverse than those of Category A projects. These impacts are typically site-specific; few if any of them are irreversible; and in most cases mitigation measures can be readily designed. Examples of category B projects include small scale in-situ reconstruction of infrastructure projects such as road rehabilitation and rural water supply and sanitation, small schools, etc.

- **Category C:** a proposed project is likely to have minimal or no adverse environmental impacts, e.g. supply of goods and services, capacity building training, simple repair of damaged structures, etc.

The screening results will be cross-checked with Afghan national regulations, in order to determine the applicable domestic ESIA documentation requirements. Three possible results from screening based on Afghan EIA regulations are possible:

- Projects requiring full or detail ESIA;
- Projects that are permitted without an ESIA, but with certain conditional requirements; or
- Projects that are rejected.

The Afghan national regulations and World Bank policies are considered on the whole to be closely-related. In those cases where the ESIA documentation required by the Afghanistan regulations is not equivalent in depth and scope to those required by the World Bank safeguard policy requirements, the latter will apply.

The environmental safeguards documentation requirements will be determined based on the screening results, as follows:

- **Category A:** an Environmental and Social Impact Assessment (ESIA) and Environmental Management Plan (EMP) are to be prepared in accordance with WB requirements.
- **Category B:** an ESIA (as required under the Afghan laws and regulations) and/or an Environmental Management Plan (EMP as per WB policy) consisting, at a minimum, of standard environmental codes of practices supplemented, if necessary, with additional analysis.
- **Category C:** no environmental safeguards documents are required.
**Social Safeguards Screening**

Social safeguards screening focuses on:

(i) the potential social and economic impacts when land is involuntarily taken for infrastructure projects and which result in: (a) relocation or loss of shelter; (b) loss of assets or loss of assets; or (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location;

(ii) whether there are ethnic minority communities that would be affected by the project in a way as described in the World Bank OP4.10; and

(iii) whether significant social impact is anticipated.

Social Safeguards documents for the project depend on the nature and extent of social impacts from the screening exercise:

(i) **Resettlement Action Plan (RAP):** required if over 200 people need to be involuntarily resettled.

(ii) **Abbreviated RAP:** allowed if fewer than 200 people need to be resettled; including if land acquisition or compensation for land acquired under post-earthquake regulations is required.

(iii) **Social Impact Assessment (SIA):** required if social impacts of significance are expected or there are affected ethnic minorities in the project area.

**STEP 2 - Review of Initial Screening by the World Bank**

After initial screening, NEPA shall submit the summary of initial screening (Annex 1) to the World Bank. The World Bank’s EAP Safeguards Secretariat will review, comment and finally confirm the conclusion of project categorization and necessary safeguards document instruments.

**STEP 3 - Incorporation of Safeguards Requirements into Environmental and Social Safeguards Framework**

Once the project categorization and requirements for safeguards documents are jointly agreed by the World Bank and NEPA, the environmental experts in NEPA will be responsible for developing TORs for ESIAs with project-specific requirements based on the sample TORs in Annex 2, assisted by SDNRP-II. Project specific TORs for ESIAs shall be submitted to the World Bank for review and approval. The jointly agreed TORs for EIAs will be attached to the EIA screening approval document of NEPA. Project specific TORs for ESIAs shall be submitted to the World Bank for review and approval. The jointly agreed TORs for ESIAs will be attached to the safeguards screening approval document of NEPA.

**STEP 4 - Incorporating ESMF into Mining and PPP Contractual Documents**

The MoM with PMU assistance will be responsible for ensuring that the full ESMF (including the completed Initial Screening Form as Annex 1), project-specific TORs for the ESIA modelled from Annex 2 are incorporated into the mining/PPP contractual documents, which will obligate the Project Proposers to prepare safeguards documents and implement them according to the ESMF. For large projects, the basic requirement is to ensure the contract includes an Appendix the requirement to comply with WB/IFC EHS Guidelines; ISO 14000 Environmental
Management, the Equator Principles and IFC Performance Guidelines and to benchmark the proposal against the appropriate EU IPPC BAT Reference document (BREF). (See ANNEX 10)

STEP 5 - Review and Approval of Safeguards Documents

Once mining contracts or PPP contracts are signed, the project developer will hire an international ESIA consulting company deemed satisfactory to NEPA and MoM/PMU to develop environmental safeguards documents according to the requirement of ESMF and other provisions of Afghan national laws and regulations. The completed ESIA documents will be submitted to NEPA for review. After review the ESIA documents will be focus of a six-week public consultation exercise including public meetings in Kabul and near to the project site. Stakeholders will be encouraged to submit oral or written ‘evidence, and to have the opportunity to cross-examine the project proposer and submissions and All ESIA documents will be posted on the MoM and NEPA websites, and advertised in the local media.

Resettlement Action Plans (RAPs) will be developed by NEPA in consultation with the project proponent and MoM, and with the guidance of provincial and local governments.

A grievance redress mechanism is necessary for addressing legitimate concerns of affected individuals and groups who may consider themselves deprived of appropriate treatment under the project. The mechanism would include (i) a recording and reporting system, including grievances filed both verbally and in writing, (ii) designated staff with responsibility at various levels of governments, and (iii) a time frame to address the filed grievances. This mechanism will be detailed in the sub-project safeguards documents. The functioning of the grievance redress mechanism will be regularly monitored and evaluated by NEPA during project implementation.

Step 6 - Implementation Supervision and Reporting

During project implementation, NEPA Officers and MOM Mining Inspectors will be responsible for ensuring that the safeguards requirements are properly implemented as approved by NEPA and MoM respectively, and NEPA staff will submit quarterly reports to the Minister of Mines, PMU and the NEPA Director. External monitors will be hired to monitor the implementation of social safeguards instruments.
4.2 ESMF and Artisanal and Small Scale Mining

MoM and NEPA are giving attention to Afghanistan’s numerous existing small mines and quarries, notably for industrial minerals (e.g. brick clays, river gravel, crushed aggregate) and specialised minerals (e.g. gemstone mining, marble etc). The vast majority lack ESIAs, lack legal rights to mine (i.e. mining contract or mining license); are in serious breach of national environmental, social, health and safety regulations, and fall far short of international environmental and social norms.

However it is unrealistic and untenable to expect these numerous mining and mineral processing operations to comply in a short time frame with national legislation and international norms. Instead SDNRP-II will encourage MoM and NEPA pursue a step by step approach to create a steady momentum of change that is realistic in the current economic and security situation in Afghanistan.

Regarding environmental issues, at the initiative of the Minister of Mines the international environmental advisor began assisting MoM to urgently prepare EHS guidelines for specific minerals of environmental concern (e.g. brick clays, gold, talc, chromite etc). This should have been straightforward, but stalled due to the lack of sufficient in-house knowledge in MoM and NEPA of the current status of mining of specific minerals, or indeed the distribution and intensity of such activities, particularly of construction materials. As a pragmatic alternative, the international environmental advisor is preparing a set of draft ESMF Safeguard Sheets, with one sheet per mineral. These focus mostly on ASM and SME mining and processing. (see ANNEX 9)

Regarding social issues, MoM has recently begun measures to eliminate child labour in Afghan’s coal mines in accordance with national legislation and international ILO agreements. In addition, MoM recently finalised a ‘Social Policy Guidelines for the Mining Sector of Afghanistan’ with the participation of the international social advisor. (see ANNEX 3).
5 CAPACITY BUILDING IN ESMF

5.1 Insight from ESMF implementation in other projects

The design and implementation of the ESMF in other projects in Afghanistan (HLP, EIRP, IRD, NSP, NERAP) were reviewed and the main lessons learned and incorporated in the present ESMF are:

(i) Trained staff with clear job descriptions and conducting environmental and social audits gives good results. Exposure visits to similar projects inside and outside the country can greatly enhance the understanding and attitude of the staff in terms of safeguards issues. Repeated training in relevant fields is important due to staff turnover.
(ii) Regular and timely engagement of the World Bank team with the senior leadership of the line ministries helps to focus attention on, and compliance with, ESMFs.
(iii) Allocation of budget and resources with clear implementation arrangements for the ESMF are essential.
(iv) It is important to ensure availability of ESMF documents, including all guidelines, in local languages at project sites.
(v) ESMF provisions must be incorporated in bidding/contract documents with accompanying translation in local languages and must be reviewed with contractors by PCU management prior to start of construction work.
(vi) Contractors need training in understanding and complying with ESMF provisions.

5.2 ESMF translation and dissemination of key documents

An essential requirement for the ESMF to be widely understood, accepted and adopted throughout NEPA, MoM, AGS, other agencies and local government is that World Bank OPs will be translated into Dari as part of SDNRP-II.

A less obvious essential requirement is for the 2007 WB/IFC EHS general guidelines and the sector-specific guidelines to be translated into Dari as part of SDNRP-II. The 2007 EHS guidelines in English, Arabic, Russian and Chinese have already been downloaded for potential investors, but it is ironic that no Dari/Persian version yet exists.

Translation is a large task for SDNRP-II but essential if the predominantly non-English speaking decision-makers and regulators are to fully comprehend the safeguards and be able to adopt or adapt them for national use when designing laws, rules and regulations.

Equally so, once the Dari version of the 2007 World Bank EHS guidelines becomes available then MoM and NEPA will be better able to use the existing English Chinese, Russian and Arabic versions to communicate effectively with potential EI investors from the English-speaking world (notably India and Pakistan), China, the former Soviet Union, Iran and the Middle East; and it is evident that many such potential investors are not fully aware of international norms of addressing environmental, social, health and safety issues.
5.3 ESMF Training

The capacity of the Ministry of Mines, PMU, NEPA, EIA Experts’ Panel and local branch staff of MoM and NEPA, as well as the Mines Inspectorate will be critical to effectively implement environmental and social safeguards requirement under Afghanistan legislation and World Bank policies. Capacity building activities are an important part of SDNRP-II to provide adequate training to strengthen the management and technical capacity of these agencies, which will be responsible for ensuring that safeguards requirements are understood, addressed and enforced.

5.3.1 ESMF Training Modules

Special attention will be paid to making ESMF training both interesting and relevant to the trainees’ work needs. Therefore Afghan case examples of environmental and social impacts are being gathered for mining and infrastructure, with emphasis on Google Earth as a visual training medium. For ESMF issues for large mining and infrastructure issues, examples of projects displaying ‘best practice’ and ‘worst impacts’ are being gathered from across Asia, notably of open pit mines (copper, iron, gold, coal, fluor spar etc), metallurgical plants (copper and steel) and railways (including rail-rail gauge freight interchanges).

ESMF training modules are currently being designed and tested in the PMU and will be delivered to relevant staff in the PMU, AGS, MoM and NEPA.

**ESMF General Training Modules** are designed to raise awareness of environmental issues in mining, metallurgical complexes, power plants and railways, using Google Earth and other visual ‘hooks’ to arouse interest of attendees from a wide range of backgrounds and experience.

**ESMF Technical Training** is pitched at a higher level, and intended to convey knowledge of immediate practical value in assisting key individuals in their day-to-day work, viz. regulatory staff in NEPA and the Mining Inspectorate, the Aynak Project Authority, the Hajigak Project Authority (when formed) and the Northern Oil & Gas Project Authority.

<table>
<thead>
<tr>
<th>ESMF Technical Training Modules</th>
<th>Level</th>
<th>Hours</th>
<th>Delivery</th>
<th>Syllabus</th>
<th>Expected Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Module: ENVIRONMENTAL &amp; SOCIAL SAFEGUARDS (OPS)</strong></td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>WB OPs – why relevant to Afghanistan?</td>
<td>Awareness raising</td>
</tr>
<tr>
<td>MED 1 WB website</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>Downloading and reading OPs</td>
<td>Awareness raising</td>
</tr>
<tr>
<td>MED 1 Google Earth</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>Completing a Screening Form</td>
<td>Skill raising</td>
</tr>
<tr>
<td><strong>Module: ENVIRONMENTAL &amp; SOCIAL IMPACT ASSESSMENT</strong></td>
<td>MED</td>
<td>2</td>
<td>PPT &amp; PDF</td>
<td>ESIA as a process.</td>
<td>Skill raising</td>
</tr>
<tr>
<td>MED 2 Google Earth</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>Strategic ESIs – Aynak &amp; Hajigak</td>
<td>Skill raising</td>
</tr>
<tr>
<td>MED 1 PPT</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>To be decided</td>
<td>Skill raising</td>
</tr>
<tr>
<td>MED 1 PPT</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>To be decided</td>
<td></td>
</tr>
<tr>
<td><strong>Module: LAND ACQUISITION AND RESETTLEMENT FRAMEWORK</strong></td>
<td>MED</td>
<td>2</td>
<td>PPT</td>
<td>To be decided</td>
<td>Skill raising</td>
</tr>
<tr>
<td>MED 1 Case study</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>Aynak Copper Project</td>
<td>Skill raising</td>
</tr>
<tr>
<td>MED 1 PPT</td>
<td>MED</td>
<td>1</td>
<td>PPT</td>
<td>To be decided</td>
<td></td>
</tr>
<tr>
<td><strong>Module: ENVIRONMENTAL, HEALTH &amp; SAFETY GUIDELINES (EHS 2007)</strong></td>
<td>BASIC</td>
<td>1</td>
<td>IFC website</td>
<td>General Guidelines &amp; Sector Specific</td>
<td>Skill raising</td>
</tr>
<tr>
<td>BASIC 1 IFC website</td>
<td>BASIC</td>
<td>2</td>
<td>Practical</td>
<td>Dust and Exclusion Zones</td>
<td>Skill raising</td>
</tr>
<tr>
<td>BASIC 2 Practical</td>
<td>BASIC</td>
<td>2</td>
<td>Practical</td>
<td>To be decided</td>
<td>Skill raising</td>
</tr>
</tbody>
</table>
5.3.2 ESMF Safeguards Workshops

Instilling environmental and social awareness into the daily activities of mining engineers and geologists is a challenge anywhere in the world, but especially so in Afghanistan due to the prevalence of outdated attitudes inherited largely unchanged from soviet times.

In addressing this challenge, it is fortuitous that the ESMF Safeguard Sheets contain valuable profiles on each mineral; profiles that are lacking elsewhere. Due to this vacuum, it is evident that the ESMF Safeguard Sheets will command much more attention and respect than conventional ‘environmental guidelines’ which would tend to be viewed as irritating constraints on getting on with the serious business of mining. Accordingly there is some hope that “the sheets” will enable environmental, social, health and safety concerns to become enmeshed with the daily operations of all MoM and AGS professionals, rather than remaining marginalised as peripheral matters dealt with as mere add-ons by external experts.

Equally so, the ESMF Safeguard Sheets will pull NEAP professionals deeper into the specifics of mineral exploration, mining and processing, and a better appreciation of, for instance, the intricate interconnections between clay resources, clay quarrying, brick kiln technology, coal royalty levels, urban air quality, greenhouse gases, child labour, irrigation, dereliction and loss of agricultural land. The ESMF Safeguard Sheet on ‘Clay Quarrying and Brick Production’ pulls together these ten seemingly unconnected issues into a coherent whole that can be easily grasped by non-mining and non-environmental policy makers and regulators, as well as by the EI operators.

For these reasons, each ESMF Safeguard Workshop will deliberately NOT follow conventional sessions on ‘air, water, soil, biodiversity, social etc’ but will deal with a specific mineral and be driven by a PowerPoint presentation activating the mineral’s ESMF Summary Sheet.

In this manner, it is hoped that each ESMF Safeguard Workshop will attract and motivate engineers, geologists, miners and regulators keen to learn about a specific Afghan subsector in its entirety (e.g. fluorspar), who might be less interested in an EHS niche topic (e.g. fluorosis).

A further benefit of this mineral-led approach is that it might stimulate more debate from geologists and engineers who are knowledgeable of the mineral, its mining and its processing.

Each ESMF Safeguard Workshop will, it is hoped, enable each ESMF Safeguard Sheet to be tested by debate between professionals, and improved accordingly. By this means, it is hoped to build ownership and consensus across a wide spectrum of professionals, and encourage ESMF issues to be embedded in ‘Policies-Strategies-Guidelines-Regulations’ in MoM and NEPA.

At time of writing, a pilot ESMF Safeguard Workshop was recently held in NEPA on ‘Clay Quarries and Brick Kilns’ attended by 30 environmental professionals, and led by CBAGS assisted by the International Environmental Advisor. This Workshop led directly to evolving the standard format of the ESMF Safeguard Sheets, in preference to drafting Environmental Guidelines.

Once each draft ESMF Safeguard Sheet is accompanied by a PowerPoint Presentation, then a Program for the ESMF Safeguard Workshops will be finalised with the Minister of Mines.
5.3.3 ESMF Study Tours

ESMF Study Tours have a key in raising environmental and social expertise in extractive industries for MoM, AGS, NEPA and allied professionals such as academics and researchers.

Local Study Tours are necessary to strengthen the know-how of professionals about existing Afghan mining and mineral processing operations per se, in the context of environmental, social, health and safety awareness. A preliminary provisional list is set out below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of Tour</th>
<th>Region</th>
<th>Main Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aynak Copper</td>
<td>Kabul and Logar</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Clay Quarries and Brick Production</td>
<td>Kabul and Parwan</td>
<td>★★★</td>
</tr>
<tr>
<td>3</td>
<td>Hardrock Quarries</td>
<td>Kabul and Parwan</td>
<td>★★★</td>
</tr>
<tr>
<td>4</td>
<td>River Quarries for Sand and Gravel</td>
<td>Kabul and Parwan</td>
<td>★★★</td>
</tr>
<tr>
<td>5</td>
<td>Placer Gold Mining</td>
<td>Badakhshan</td>
<td>★★</td>
</tr>
<tr>
<td>6</td>
<td>Limestone Quarrying and Cement</td>
<td>Sar-e-Pol</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Coal Mining</td>
<td>North Afghanistan</td>
<td>★★★</td>
</tr>
</tbody>
</table>

International Study Tours are necessary to learn about environmental and social concerns regarding EI elsewhere, and the success/failure of various Policies, Strategies, Guidelines, Laws, Regulations and Enforcement Methods. A preliminary provisional list is set out below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of Tour</th>
<th>Region</th>
<th>Main Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Large New Copper Mines</td>
<td>Mongolia (Gobi)</td>
<td>★★★</td>
</tr>
<tr>
<td>2</td>
<td>Large New Iron Mines</td>
<td>To be identified</td>
<td>★★★</td>
</tr>
<tr>
<td>3</td>
<td>Large New Mineral Railways</td>
<td>Mongolia (Gobi)</td>
<td>★★★</td>
</tr>
<tr>
<td>4</td>
<td>Oil Exploration and Production</td>
<td>China (Urumchi)</td>
<td>★★★</td>
</tr>
<tr>
<td>5</td>
<td>Clay Quarries and Brick Production</td>
<td>Bangladesh (Dakha)</td>
<td>★★★</td>
</tr>
<tr>
<td>6</td>
<td>Industrial Coal Mines</td>
<td>India</td>
<td>★★★</td>
</tr>
<tr>
<td>7</td>
<td>Placer Gold Mines</td>
<td>Mongolia</td>
<td>★★★</td>
</tr>
<tr>
<td>8</td>
<td>Fluorspar Mines</td>
<td>Mongolia</td>
<td>★★★</td>
</tr>
<tr>
<td>9</td>
<td>Chromite Mines</td>
<td>India</td>
<td>★★★</td>
</tr>
<tr>
<td>10</td>
<td>Artisanal Coal Mines and Mine Rescue</td>
<td>Mongolia</td>
<td>★★★</td>
</tr>
</tbody>
</table>

The program of Local and International Study Tours will be substantially revised and finalised after consideration by the Minister of Mines following representations from the AGS, CBAGS, GAF, NEPA and the international social advisor, and guidance of security specialists:

---

4 Includes examples of placer gold dredges (large and small); gold recovery with zero water; mercury issues; gender issues; cyanide heap leaching; and conflicts between ASM and formal mining.

5 Includes visit to the State Mine Rescue Service.
5.3.4 ESMF Overseas Training

While Local and International Training can be effective at arousing awareness and generating basic know-how, these are not a substitute for overseas training to gain a depth of expertise.

ESMF Overseas Training will seek to avoid four common pitfalls, namely: i) training that is not sufficiently focussed on meeting the current ESMF needs of SDNRP-II or the long-term needs of managing the Afghan extractive industry sectors; ii) creating a void of expertise during the prolonged absence of a trainee; iii) the difficulty of a returning trainee adjusting to his/her allotted post in Afghanistan; and iv) the risk of the trainee failing to return to his/her allotted post (or even to return to Afghanistan at all).

ESMF Overseas Training will therefore be focussed on tailored packages of training for each trainee to avoid these pitfalls. Such packages can include: i) a combination of distance learning while remaining ‘in post’ coupled with short bursts of training abroad; ii) one year to eighteen month Master’s degrees that each include a written thesis on an environmental or social issue in Afghanistan relevant to the ESMF for SDNRP-II; iii) placements abroad with international environmental NGOs, NEPAs, mining authorities, mine rescue organisations, geological surveys, mine inspectorates, large mining corporations and EI-focussed environmental consultancies.

In addition, ESMF Overseas Training will encourage active participation abroad in conferences and seminars in environmental and social issues of extractive industries. In this context, ‘active participation’ will include a mandatory requirement to prepare and present a professional paper, and/or poster; mere attendance will not normally merit funding support from SDNRP-II.

The program for the ESMF Overseas Training will be decided by the Minister of Mines in consultation with the Head of AGS, Head of NEPA and the PMU Director. The program will be based on prioritising ESMF needs related to capacity building of not only MoM, AGS and NEPA but also as initial capacity building of fledgling Afghan environmental consultancies in Afghanistan able to serve the needs of local and international EI investors.

5.4 ESMF Research Papers

The ESMF will stimulate research by MoM, AGS, NEPA and PMU professionals into environmental and social topics relevant to Afghan extractive industries. As pathfinders, four ESMF-relevant research papers are being presented by the PMU and CBAGS to the Third Hindu Kush Geoscience Conference on ‘Geosciences and Environmental Issues in Afghanistan and South-Central Afghanistan’ to be held on the campus of Kabul University in September 2011.

An Annual ‘Call for Research Papers’ will be prepared by the Minister of Mines and PMU Director listing priority topics for the year, in consultation with NEPA, AGS, international social advisor and international environmental advisor. Implementation will require: i) encouragement of staff by the Minister of Mines and the PMU; ii) agreement of managers to allow allocation of time; iii) arrangements for fieldwork and laboratory facilities; iv) mentoring by professors with a track record of refereed papers; v) mentoring by international advisors already assigned to MoM, CBAGS, NEPA and PMU; and vi) payment for downloading papers from academic journals.
5.5 ESMF Budgetary Staffing Requirements

5.5.1 Overview
ESMF staffing requirements are significant, for the SDNRP-II project is large and spans the MoM, PMU, AGS and NEPA.

5.5.2 International Social Advisor
ESMF social operations will continue to benefit from the presence in the Ministry of Mines by the international social adviser. Funding of this post is covered by SDNRP-I and will continue to be funded by SDNRP-II.

5.5.3 International Environmental Advisor
ESMF environmental operations will continue to benefit from the presence in the PMU of the international environmental adviser. Funding of this post is covered by SDNRP-I and will continue to be funded by SDNRP-II.

5.5.4 ESMF Support Staff
To enable the ESMF to cover all MoM, AGS, NEPA and PMU professional staff and their manifold activities, it is envisaged that additional national staff will be required, commencing January 2012: two full-time social assistants supervised by the international social advisor, and two full-time environmental assistants supervised by the international environmental advisor.

The ESMF tasks of supervised assistants will be:
(i) monitoring ESMF compliance of all SDNRP-II activities;
(ii) raising staff awareness in the ESMF and environmental, social, health and safety issues;
(iii) conduct supervised research into issues and minerals of particular concern via desk studies, literature search, remote sensing and ground truthing by local field work;
(iv) assist in design and delivery of training in ESMF topics;
(v) management of ESMF local and overseas training;
(vi) translation of environmental and social training materials and ESMF reports; and
(vii) encouraging research into ESMF topics by professional staff of MoM, AGS, NEPA and PMU leading to publication of research papers in academic journals.

5.5.5 ESMF Local Consultancies
The effectiveness of the ESMF will benefit considerably from short intensive studies by local consultancies hired to investigate environmental and social EI issues that merit attention, but are not easily accommodated in large subcomponents. A key benefit will be to enable emergence of local Environmental and Social Consultancies in Afghanistan able to link with international consultancies preparing ESIA to international standards; and in due course to prepare ESIA for smaller EI projects. For instance, 1,000 clay quarries each require an ESIA to be approved by NEPA before MoM cadastre to issue a quarry license. A SDNRP-II budget commencing January 2011, would be a cost-effective means of bump-starting the local market for environmental and social consultancies via small PMU tenders @ 10,000 US$ x 12 = 120,000 US$ per year.
5.5.6 NEPA Contract Compliance Office

SDNRP-II will assist NEPA, notably as part of Component B ‘Regulation and Monitoring of Operations’. This will include a NEPA Contract Compliance Office for large projects, notably for copper (Aynak), iron (Hajigak), oil/gas, and associated large-scale infrastructure (e.g. railways, power-plants, metallurgical plants etc).

In order to enable NEPA to focus on monitoring environmental and social compliance of such large EI projects, SDNRP-II will undertake capacity building to establish a NEPA Contract Compliance Office. This will be a major contribution to the success of the ESMF, in enabling the GoA to ensure that large EI projects comply with contractual requirements to comply with (i) WB/IFC 2007 EHS General and Sub-Sectoral Guidelines; (ii) WB operational and bank policies (OP/BP); (iii) GoA obligations under international conventions regarding EHS; and (iv) Afghan laws and regulations regarding SEIA, EIA, EHS, environment and social requirements.

Budgetary and staffing requirements of the NEPA Contract Compliance Office are covered by SDNRP-II, being an integral part of Component B (indicative US$ 22m): Regulations and Monitoring of Operations, and will be detailed during a Phase I (Needs Assessment) of NEPA.

5.6 ESMF Consultative Process

This section will summarise the ESMF consultative process in due course.
Final Version

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK
(ANNEX OF GUIDELINES)

for the

Afghanistan
Second Sustainable Development of Natural Resources Project
(SDNRP-II)

25 November 2011
6 ANNEX OF GUIDELINES

ANNEX 1 - Initial Screening Form
ANNEX 2 - ToRs for Environmental & Social Impact Assessment
ANNEX 3 - Social Policy Guidelines for the Mining Sector
ANNEX 4 - List of Excluded Activities
ANNEX 5 - Fieldwork Screening Form
ANNEX 6 - Guidelines for the Protection of Cultural Heritage Sites
ANNEX 7 - Procedures for Mine Risk Management in WB Projects
ANNEX 8 - Note on Resettlement Process of Project Affected Persons at Aynak
ANNEX 9 - ESMF Safeguard Sheets (draft)
## 6.1 ANNEX 1 - Initial Screening Form

This form is to be used by the National Environmental Protection Agency (NEPA) for initial screening of potential environmental and social safeguards issues. It is meant to facilitate the determination of applicable World Bank safeguards policies, as well as those relevant to Afghanistan legislation. This initial screening shall be conducted by environmental staff in the Department of NEPA and during their General Assessment process as mandated by Law. The completed form will be submitted to the World Bank via the PMU for comment.

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Location</td>
<td></td>
</tr>
<tr>
<td>Project Proponent</td>
<td></td>
</tr>
<tr>
<td>Project Type/Sector</td>
<td></td>
</tr>
<tr>
<td>Estimated Investment</td>
<td></td>
</tr>
<tr>
<td>Start/Completion Date</td>
<td></td>
</tr>
</tbody>
</table>

### Screening for Afghanistan environmental regulations

- A full/detailed EIA is required: Yes:__ No:__
- Permit granted with conditions: Yes:__ No:__
- Rejected: Yes:__ No:__

### Screening Checklist for World Bank Environmental and Social Safeguards

<table>
<thead>
<tr>
<th>Questions</th>
<th>Answer</th>
<th>If Yes, WB Policy triggered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the project impacts likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented? ¹</td>
<td>yes</td>
<td>OP 4.01 Category A</td>
</tr>
<tr>
<td>Please provide brief description:</td>
<td>no</td>
<td></td>
</tr>
</tbody>
</table>

¹ Examples of projects where the impacts are likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented are large scale infrastructure such as construction of new roads, railways, power plants, major urban development, water treatment, waste water treatment plants and solid waste collection and disposal etc.
<table>
<thead>
<tr>
<th>Questions</th>
<th>Answer</th>
<th>If Yes, WB Policy triggered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do the impacts affect an area broader than the sites or facilities subject to physical works and are the significant adverse environmental impacts irreversible? Please provide brief description:</td>
<td></td>
<td>OP 4.01 Category A</td>
</tr>
<tr>
<td>Is the proposed project likely to have minimal or no adverse environmental impacts?</td>
<td></td>
<td>OP 4.01 Category C</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the project neither a Category A nor Category C as defined above?</td>
<td></td>
<td>OP.4.01 Category B</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7 Examples of projects likely to have minimal or no adverse environmental impacts are supply of goods and services, technical assistance, simple repair of damaged structures etc.

8 Projects that do not fall either within OP 4.01 as a Category A or Category C can be considered as Category B. Examples of category B sub-projects include small scale in-situ reconstruction of infrastructure projects such as road rehabilitation and rural water supply and sanitation, small schools, rural health clinics etc.
<table>
<thead>
<tr>
<th>Questions</th>
<th>Answer</th>
<th>If Yes, WB Policy triggered</th>
</tr>
</thead>
<tbody>
<tr>
<td>will the project adversely impact physical cultural resources? (^9)</td>
<td></td>
<td>O.P. 4.11</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>will the project involve the conversion or degradation of critical or non-critical natural habitats? (^10)</td>
<td></td>
<td>O.P. 4.04</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td>(Rejected in case of significant conversion or degradation of critical natural habitats)</td>
</tr>
<tr>
<td>Does the project involve involuntary land acquisition, lost of assets or access to assets, or loss of income sources or means of livelihood?</td>
<td></td>
<td>OP 4.12</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>Are there any ethnic minority communities present in the project area and are likely to be affected by the proposed project?</td>
<td></td>
<td>OP 4.12</td>
</tr>
<tr>
<td>Please provide brief justification:</td>
<td></td>
<td>Ethnic Minority Development Plan</td>
</tr>
</tbody>
</table>

9. Examples of physical cultural resources are archaeological or historical sites, including historic urban areas, religious monuments, structures and/or cemeteries particularly sites recognized by the government.

10. Critical natural habitats include those habitats that are legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or recognized as protected by traditional local communities.
<table>
<thead>
<tr>
<th>Questions</th>
<th>Answer</th>
<th>If Yes, WB Policy triggered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the project impacts likely to have significant adverse Social impacts that are sensitive, diverse or unprecedented?</td>
<td></td>
<td>OP 4.01 Social Assessment</td>
</tr>
<tr>
<td>Please provide brief description:</td>
<td>yes</td>
<td>no</td>
</tr>
</tbody>
</table>

Will the project have the potential to have impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests; or aims to bring about changes in the management, protection or utilization of natural forests or plantations? Please provide brief justification: | yes | no |

**Conclusion and Safeguards Instruments Required:**
The project is classified as a Category ________ project as per World Bank OP4.01, and the following safeguards documents will be prepared:

1. ________________________________________
2. ________________________________________
3. ________________________________________
4. ________________________________________
5. ________________________________________

**Initial Screening Completed by:**

<table>
<thead>
<tr>
<th>NEPA staff</th>
<th>[date]</th>
</tr>
</thead>
</table>

**Confirmed by International Advisers of SDNRP-I and II**

<table>
<thead>
<tr>
<th>Environmental Adviser</th>
<th>[date]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Adviser</td>
<td>[date]</td>
</tr>
</tbody>
</table>
6.2 ANNEX 2 - ToRs for Environmental & Social Impact Assessment

I. BACKGROUND

1. The Second Sustainable Development of Natural Resources Project (SNDP-II), a World Bank financed technical assistance project, will facilitate investment in mining projects and infrastructure to support mining activities, including downstream, value-added processes, and to build local capacity to prepare large-scale projects, regardless of funding source. It is likely that mining and infrastructure projects that are assisted by SNDP-II will generate potentially moderate to significant environmental and social impacts when they are transacted under subsequent agreements between the Government of Afghanistan and investors.

2. According to the Ministry of Mines (MoM) and National Environmental Protection Agency (NEPA) as well as World Bank’s safeguards policies, environmental impact assessments (ESIA) are to be conducted for proposed large mining and infrastructure projects following the Environmental and Social Safeguards Framework (ESMF). The ESIA should identify potential environmental and social impacts, and environmental management plans should be prepared to avoid, minimize, mitigation or otherwise compensate those impacts.

3. These generic terms of reference, which are provided as a sample, should be viewed as a tool of the ESMF and a guide to the preparation of project-specific ESIAs for mining projects and infrastructure projects including PPP transactions. Once projects have been selected, these sample TORs will be modified and tailored to specific project requirements by NEPA and the MoM, and used as a requirement for the private entity contracted to develop ESIA documents.

II. ESIA APPROACH

4. The project proponent is responsible for preparing the ESIA, and is expected by MoM and NEPA to use an experienced reputable international environmental consultancy for this purpose.

5. In order to create in-country capacity in preparation of ESIAs, it is good practice for a local environmental consultancy to participate in preparing the ESIA, for instance as the local partner in a consortium with the lead international environmental consultancy. It is possible that during SDNRP-II this requirement may be made mandatory by NEPA with the support of the MoM.

6. The SEIA is required to follow the national environmental regulations, guidelines and standards, and also comply with the requirement of the World Bank’s Safeguards Policies 11.

7. An initial environmental screening will be conducted by NEPA and approved by the World Bank. If it is concluded that the proposed project would have substantial environmental and/or social impact, and warrant a Category A classification according to the WB Operational Policy 4.01 Environmental Assessment (or the project is a category B project given its moderate and less impact compared to those of Category A projects), then the project is subject to full/detailed ESIA.

8. The following ESIA documents shall be prepared, and submitted to NEPA for review and approval before commencement of construction activities:
   (i) Environmental & Social Impact Assessment Report; and
   (ii) Environmental Management Plan.

11 http://go.worldbank.org/WTA1ODE7T0
III. SCOPE OF WORKS

9. The contents of the ESIA documents shall follow the requirement of NEPA and the World Bank Operational Policy 4.01 Environmental Assessment (Annex B and C). An example Table of Contents (TOC) is attached at the end of this Annex for references. Modification may be needed to adapt to actual project situation.

10. The following aspects need special attention and should be adequately addressed during preparation of ESIA and EMP. These include:

Identification of environmental sensitive sites and key issues

11. The ESIA shall carefully identify and determine the project area of influence first, and identify all the environmental, social and cultural sensitive sites within the project influence areas locally and regionally, with special attention to critical and non-critical habitats, protected areas, physical cultural resources, and human settlement areas and associated facilities etc.

12. Adequate baseline survey on ecological environment must be conducted through field visit, data collection and consultation with relevant government agencies, NGOs and local public during EA preparation, to identify presences of critical and non-critical habitats, protected areas, protected and endangered wildlife, and key migration routes of wildlife. Any project that may lead to significant conversion or degradation of critical natural habitats (either directly or indirectly) shall be rejected, and alternative locations or alignments must be sought.

13. Careful screening for physical cultural resources shall be conducted through field survey, consultation with local communities and relevant authorities. Special attention should be paid to archaeological and paleontological sites that are considered sacred or have spiritual significance to the local or regional communities, or geological landscapes with special visual aesthetics, and local shrines. Some of them may not have an official protection title, nevertheless, they are considered as physical cultural resources and need to be adequately addressed in ESIA though proper consultation with stakeholders involved, evaluation of significance, assessment of potential impacts and development of necessary mitigation measures in the EMP.

14. Residential areas are also sensitive to the potential impact of noise, dust, wastewater, safety, social disturbance and induced development, therefore, warrant careful and thorough investigation, impact assessment and adequate protection in ESIA process.

Alternative analysis

15. Alternative analysis shall be conducted for the project strategy (e.g. open pit or underground mine, groundwater or surface water pipelines, road or railway), project site (e.g. tailings pond, overburden dumps, stockpiles, power plant, wastewater treatment plant) or alignment (conveyor, road, railway, pipeline, power-line), technologies adopted (e.g. best available techniques for tailings dams, environmental friendly technology for power plant, or construction methods), etc. Comprehensive comparison shall be carried out for all the alternatives from technical, environmental, social and economic perspective. The final selection should be based on overall optimum consideration among all these factors.
Impact Assessment and Mitigation Measures

16. As standard practice, the ESIA will assess all potential environmental and social impact during project construction and operation, and develop feasible mitigation measures for all proposed works.

17. Major environmental and social impact shall be given adequate attention of assessment, for which necessary mitigation measures shall be developed in the EMP. These issues include, but are not limited to, the following:
   - Potential conversion or degradation of critical or non-critical natural habitats;
   - Segregation of natural habitats;
   - Loss of surface vegetation and biodiversity;
   - Blocking of wildlife migratory routes;
   - Lowering and/or depletion of groundwater;
   - Land degradation and desertification;
   - Loss or access restriction to livelihood of local herders;
   - Social and cultural impact on local communities from the project operation;
   - Social and cultural impact from the induced development;
   - Noise, dust impact from transport corridor on local communities and wildlife;
   - Wastewater discharge impact and potential pollution of groundwater;
   - Road safety concerns for local communities and wildlife;
   - Public health (e.g. HIV/AIDS) impact due to influx of workforce and induced development;
   - Induced urbanization impact management
   - Cumulative impacts
   - Regional Impacts
   - Direct and indirect impacts
   - Other environmental issues related to the operation of the infrastructure (e.g. air emission from power plant).

18. Construction related impacts shall also be fully captured by the ESIA and adequate mitigation measures be developed in the EMP. These include (but not limit to):
   - Construction nuisance of noise and dust impact on construction workers, local communities and wildlife;
   - Temporary disturbance of wildlife habitats and migratory routes;
   - Borrow pits and quarry impact and restoration/reclamation;
   - Construction wastewater impact and management;
   - Water and soil conservation
   - Traffic disturbance and safety for local communities;
   - Hygiene and health concerns of worker camps;
   - Social impact of influx of workforce, e.g. cultural conflict, STD/HIV/AIDS;
   - Potential impacts on any physical cultural resources, and development of chance-find procedures
19. Besides development of mitigation measures for implementation, environmental assessment shall provide valuable input for better project design to avoid or minimize potential environmental and social impact upfront. Though the feasibility study and design has considered a series of environmental, social and technical factors, it is valuable for an ESIA to assess and if necessary recommend to improve the project design in line with the following principles:

- Avoid or minimize the need for resettlement of population;
- Avoid valuable natural habitats;
- Avoid physical cultural resources;
- Provision of proper crossing for wildlife migration;
- Provision of convenient crossing for herders livelihood;
- Safety design for local community life and livelihood activities;
- Reclamation and restoration plans prior to construction;
- Environmental enhancement design included in the main project, e.g. creation of offset natural habitats

**Environmental Management Plan (EMP)**

20. An Environmental Management Plan (EMP) is to be developed in the ESIA or as a stand-alone document, serving as a convenient and efficient tool for environmental management manual during project implementation and operation. The EMP shall include the following contents:

- **Mitigation measures.** The EMP shall include all mitigation measures such as avoidance, prevention, reduction, integration, optimization and compensation measures (with as much as possible specifics) for project design, construction and operation stages with clear indication of responsibility for implementation/supervision, monitoring indicator and frequency, and implementing schedule and budget estimates.

- **Environmental management and supervision structure.** The EMP shall clearly identify the environmental management and supervision setup, with clear description of environmental management responsibility for all the involved parties, i.e. project management office, project implementing agencies, design institutes, contractors, supervision engineers etc.

- **Institutional capacity.** Appropriate training programs should be designed and incorporated into the project EMP, especially the safety training plan for the CNG station operation staff prior to commencement of operation.

- Integration of EMP measures and budget into project implementation contracts.

**Public consultation and information disclosure**

21. Public consultation is an integral part of ESIA/EMP preparation, as required by both World Bank policies, NEPA and the Ministry of Mines.

22. For category ‘A’ projects, two rounds of public consultations are required, i.e. (1) public consultation before finalization of TORs of ESIA; and (2) consultation after draft EIA report is available. Public consultation shall be conducted through both formal and informal presentations and meetings with the project affected people, NGOs and relevant provincial and local government agencies, individual interviews and an opinion survey. For the first round of consultation, the ESIA consultant/Project owner shall present brief description of the proposed project, potential environmental and social issues, and ESIA approached to address these
concerns; for the second round of consultation, the ESIA consultant/project owner shall present to the public the key findings of the ESIA and recommendations of mitigation measures to get feedback from public. The ESIA should include a chapter that summarizes (i) the dates and venues of consultation events; (ii) the organizations or stakeholder groups consulted; (iii) the main comments provided, particularly regarding the perceived adequacy of mitigation and monitoring measures; (iv) how the comments and recommendations were or were not taken into account in finalizing project designs; and (v) feedback mechanisms, including provisions for future consultations throughout project implementation.

23. For category ‘B’ project, at least one round of public consultation is needed.

24. The ESIA report shall be locally disclosed in places with free accessibility to local public (open offices of city governments, libraries, or internet), with meaningful announcement of such disclosure through local newspaper, or radio/TV, bulletin board posters etc.

IV. DELIVERABLES AND TIMETABLE

V. QUALIFICATIONS

IV. EXAMPLE OF TABLE OF CONTENTS

The following example TOCs is only for reference purpose, and could be adjusted subject to project-specific situation and provisions of national and/or local regulations.

TABLE OF CONTENTS

EXECUTIVE SUMMARY
1. GENERAL INTRODUCTION
   1.1 Background
   1.2 Overview of the Proposed Project

2. LEGAL FRAMEWORK FOR EA REPORT PREPARATION
   2.1 Afghanistan EIA Legislation and Regulations
   2.2 World Bank Policy Requirements
   2.3 List of planning and technical documents supporting EIA preparation
   2.4 EIA Approaches:
      2.4.1 EA Classification
      2.4.2 EIA Instrument
      2.4.3 Assessment scope and key areas for assessment
      2.4.4 Applicable standards

3. PROJECT DESCRIPTION
   3.1 Contents, Scale, Investment and Construction Schedule
   3.2 Relations with Existing Infrastructure and Plan
   3.3 Identification of key environmental and social issues

4. BASELINE ENVIRONMENT
   4.1 Biophysical Environment
      4.1.1 Climate
      4.1.2 Geology and soils
      4.1.3 Surface water and groundwater
      4.1.4 Vegetation and wildlife Biodiversity
      4.1.5 Protected and special management areas
      4.1.6 Aesthetic resources
      4.1.7 Noise
4.1.8 Air quality
4.2 Social Environment
   4.2.1 Social-economic status
   4.2.2 Social assessment
   4.2.3 Land use plan
   4.2.4 Physical cultural resources
4.3 Identification of Environmental Sensitive Sites for the Project

5. ANALYSIS OF ALTERNATIVES
   5.1 Without-Project scenario
   5.2 Project strategy alternatives (if applicable)
   5.3 Alternatives for project site/alignment/design

6. IMPACT ASSESSMENT AND MITIGATION MEASURES
   6.1 Construction Stage
      6.1.1 Air quality
      6.1.2 Soil erosion
      6.1.3 Surface and groundwater
      6.1.4 Vegetation and wildlife biodiversity
      6.1.5 Protected and special management areas
      6.1.6 Aesthetic Resources
      6.1.7 Noise
      6.1.8 Physical cultural resources
      6.1.9 Impact of land acquisition and resettlement
      6.1.10 Social impact
   6.2 Operation Stage
      6.2.1 Wildlife and natural habitats
      6.2.2 Groundwater
      6.2.3 Noise
      6.2.4 Air
      6.2.5 Solid waste
      6.2.6 Social and cultural impact
   6.3 Cumulative Impacts

7. ENVIRONMENTAL MANAGEMENT PLAN
   7.1 Environmental mitigation measures
   7.2 Environmental management organization and responsibilities
   7.3 Environmental supervision and reporting procedures
   7.4 Environmental monitoring plan
   7.5 Environmental capacity training plan
   7.6 Incorporation of mitigation measures into contracts

8. PUBLIC CONSULTATION AND INFORMATION DISCLOSURE
   8.1 Objectives
   8.2 Methodologies
   8.3 Consultation process and results
      8.3.1 Consultation at early stage of EA preparation
      8.3.2 Draft EIA consultation
   8.4 Information disclosure

CONCLUSIONS

ANNEX
6.3 ANNEX 3 - Social Policy Guidelines for Mining Sector

Islamic Republic of Afghanistan
Ministry of Mines

Social Policy Guidelines for Mining Sector in Afghanistan

Background

Historically, mining activities have led to varying levels of adverse social and environmental impacts including large scale displacement of populations. Therefore, mining has suffered from negative campaigns from the media and civil society for benefiting the rich while exploiting the poor. In developing countries, where the gap between the haves and have-nots is huge, the negative impacts of mining projects are more pronounced and may seem to outweigh the potential positive contribution it can make. Therefore, the major challenge for mining industry lies in effectively mitigating various negative social impacts and maximizing positive social impacts.

Further, it has been widely experienced that where social impacts have been carefully managed and mitigated, mining can play a major role in the social development of the area. In Afghanistan, where mining sector will play a flagship role in the growth and development of the economy, the importance of using mining as a catalyst for social development cannot be over emphasized. Mining can contribute to social development through community development, creation of social infrastructure, social protection, health and safety of the mine workers, job creation, skill training and income generation.

Further, for ensuring sustainable social development, there is need to view this issue in a wider context of long term development needs and opportunities of the community. The short term approach for mitigating the negative and maximizing the positive impacts which generally tends to focus on a limited number of issues such as education, water and sanitation may not result in desirable results. Therefore, much more can be achieved through an integrated approach wherein social development in the mining area is addressed as part of overall management plan of the mine. This management plan would boost local economy by providing direct employment opportunities to local people and alternate sources of livelihood and income generation.
Existing Scenario:

Afghanistan is known to have substantial mineral and hydrocarbon resources. There are abundant deposits of copper, iron ore, decorative and precious stones as well as coal, gold, and other minerals. Afghanistan’s proven gas reserves amount at 82.5 billion cubic meters of gas and over 70 million barrels of oil; these figures however are old and considered conservative. All these mineral resources have however largely remained untapped due to long drawn strife and instability in the country.

The medium and long term economic development potential of the mineral and hydrocarbon sectors is greater than any other sector in Afghanistan’s economy. Therefore, a well-managed development of its vast natural resources is an important opportunity for the country to achieve sustainable economic growth, reduce poverty and improve the quality of life for its people. The Ministry of Mines is determined to develop these mineral resources in a way that it results in substantial financial capital which could be used to advance sustainable and equitable economic and social development in the nation. This will also promote prosperity and peace within the country.

Legal and Policy Framework

In Afghanistan, the existing legal and policy framework supporting social and economic development of the communities in the projects areas provides a strong basis for a more comprehensive and focused social policy framework for mining sector in the country.

Afghanistan National Development Strategy (ANDS) mentions the potential of the mining industry to generate employment and accelerate development in rural areas. To develop the huge mineral potential, Government of Afghanistan has adopted a new policy direction, transferring the task of exploitation of the country’s natural resources from the state to the private sector. The Hydrocarbons Law (2009) and revised Minerals Law and Mining Regulations (2009) are important steps towards providing a strong legislative framework to encourage private sector investment in the extractive industry in Afghanistan. Social development and environmental safeguards have been included in the legal and policy frameworks to encourage development to proceed in a sustainable and equitable manner.

Further the Law on Managing Land Affairs (2008) is aimed at creating a unified, reliable land management system to resolve the problems and issues caused by the different land management and title systems which were followed during different regimes. This Law also aims to provide a standard system for land titling, land segregation and registration, prevent illegal land acquisition
and distribution, access of land to people; and create conditions for appropriation of lands. The Land Expropriation Law as amended in 2005 has important provisions related to acquisition of land for public interest and compensation at fair value based on the current market rates. It also provides for factors like value of land, value of houses, buildings and the land, values of trees, orchards and other assets on land to be considered for compensation in case of land acquisition.

Afghan Land Policy, a comprehensive policy was approved by cabinet in 2007. However, it is yet to be operationalized. This policy envisions the maximization of social and economic benefits to the Afghan society based upon the orderly and sustainable use of its most important natural resource-land. The underlying principle of the land policy is to ensure a flexible, equitable and transparent policy that serves the diverse interests of the Afghan society.

Afghan Labor Law (2007) includes provisions which need to be adhered to by the companies for the fulfillment of rights of mine workers and the social protection of their families. Some of these provisions relate to fixing maximum hours of work, vocational training and skill development of employees, proper health and occupational safety conditions, provisions for not recruiting women and youth in underground mines and social protection provisions and an important provision of participation of the employees in production and development, social services, cultural and livelihood discussions in the companies and to give their suggestions for improvement.

Need for Social Policy Guidelines

The social policy framework in the mining sector in Afghanistan will be guided by the lessons learnt from the Aynak Copper mine project, other major projects in the infrastructure and other sectors involving host of social issues like land acquisition, resettlement of affected communities, income restoration, employment generation etc. It will also take into account the international best practices and lessons learnt in community development and poverty reduction programs linked to mineral extraction and will identify how these lessons can be adapted to the Afghan situation to provide a tool to the government and to private mining companies to increase benefits from mining for local population.

The social policy will be designed to both maximize the opportunities presented by development in mining sector in the country and mitigate and avoid adverse impacts in areas such as, social infrastructure, employment, housing, community services, amenity, quality of life, health and education. The policy will also respond to the cumulative and regional impacts that may be experienced by project affected communities as a result of the mining and national regional resource corridor projects for infrastructure development.
The policy will strengthen the Afghan Government’s role to ensure community development in the project areas through a social impact assessment (SIA) function, conducting social impact plans (SIPs) to outline the forecast changes to communities, the decide on the strategies for mitigation, avoidance and enhancement of impacts, and the responsibility of various parties in relation to management. Finally the policy will seek to implement best international practices in social development in the project affected both for the betterment of the living conditions of the communities and for providing proper wages and other facilities to workers, including vocational training and employment generation as a result of these projects.

The social policy guidelines are intended as a basis for the formulation of a unified policy and framework for social development to enable long term sustainable community development for present and future mining projects of the country. These guidelines will provide mining companies with a readily available tool to implement community development activities, even before a policy is formally adopted by the government. The guidelines will provide a basis for the design of an improved community development framework for the mining sector.

Social Policy Guidelines have been prepared for mining companies, NGOs, investors, insurers, and technical experts working in the minerals sector to create a basis for developing socially responsible mining and provide recommendations for the mining companies to source or invest responsibly, as well as government to regulate and encourage responsible mining practices.

Objectives of Social Policy:

Over the next few decades the mining industry in Afghanistan is set to grow, reinforcing its position as the primary source of revenue for the national government and the most prominent private sector industry. Consistent with existing national legislation, the objective of the social policy will be to ensure that activities under the different projects will:

- Enhance social and economic development by seeking opportunities to address poverty.
- Contribute to community development through close collaboration with local communities
- Community consultation and involvement in the process of development
- Contribute to mitigate negative social impacts of the project especially on the project affected communities
- Prevent or compensate any loss of assets and livelihood;
- Enhance positive environmental and social outcomes;
- Protect human health;
- Protect rights of mine workers
- Provide social protection to workers and their families
- Support gender equality principles and
- Ensure compliance with World Bank safeguard policies

**International Social Standards for Mining**

Since 1990’s, several internationally recognized Standards have emerged which seek to help organizations to understand the social and environmental impacts with a view to mitigating the negative and optimizing on the positive, such as Equator Principles (EPs), World Bank’s environmental and social operational policies, Extractive Industries Transparency Initiatives (EITI) Principles, International Council on Mining and Metals (ICMM) Sustainable Development Framework, the ILO Tripartite Declaration, International Finance Corporation (IFC) Performance Standards, the UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights.

Government of Afghanistan will very soon have its legal and policy framework for social safeguards in the mining sector. However, till that time, it would expect the mining companies to follow international standards such as World Bank’s social safeguards relating to social assessments, labor conditions, health and safety, displacement and involuntary resettlement.

**Addressing Social Risks**

Civil society groups, mining companies, trade unions and governments have identified a wide range of potential social risks faced by indigenous peoples and local communities and have developed norms and criteria for socially responsible mining. Potential negative social impacts from mining include the following:

- Increased poverty among local community through a degraded environment or loss of agricultural land on which, in many cases, community subsistence depends;
- Displacement, forcible eviction, or forced relocation leading to impoverishment and loss of cultural and social cohesion and means of livelihood.
- Greater in community economic inequality between those with jobs at the mine and those without, men and women, between those who receive other benefits and resource rents and those who do not;
- Internal conflict, disruption of traditional social structures, and increased gender inequality as a result of unequal access to jobs in the mine by men
- Militarization because of the need to protect the mine’s assets from local opposition, from scavenging by poor communities, or from existing local conflicts may lead to
presence of security forces in the area leading to increased stress and non fulfillment of basic human rights among communities living there.

- In migration of labor to work in the mine area can create problems related to conflicts due to different socio-cultural values between newcomers and native residents, overuse of local resources, and spread of diseases; and other socially unacceptable practices.
- Loss of land, loss of sustainable livelihoods, and loss of livelihood as a result of displacement of communities by mining;
- Loss of cultural cohesion and loss of sacred places e.g., as a result of displacement and the destruction of sacred sites;
- Breaches of core labor standards through the use of forced labor, child labor, denying workers the right to unionize and to collective bargaining, and breaches in health and safety standards, and so on.

Based on the discussion above, the important social issues to be considered could be largely grouped in two categories, community related and labor related.
Land Acquisition and Resettlement

One of the most significant social impacts of mining arises from land acquisition which results in displacement of mostly weaker sections of the society. Displacement of populations leads to further impoverishment as consequences of resettlement commonly include loss of homes, landlessness, food insecurity, loss of employment, marginalization, loss of access to common resources and public services, lack of cultural identity etc. In most cases of resettlement, focus is primarily on land acquisition and physical relocation rather than income restoration of the affected families and community development. There are no mechanisms to enforce implementation of the resettlement action plan and, hence, no opportunities for communities to seek redressal. Further, women, children, and the elderly are most vulnerable to resettlement.

Government of Afghanistan is developing an elaborate policy and legal framework for land acquisition. However, till then the mining companies are advised to follow best international practices in land acquisition and community development including World Bank Operational Policy OP 4.12 on Involuntary Resettlement. The overall objectives of this policy are involuntary resettlement should be avoided if feasible, or minimized, exploring all viable alternative project
designs: resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits and displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs: displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

The companies must therefore fulfill following best international best practices in land acquisition and resettlement:

- Resettlement should be avoided if possible, or minimized and other viable alternatives should be explored. Resettlement should be resorted to only if there are no other options available for mine development.

- The companies must carry out a detailed social impact assessment (SIA) that assesses prior living conditions of the project affected persons, their income levels and likely impacts of the project on the communities and the mitigation needs. SIA should also gather information on the use and ownership of land and resources by the affected communities. The assessment should also take into account the impact of displacement on more vulnerable sections like women, old persons and children.

- Companies should fully engage with the communities and allow enough opportunity for consultation and to participate fully in decision making regarding the resettlement process, including the offered choices and alternatives.

- In developing countries such as Afghanistan there are frequent instances of communities living in particular areas for long periods of time but they do not possess legal titles to land. Though they may have customary or traditional ownership of land or they may have been cultivating public lands for many decades. Land laws in Afghanistan do recognize customary and traditional rights to land and also that if a family has been cultivating a piece of land for more than 34 years can claim ownership and compensation for that land. Their absence of legal title should not constitute a barrier to compensation through the resettlement process.

- The local communities should not be displaced unless all likely impacts have been assessed for the communities and the agreed amount of compensation has been paid, alternate land has been allocated, people have had a chance to start rebuilding in the new
location and public facilities at the resettlement have been provided so that the resettled people have the same or better standard of living.

- Resettlement Action Plans (RAP) should be developed in consultation with the communities and they should include community development programs. RAP should also provide adequate financing to cover all costs of resettlement, and compensation for resettled individuals. It should also provide information on capacity-building and job training programs for project affected persons.

- All individuals within a community need to be resettled as closely as possible to each other. If the project affected persons are relocated to established settlements, the company should ensure their social and economic integration within the established community where they have moved in.

- The communities should also be given the opportunity to take assistance of a local NGO to guide them on issues of relocation, compensation and resettlement.

- For those who are dependent on agriculture for their livelihoods, need to be compensated adequately for the loss of land which should be equal to replacement cost of land or better value.

- Consultation with the communities should be maintained after resettlement, and there should be regular monitoring of livelihood restoration. In addition, resettled individuals should have an easy access to an independent complaint and dispute resolution mechanism and complaints should be addressed expeditiously.

- To ensure accountability and transparency in the process of resettlement, all payments made, including compensation amounts should be publicly disclosed by the companies.

- Last but not the least, for tribal communities and weaker sections, it is important to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. Therefore, all decisions regarding their rehabilitation should be taken with the active participation of the affected persons, rather than being externally imposed.

**Important Social Policy Guidelines:**

1) Community Engagement and Benefit Sharing
As social risks associated with mining are ultimately borne by the local communities and by workers, implementation of mining plan must occur with the full participation of the local communities and workers. Mining companies must proactively engage with local communities in a consultative, participatory, culturally appropriate, and mutually acceptable manner including redressal of grievances of the communities throughout the life cycle of the project. In order for this dialogue to be meaningful, companies should disclose all information relating to likely impacts of the project to the affected persons in a manner they can understand properly. Mining companies should carry out social impact assessments including impacts on gender; provide baseline studies; and ensure meaningful community participation in carrying out SIA, baseline studies, independent audits and verification of compliance. The engagement with the communities can be done through variety of processes like informal discussions, formal and structured engagement programs, public displays, public meetings, visitor centers, newsletters, websites, workshop, focus groups etc. Broad guidelines based on international best practices on effective community engagement are discussed as follows:

- Companies should start the process of consultation with affected communities before they start the exploration work. Such negotiations could continue throughout the life of the mine and communities should be invited to participate fully in decision making in the mine activities to get their consent for the unavoidable social risks.

- As early as possible, the company should prepare a profile of the local area, the existing socio-economic conditions of the communities at the time of the start of the project and identify key stakeholders. The company should also draw up a consultation plan with the communities which would complement the government led public consultation process.

- Companies should hold consultations with the community in the native language and in a manner that is culturally appropriate, using mechanisms and institutions which are recognized by the affected communities to ensure the participation of marginalized groups within communities, such as women; the elderly; ethnic, religious, class, or caste groups and the illiterate.

- Inclusiveness should be the guiding principle for negotiations, with a view toward including marginalized groups within communities, as well those risk-bearing groups living downstream and adjacent to the mine sites.

- The companies should share relevant information with the communities about potential social risks, risk mitigation strategies, the social and cultural benefits and CSR activities
planned by the company. They should explain the Mining Plan, Environmental Social Impact Assessment (ESIA), Social Management Plan (SMP), the Resettlement Action Plan (RAP) and the socio economic development plan for the area to the communities.

- Companies should allow sufficient time for the communities to seek clarifications to help them participate in the decision-making processes. Consultations should be open and transparent to all members of the community.

- The mining companies should possess the expertise in conducting community consultations that respect local consultative practices, traditions, and should follow logical timeframes. The companies should necessarily establish mechanisms for grievance redressal at the project level which seeks to address grievances of the community in a time bound manner and to the satisfaction of the aggrieved project affected persons.

- The companies should make all efforts to ensure participation of women and other vulnerable groups in the consultation process through targeted engagement and mobilization.

- The companies may also provide the communities with independent technical and legal advice if required to assist them in their meaningful participation in public consultation.

- The companies should also establish community consultative mechanisms through local and sub national governance bodies like Community Development Councils (CDCs), Shuras and Provincial Councils to amicably settle issues of conflicts within the communities.

- The companies may also plan to build capacities of these local institutions to better understand legal framework guiding mining activities and safeguard the interests of the communities and workers and participate in the consultation process in an informed manner.

**Benefit Sharing**

Globally there is an increasing recognition that mining should provide direct benefits to locally affected communities and benefits to communities should outweigh the costs in terms of social impacts. Local communities, women, and traditionally marginalized groups should share directly in the wealth that is generated in ways that are sustainable and agreed upon by the affected
communities. Benefit sharing is not binding in Afghanistan but government is working towards a future policy in this area and that mining companies are expected to explore innovative ways of sharing benefits with the community.

The mining companies should follow key elements of benefit sharing as stated below:

- Most benefit sharing arrangements in mining are CSR activities of the companies directed towards community development rather than actual sharing of the benefits. Since social and economic benefits are not an automatic consequence of mining, the sustainable and long-term benefits to the local communities must be deliberately considered and pursued by mining companies in consultation with members of local communities.

- Wherever possible companies should make provisions to share benefits with the affected community and land losers through broad based agreements covering aspects like employment generation, vocational training, economic development, business opportunities, social cultural and community support, environmental and health protection etc.

- Explore new and innovative options for social welfare in the mine area including means of alternate livelihoods, education of the children, health care facilities etc. In case of agreements with the communities, these should be monitored, internally as well as third party and reports presented on the performance on CSR activities.

Engagement with Women and Marginalized Sections within the Communities

Women get disproportionately more affected by the negative socio-economic impacts of mining. This is so because large number of women in most developing countries, including Afghanistan are engaged in agriculture and whenever communities are displaced, women are forced out of their land based work and pushed into menial and marginalised forms of labour. In traditional livelihood systems, they play an important role in agriculture, management of livestock and related activities. However, mining erodes this role from them and makes them entirely economically dependent on the male members.

Further because women are frequently not considered a distinct group of stakeholders, the mining companies do not engage in much consultation with them and it is mainly men who benefit from compensation for displacement or employment. Women are forced to depend solely
on the wages of the male members as mining by nature of its activity does not permit women to participate. The living conditions of women displaced by mining gets adversely affected by loss of income, lack of infrastructure facilities, lack of medical facilities and schooling etc. Therefore the mining companies must ensure that development plans for mine affected communities have a specific gender component and ensure that enough benefits of the mine operations must flow to women living in the area.

Similarly, the poor and marginalised sections within the communities living in mining areas are at a major risk of not benefitting from the economic opportunities of mining while bearing most of the negative socio economic impacts of mining in the area. A mine may use their land and water which was a source of livelihood and may even result in displacement and homelessness. Their ability to get productive employment in mine is also severely limited by their education and work skills. The poorer sections may get further affected by influx of labor coming from outside which may not only cause social conflict but also put pressure on existing social infrastructure like schools, hospitals, drinking water etc.

Therefore, based on international best practices, the mining companies in Afghanistan must fulfill following obligations relating to effective engagement of women and marginalized sections:

- Companies should conduct Gender Impact Assessments (GIAs) along with Environmental and Social Impact Assessments. The GIA will identify specific impacts on local women as a result of mining in the area. It will also give details of the consultation held with women, their participation in decision making and how impacts and risks specific to women can be avoided, or mitigated. They should also ensure that the voice of marginalised and poorer people within the communities is properly heard and their suggestions on mitigation measures are well recorded.

- Mining companies should ensure that any of their mine development plans do not adversely affect local women and marginalised sections. A company must implement a code of conduct covering range of issues including health and safety, social protection etc, which would help to mitigate negative impacts of mining on them.

- Companies should comply with international labor standards involving equal pay for equal work to women and other marginalised people; safe and healthy working environments; and freedom from discrimination, violence, and sexual harassment.
• Women and marginalised sections working in mine and related activities should have access to all rights as provided for under labor law like leave, skill training, social protection etc. Women should not be made to work in jobs of hazardous nature including underground mines. In this regard, Government of Afghanistan has ratified Underground Work (Women) ILO Convention no. 135 and it is binding on the companies to ensure fulfillment of the obligations under this convention.

Finally, the mining companies must therefore ensure that mining activities are not aggravating social inequalities and discrimination but they should use mine as a bridge to reduce the gaps and benefit the weakest in the mine area.

**Community Development**

Community development is all encompassing and includes economic, social and cultural development for improving standards of living and well being of the communities. The mining companies through community development increase the strength and effectiveness of the local communities, to enable them to participate meaningfully in decision-making process and achieve greater long-term benefits. It will be binding on the mining companies to contribute to the social, economic and institutional development of the communities in which they operate by acting as a catalyst for economic and social development opportunities through following means:

• The companies should develop a robust assessment of the community needs, capacities and skills and understand their vision for sustainable future. Then they should develop social investment programs that address these needs.

• Focus on capacity building and skill development of the youth to help them get gainful employment in the mining sector in the area and elsewhere.

• The companies should also strive to foster dynamic linkages between communities and external support agencies, such as non-government organizations, training organizations and employment agencies.

• The companies may also create opportunities for diversifying the local and regional economy by supporting local enterprise and businesses and opening avenues of employment.

• They should focus on partnering with other organizations and government agencies in the local area development programs, dovetailing their activities with established community planning processes and augmenting successful existing programs and initiatives.
• The mining companies may work with government, other institutions and agencies to contribute to:
  ✓ the improvement of public health and other services
  ✓ enhancing the local environment, building community pride
  ✓ strengthening local institutions
  ✓ Working with marginalised groups to help them participate more fully in the development of their community.

• Many mining companies also contribute in community development by providing direct employment, creating business opportunities, paying taxes and royalties and providing community donations and sponsorships.

• Engage with community in decisions about mine closure and post closure land use.

• Explore mechanisms of social audits of the CSR and other development programs undertaken with the participation of the communities.

Labor Welfare

Implementation of internationally recognized core labor standards, protecting labor rights and programs for welfare of the workers are important social obligations of the mining companies. Mining operations are quite hazardous in nature. ILO estimates that mining accounts for about 5 percent of worker deaths per year in an industry that employs less than 1 percent of workers globally. Mining also poses a significant occupational health threats to its workers, such as respiratory diseases and diseases related to metal contamination etc. Shift work, living in isolated locations, and lack of family support all contribute to mental health stress for mine workers.

Since 1919, the International Labour Organization (ILO) has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. These are ILO’s legal instruments setting out basic principles and rights at work. They are implemented through conventions, which are legally binding for the countries ratifying them. Afghanistan has ratified 5 out of 8 core labor conventions. These five conventions relate to abolition of forced labor (C105), elimination of child labor (C 138 & C182), equal remuneration (C100) and no discrimination in employment and occupation (C 111). Therefore it will be binding for the actors in Afghanistan mining sector to fulfill above labor standards relating to child labor, forced labor, equal remuneration for work of similar nature and no discrimination in employment.
Like many other developing countries in the region, child labor is prevalent in different sectors in Afghanistan particularly in the unorganized sector. Government of Afghanistan has ratified the two ILO core conventions on child labor (C 138 and C 182) indicating government’s commitment to eliminate child labor from the country. The mining companies therefore should ensure that they do not employ child labor in mining even those involving small scale mining operations.

In addition, mining companies are encouraged to follow guidelines in ILO Convention on Safety and Health in Mines (ILO 176), which stipulates that the companies should provide for:

- Adequate training, retraining and instructions;
- Supervision and control on each shift;
- Investigation of all accidents, with remedial action taken and a report made; and
- Regular health surveillance of workers;

In addition certain other ILO Conventions have been identified as critically important for mine workers. This includes Convention 81 regarding labor inspection; Convention 148 regarding the working environment and Convention 155 & 161 regarding occupational health and safety;

Further, it will also be binding on the companies to fulfill all obligations as laid down under the Afghan Labor Law relating to non-discrimination in employment, working hours, leave overtime, vocational training and skills development of employees, medical examination of employees, social security like food allowance, transportation, health services, financial aid at retirement etc.

Afghan labor law also lays down many provisions for health and safety conditions for workers which will be binding on the companies to fulfill. These include application of safety techniques to prevent work and production related accidents, and to provide healthy conditions in order to prevent occupational diseases of employees. The law also provides that the employer will be obliged to give continuous training to employees about safety, environmental health, firefighting, medical first-aid services and other rules of protection. Further the law provides that in those types of work which are carried out under conditions harmful to health, where there is a special low or high temperature, or where there is the risk of contamination of employees, special clothes and footwear, masks, eye glasses, gloves and other protective devices as well as preventive and curative food materials shall be put at the disposal of Employees, free of charge, in accordance with the established standards and rules. The law also does not permit employment of women and youths in types of work that are physically arduous, or harmful to health or carried out in underground sites.
Further, for protecting the rights of the mine workers, the principles of International Council of Mining and Metals (ICMM) for sustainable development as given below must also be followed:

- Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by mining activities.

  ✓ Ensure fair remuneration and work conditions for all employees and do not use forced, compulsory or child labor.
  ✓ Provide for the constructive engagement of employees on matters of mutual concern.
  ✓ Implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of mining activities.
  ✓ Ensure that all relevant staff, including security personnel are provided with appropriate cultural and human rights training and guidance.

- Seek continual improvement of workers’ health and safety.

  ✓ Implement a management system focused on continual improvement of all aspects of operations that could have a significant impact on the health and safety of workers, and the communities.
  ✓ Take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among workers.
  ✓ Provide all workers with health and safety training.
  ✓ Rehabilitate and reintegrate workers into operations following illness or injury, where feasible.

Broad guidelines for the mining companies to ensure welfare of mine workers are as follows:

- Efforts must be directed towards the development and adoption of mining methods which would enhance the safety of workers and reduce work related accidents. Steps should also be taken to minimize adverse impact of mining on the health of workers and the surrounding population.

- Companies should conduct training sessions to educate workers on their basic labor rights and establish independent verification and monitoring procedures to ensure that basic labor rights are protected.
Companies should also set up a complaint mechanism for workers with their representatives as members of these bodies.

Mining companies should provide job training to local community members so that they can employ maximum number of labor which is locally available.

Where communities seek jobs as a benefit of mine development, companies should ensure that community members are given ample opportunity to get this benefit through instituting job training programs to help them develop the necessary skills to work in the mine.

Mining companies should maximize training and employment opportunities for women and take active measures to counter discrimination against hiring of women, harassment of women in the workplace, and unsafe working conditions for women.

The companies should ensure equal pay for equal work, as well as equal employment opportunities and protections for workers of any race, ethnicity, or caste.

Mining companies should provide HIV/AIDS awareness training for all staff and their families and develop policies to protect, support, and provide for staff and their families living with HIV/AIDS. Mining companies should prioritize workplace health and safety and adopt a broad view of health.

Companies should not resort to unfair labor practices like low wages, employment of forced labor and use of child labor in mines.

The company should provide accurate information to communities regarding employment opportunities for local people at the mine project, especially for women, indigenous peoples, and marginal groups in the community.

Conclusion:

These social policy guidelines indicate strong intent of the Government of Afghanistan towards social development in the mining sector. These will guide the process of socio economic development in the mining areas to enable long term sustainable community development for present and future mining projects of the country. These guidelines will help different government departments, mining companies, NGOs etc to direct their policies and programs for social development in the mining areas in a more focused and targeted manner.
6.4 ANNEX 4 - List of Excluded Activities

Activities listed below will be ineligible for support from SDNRP-I or SDNRP-II:

<table>
<thead>
<tr>
<th></th>
<th>Activities not allowed to receive support of SDNRP-II</th>
</tr>
</thead>
</table>
| 1 | Project activities that might involve conversion, degradation or disturbance of critical natural habitats, notably, but not limited to, the following:  
   - Ab-i-Estada Waterfowl Sanctuary;  
   - Ajar Valley (Proposed) Wildlife Reserve;  
   - Dashte-Nawar Waterfowl Sanctuary;  
   - Pamir-Buzurg (Proposed) Wildlife Sanctuary;  
   - Bande Amir National Park;  
   - Kole Hashmat Khan (Proposed) Waterfowl Sanctuary;  
   - Shewa Lake in Badakhshan;  
   - Any other critical natural habitats, as determined by NEPA. |
| 2 | Project activities that might cause excessive disturbance to species of plants and animals of high conservation status, as defined by NEPA. |
| 3 | Project activities that might damage non-replicable cultural property, including but not limited to, any project activities that affect the following sites:  
   - Monuments of Herat (including the Friday Mosque, ceramic tile workshop, Musallah complex, Fifth Minaret, Gawhar Shah mausoleum, mausoleum of Ali Sher Navaii, and the Shah Zadehah mausoleum complex);  
   - Monuments of Bamiyan Valley (including Fuladi, Kakrak, Shar-I Ghulghular and Shahr-I Zuhak);  
   - Archaeological site of Ai Khanum;  
   - Site and monuments of Ghazni;  
   - Minaret of Jam;  
   - Mosque of Haji Piyada/Nu Gunbad, Balkh province;  
   - Stupa and monastery of Guldarra;  
   - Site and monuments of Lashkar-i Bazar, Bost;  
   - Archaeological site of Surkh Kotal; and  
   - Other sites of non-replicable cultural property as determined by the Institute of Archaeology or NEPA. |
| 4 | Project activities that require pesticides that fall into WHO classes IA, IB or II. |
| 5 | Project activities that may support, directly or indirectly, loss or damage to forested areas. |
| 6 | Project activities liable to encourage the exploration or mining of mercury. |
| 7 | Project activities liable to encourage the exploration or mining of asbestos. |
| 8 | Project activities at sites with high risk of landslips, rock-falls etc. |
| 9 | Project activities liable to encourage the use of forced labour (all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty). |
| 10 | Project activities liable to encourage the use of harmful child labour (employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development). |
6.5 **ANNEX 5 - Fieldwork Screening Form**

SDNRP-II will continue conducting geological fieldwork to assist the Ministry of Mines and AGS, notably but not exclusively in the Capacity Building of AGS (CBAGS) sub-project. Significant environmental and social impacts may possibly occur, and the purpose of the Fieldwork Screening Form is to reduce the risk.

<table>
<thead>
<tr>
<th>FIELDWORk SCREENING FORM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Screened by:</strong></td>
</tr>
<tr>
<td><strong>Checked by:</strong></td>
</tr>
<tr>
<td><strong>Summary of main concerns:</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>About the Team</strong></th>
<th>✓</th>
<th>✗</th>
<th>Concern?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Person in charge:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Date travel: Date return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. How many people in the team? 1 / 2 / 3 / 4 / 5 / 6 / 7 / 8 / 9 / 10 etc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Has the team some first aid skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Has the team got a First Aid Kit? If YES: excellent / good / fair / poor /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Has the team got enough medicines? If YES: excellent / good / fair / poor /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Has the team got some ecological skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Has the team got plant ID skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Has the team got mammal ID skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Has the team got reptile ID skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Has the team got hydrological skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Has the team got geomorphological skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Has the team got archaeological site ID skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Has the team got Google Earth interpretation skills? If YES: excellent / good / fair / small /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Who will be the Compliance Person for the trip? Name:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>About the Fieldwork Activities</td>
<td></td>
<td>Concern?</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------</td>
<td>---</td>
<td>----------</td>
</tr>
<tr>
<td>16</td>
<td>Main purpose of Fieldwork</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 17 | Will any visit be underground?  
If YES, explain: |   |          |
| 18 | If underground, which competent person will first conduct a SAFETY AND RESCUE AUDIT? |   |          |
| 19 | Will pits be dug?  
If YES, how deep, how many? |   |          |
| 20 | Will trenches be dug?  
If YES, how deep, how many? |   |          |
| 21 | Will boreholes be drilled?  
If YES, how deep, how many? |   |          |
| 22 | Will vegetation be removed?  
If YES, why? |   |          |
| 23 | Will streams be disturbed?  
If YES, why? |   |          |
| 24 | Will geophysics be used?  
If YES, type and km: |   |          |

<table>
<thead>
<tr>
<th></th>
<th>About the Fieldwork Area</th>
<th></th>
<th>Concern?</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Province(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Administrative district(s):</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 27 | Village name(s)  
Village LAT & LONG: |   |          |
| 28 | Attach topographic map with area marked: |   |          |
| 29 | Attach Google Earth image showing area (e.g. pins at centre, pins at corners, or line around the area) |   |          |
| 30 | Have you or team visited the area before?  
If YES then when? |   |          |
| 31 | Security of the area?  
Very good / good / fair / poor / |   |          |
| 32 | Security of the road to the area?  
Very good / good / fair / poor / |   |          |
<p>| 33 | What is the source of the security information? |   |          |</p>
<table>
<thead>
<tr>
<th></th>
<th>Environmental Footprint</th>
<th></th>
<th>Concern?</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Are there forests that could be adversely affected by the fieldwork?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Are there pastures that could be adversely affected by the fieldwork?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Are there rivers and wetlands that could be adversely affected by the fieldwork?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Are there caves or bat roosts that could be adversely affected by the fieldwork?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Are there any threatened species that could be adversely affected by the fieldwork?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Is the fieldwork area in or adjacent to any protected areas designated by government?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Will the fieldwork reduce people’s access to the pasture, water, public services etc.?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Might the fieldwork alter any historical, archaeological or cultural heritage site or require excavation near such a site?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Have you used Google Earth to look for archaeological remains in the area?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Does remote sensing reveal the possible presence of sites of archaeological importance?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>Might the fieldwork lead to soil degradation or erosion in the area?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Might the fieldwork affect soil salinity?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Will the fieldwork create solid or liquid waste that could adversely affect local soils, vegetation, rivers, streams or groundwater?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Will trenches, holes etc be left open?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Will the fieldwork disturb rocks, soils or sediments containing mercury?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Will the fieldwork disturb rocks, soils or sediments containing arsenic?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Will the fieldwork disturb rocks, soils or sediments containing heavy metals? Names:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Will the fieldwork disturb rocks, soils or sediments containing asbestos?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Will the fieldwork disturb rocks, soils or sediments containing radioactive minerals?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Social Footprint

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>Have all groups within the community been consulted about the proposed fieldwork?</td>
</tr>
<tr>
<td>54</td>
<td>Which groups have not been consulted?</td>
</tr>
<tr>
<td>55</td>
<td>Will the fieldwork require acquisition of land (public or private)?</td>
</tr>
<tr>
<td>56</td>
<td>Will the fieldwork reduce people's access to the pasture, water, public services etc.?</td>
</tr>
<tr>
<td>57</td>
<td>Will the fieldwork result in the involuntary resettlement of individuals or families?</td>
</tr>
<tr>
<td>58</td>
<td>Is it possible to achieve the fieldwork objectives with fewer environmental and social impacts?</td>
</tr>
<tr>
<td>59</td>
<td>Might the fieldwork disturb stream flow, irrigation channels or karez tunnels?</td>
</tr>
<tr>
<td>60</td>
<td>Will the fieldwork result in temporary or permanent loss of irrigation channels, karez tunnels, wells, crops, fruit trees and household infrastructure such as granaries, toilets, kitchens etc?</td>
</tr>
<tr>
<td>61</td>
<td>Will anyone be prevented from using economic resources (e.g. pasture, community place, forests etc.) to which they have had regular access?</td>
</tr>
<tr>
<td>62</td>
<td>Will the fieldwork affect the livelihoods of particular groups within the communities, especially vulnerable groups such as the landless?</td>
</tr>
<tr>
<td>63</td>
<td>Will the fieldwork affect the well-being and livelihoods of women, particularly female-headed households?</td>
</tr>
<tr>
<td>64</td>
<td>Are there ongoing land or water disputes within the community/with neighbouring communities?</td>
</tr>
</tbody>
</table>

## Landmines and Munitions

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>66</td>
<td>Is there probability of landmines or unexploded devices at or near the proposed fieldwork?</td>
</tr>
<tr>
<td>67</td>
<td>Have you checked for unexploded ordnance/mines in the area? If YES, please attach map.</td>
</tr>
<tr>
<td>68</td>
<td>If landmines and unexploded devices are believed not to be present, on what evidence is this based?</td>
</tr>
<tr>
<td>69</td>
<td>Have any of the team had training on recognition of landmines and unexploded munitions etc.? IF YES, all / most / about half / one or two</td>
</tr>
</tbody>
</table>
6.6  ANNEX 6 - Guidelines for Protection of Cultural Heritage Sites

Introduction

SDNRP-II will encourage MoM and AGS to avoid disturbing physical cultural property sites, i.e. sites and structures having archaeological, paleontological, historical, architectural, or religious significance, and natural sites with cultural values. Collectively these can be termed ‘cultural heritage sites’. Avoidance will be achieved as far as possible via SDNRP-II by three means:

(i) **Known sites.** Ensure that, as far as possible prospecting avoids known cultural heritage sites, of which there are several thousand in Afghanistan, and that the presence of cultural heritage sites at or near major mineral deposits be appreciated as early as possible. In addition SDNRP-II will assist the MoM Mining Inspectorate in using remote sensing to identify known cultural heritage sites that are at risk by mines - especially by the thousands of small mines for industrial minerals and their associated haul roads.\(^{12}\)

(ii) **Unknown sites.** AGS and NEPA will be trained in remote sensing of field areas and mine prospects via Google Earth and higher definition multispectral imagery to detect and tag potential cultural heritage sites in target areas for AGS exploration and possible mining.

(iii) **Chance finds procedures.** AGS and Mine Inspectors will be alerted to the legal procedures for identification, protection from theft, and treatment of chance finds, as set out below.

Chance Find Procedures

Chance find procedures are defined in the law on Law on the Preservation of Afghanistan’s Historical and Cultural Heritages and Artefacts (Official Gazette, April 16, 2004). The law specifies the authorities and responsibilities of cultural heritage agencies if sites or materials are discovered by chance in the course of fieldwork, exploration or mining. This Law establishes that all moveable and immovable historical and cultural artefacts are State property, and further:

(i) The Archaeology Institute and the Historical Artefacts Preservation and Repair Department are both responsible to survey, evaluate, determine and record all cultural and historical sites and collect and organize all historical documents related to each specific site. No one can build or perform construction on the recorded historical and cultural site unless approved or granted permission or agreement is issued from the Archaeology Institute. (Article 7)

(ii) All moveable and Immovable historical and cultural artefacts and heritage items that are discovered or remain buried and not discovered/excavated in Afghanistan are the property of the Islamic Republic of Afghanistan and any kind of trafficking of such items is considered theft and is illegal. (Article 8)

---

\(^{12}\) For example SDNRP-II recently alerted MoM to significant damage to the remains of the ancient Greek city of ‘Alexandria in the Caucasus’ due to an improvised haul road from a series of hard rock quarries.
(iii) Whenever municipalities, construction, irrigation or other companies (whether they are governmental or private) find or discover valuable historical and cultural artefacts during the conduct of their projects, they are responsible to stop their project and report any findings to the Archaeology Institute about the discovery. (Article 10)

(iv) Any finder or discoverer of historical and cultural sites is obligated to report a find or discovery to the Archaeology Institute immediately but not later than one week if it is in the city and not later than 2 weeks if it is in a province. All discovered artefacts are considered public properties and the Government of Afghanistan will pay for all lands and sites which are considered to be of historical or cultural value. (Article 19, paragraph 1)

(v) Whenever there is an immovable historical and cultural site discovered which includes some movable historical and cultural artefacts, all such movable artefacts are considered public property and the owner of that property will be rewarded according to Article 13 of this Decree. (Article 19 paragraph 2)

(vi) A person who finds or discovers a movable historical and cultural artefact is obligated to report the discovery to the Archaeology Department no later than seven (7) days if he/she lives in the capital city of Kabul, and in the provinces they should report the discovery to the Historical and Cultural Artefacts Preservation Department or Information and Culture Department or to the nearest governmental Department no later than fourteen (14) days.

(vii) Mentioned Departments in this article are responsible to report the issue to the Archaeology Department as soon as possible and the discoverer of the artefact will be rewarded according to Article 13 of this Decree. (Article 26)

(viii) Whenever individuals who discover historical and cultural artefacts do not report such discoveries to the related Departments within the specified period according to Articles 19 and 26 of this Decree, they will be incarcerated for a minimum of one (1) month but not more than a maximum of three (3) months. (Article 75)

SDNRP-II will organise special awareness training of MoM Mine Inspectors and AGS staff, including a visit to the Mes Aynak archaeological site and the effective use of remote sensing to detect and avoid possible archaeological sites.
6.7 ANNEX 7 - Procedures for Mine Risk Management in WB Projects

Background

The following procedures are designed to respond to the risks caused by the presence of mines in Afghanistan, in the context of:

- Community rehabilitation / construction works to be identified and implemented by the communities themselves (for small projects of up to $100,000 each);
- Small and medium-size works to be identified by local authorities and implemented by local contractors (for projects up to $5m each);
- Works to be implemented directly by Government departments/agencies, without use of contractors; and
- Large works to be implemented by contractors (for projects above $5m).

General comment applying to all following procedures: All risk assessment and clearance tasks shall be implemented in coordination with the Mine Action Centre for Afghanistan (MACA). These procedures may need to be amended in the future depending on evolving circumstances.

Procedure for Community-Managed Works

Applicability: This procedure applies to community rehabilitation / construction works to be identified and implemented by the communities themselves (for small projects of up to $100,000 each).

Overall approach: The communities should be responsible for making sure that the projects they propose are not in mine-contaminated areas, or have been cleared by MACA (or a mine action organization accredited by MACA).

Rationale: Communities are best placed to know about mined areas in their vicinity, and have a strong incentive to report them accurately as they will carry out the works themselves.

Procedure:

1. Communities are required to submit a reply to a questionnaire regarding the suspected presence of mines in the area where Bank-funded community-managed projects will be implemented. This questionnaire should be formally endorsed by the Mine Action Program for Afghanistan (MAPA). It will be a mandatory attachment to the project submission by the communities and should be signed by community representatives and the external project facilitator. External project facilitators will receive training from MAPA. Financing agreements with the communities should make clear that communities are solely liable in case of a mine-related accident.

2. If the community certifies that there is no known mine contamination in the area, the ministry responsible for the selection of projects should check with MACA whether any different observation is reported on MACA’s data base.

If MACA’s information is the same, the project can go ahead for selection. The community takes the full responsibility for the assessment, and external organizations cannot be made liable in case of an accident.

If MACA’s information is different, the project should not go ahead for selection as long as MACA’s and community’s statements have not been reconciled.
If the community suspects mine contamination in the area, if the community has included an assessment / clearance task in the project agreed to be implemented by MACA (or by a mine action organization accredited by MACA), the project can go ahead for selection.

If the community has not included an assessment / clearance task in the project, the project should not go ahead for selection as long as this has not been corrected.

Mine clearance tasks must be implemented by MACA or by a mine action organization accredited by MACA. Communities will be penalized (subsequent funding by World-Bank funded projects shall be reduced or cancelled) if they elect to clear mines on their own.

**Procedure for Small and Medium-size Works Contracted Out**

*Applicability:* This procedure applies to small- and medium-size works to be identified by local authorities and implemented by local contractors (for projects up to $5m each).

*Overall approach:* MACA (or a mine action organization accredited by MACA) should provide detailed information on the mine-related risks (either based on previously done and updated general survey or on a new general survey) before projects are considered for selection. Only project sites assessed to have a nil-to-low risk would be eligible for selection, unless they have been determined by MACA or by a mine action organization accredited by MACA.

*Rationale:* Neither local authorities nor local contractors have the capacity to assess the mine-related risks in a systematic way, while they may have incentives to underestimate them.

*Procedure:*

1. Prior to putting up a project for selection, a general survey should be carried out by MACA (or a mine action organization accredited by MACA) to assess mine-related risks in the area of the project (this should include checking information available in the MACA data base).

2. If MACA provides information suggesting a nil-to-low risk in the proposed project area, the project can go ahead for selection.

3. The contract between the responsible ministry and the contractor will include a clause stating that in case of an accident, legal liability would be fully and solely borne by the contractor.

4. If MACA assesses a potentially high risk in the area (whether due to the presence of mines or uncertainty),

If the project includes an assessment / clearance task agreed to be implemented by MACA (or by a mine action organization accredited by MACA), it can go ahead for selection based on agreed funding modalities (clearance may be funded either under a contract with a Bank-funded project or under existing donor agreements with the mine action organization);

If the project does not include an assessment / clearance task, it should not go ahead for selection as long as this has not been corrected.
Procedure for Works to be implemented directly by Government Departments and Agencies, without use of contractors

Applicability: This procedure applies to works to be implemented directly by Government departments/agencies, without use of contractors.

Overall approach: MACA (or a mine action organization accredited by MACA) should provide detailed information on the mine-related risks (either based on previously done and updated general survey or on a new general survey) before works or installation of goods/materials are carried out in any given area. Work would only be allowed to proceed in areas assessed to have a nil-to-low risk, unless they have been de-mined by a mine action organization accredited by MACA.

Rationale: Government departments and agencies responsible for providing services currently do not have the capacity to assess the mine-related risks in a systematic way, and currently follow a process of consulting with MACA prior to carrying out activities.

Procedure:

1. Prior to carrying out work, the Government department/agency will consult with MACA to assess mine-related risks in the area (this should include checking information available in the MACA data base). If not already done, a general survey should be carried out by MACA (or by a mine action organization accredited by MACA) to assess mine-related risks in the area.

2. If MACA provides detailed information on mine-related risks which suggest a nil-to-low risk in the proposed area, the work can proceed. The Government would be solely liable in case of a mine-related accident.

3. If information provided by MACA cannot support the assessment of a nil-to-low risk in the proposed area (whether due to the presence of mines or uncertainty), works should not go ahead before MACA (or a mine action organization accredited by MACA) carries out the necessary further assessment and/or clearance for risks to be downgraded to nil-to-low, based on agreed funding modalities (clearance may be funded either under a contract with a Bank-funded project or under existing donor agreements with the mine action organization).

Procedure for Large Works Using Contractors

Applicability: This procedure applies to large works to be implemented by large contractors (projects above $5m).

Overall approach: The main contractor should be responsible for dealing with mine-related risks, in coordination with the UN Mine Action Centre.

Procedure:

1. As part of the preparation of the bidding documents, a general survey should be carried out by MACA (or a mine action organization accredited by MACA) on all the areas where contractors may have to work (broadly defined). This survey should provide detailed information on mine-related risks in the various areas allowing for an unambiguous identification of areas that have a nil-to-low risk of mine/UXO contamination and areas where the risk is either higher or unknown. The survey should be financed out of the preparation costs of the bidding documents.

2. All survey information should be communicated to the bidders (with sufficient legal caveats so that it does not entail any liability), as information for the planning of their activities (e.g., location of campsites, access roads to quarries).
3. Depending on the nature and location of the project and on the available risk assessment, two different options can be used.

**Option 1. Mine-clearance activities are part of the general contract**

(i) Based on the general survey results, a specific budget provision for mine action during construction is set aside as a separate provisional sum in the tender documents for the general contract.

(ii) As a separately identified item in their bid, the bidders include a provision for a further detailed mine assessment and clearance during construction.

(iii) On the instruction of the Supervision Engineer and drawing on the specific provisional sum for mine action in the contract, the contractor uses one of several nominated subcontractors (or a mine action organization accredited by MACA) to be rapidly available on call, to carry out assessment prior to initiation of physical works in potentially contaminated areas, and to conduct clearance tasks as he finds may be needed. The Contractor may also hire an international specialist to assist him in preparing and supervising these tasks. The Contractor is free to choose which of the accredited subcontractors to use, and he is fully responsible for the quality of the works and is solely liable in case of accident after an area has been demined.

(iv) To avoid an over-use of the budget provision, the Contractor is required to inform the Supervision Engineer in writing (with a clear justification of the works to be carried out) well in advance of mobilizing the mine-clearing team. The Supervision Engineer has the capacity to object to such works.

**Option 2. Mine-clearance activities are carried out under a separate contract**

(i) Specific, separately-awarded contracts are issued for further surveying and/or clearing of areas with a not-nil-to-low risk (under the supervision of the Engineer) by specialized contractors (or a mine action organization accredited by MACA). The definition of the areas to be further surveyed / cleared should be limited to those areas where any contractor would have to work, and should not include areas such as camp sites and quarries/material sites which are to be identified by the Contractor during and after bidding of the works. As a result of these further surveys and possibly clearance works, mine-related risk in the entire contract area is downgraded to nil-to-low.

(ii) The contract with the general Contractor specifies the extent of the portion of the construction site of which the Contractor is to be given possession from time to time, clearly indicating restrictions of access to areas where the mine risk is not nil-to-low. It also indicates the target dates at which these areas will be accessible. Following receipt of the notice to commence works from the Engineer, the Contractor can start work in all other areas.

(iii) The general Contractor is invited to include in its bid an amount for mine-security, to cover any additional survey / clearance he may feel necessary to undertake the works.

4. In case of an accident, a Board of Inquiry is assembled by MACA to investigate on the causes of the accident and determine liabilities. Large penalties should be applied on the Contractor if the Board determines that the accident resulted from a breach of safety rules.

5. All parties involved in this process are required to closely coordinate with MACA and to provide the Government, local communities, MACA, as well as any interested party the full available information on mine-related risks that may reasonably be required (e.g., maps of identified minefields, assessments for specific areas).
6.8 ANNEX 8 - Resettlement Process of Aynak Project Affected Persons

August 2011

The purpose of this note is to document the series of steps in the process of resettlement of communities to be displaced due to mining at Aynak. It is based on consultations with local communities, village heads, ministry officials, civil society, other stakeholders and review of ministry documents. This note is regularly updated as further information is available regarding social impact mitigation measures including resettlement of project affected persons at Aynak.

Executive Summary

(i) Resettlement in Afghanistan like most other developing countries is a strategic and systemic problem. This has been surfacing in many sectors especially around infrastructure, rehabilitation and development projects. This problem has been further accentuated by the fact that the Afghan land laws do not effectively address the issues of land acquisition and compensation.

(ii) At Aynak, as of now there is no large scale movement of families. Because of proximity to mine site, about 82 families from two villages of Wali Killai and Kooz Chinarai are being relocated to a resettlement site.

(iii) There are in all 5 villages affected but apart from the two mentioned above, rest of villages only have abandoned houses as people have moved out long ago. In addition, a part of agricultural land of 4 villages is coming in the way of assess road at Aynak for which compensation is due to the villagers owning that land.

(iv) Ministry of Mines has followed a process of consultation with the villagers which is indigenous and practical as per the existing local conditions. However, it was initially unstructured and not well documented and may not align entirely with the World Bank policies and procedures on resettlement which are to be fulfilled as per the Aynak contract. However since last one year with the assistance of the International Social Advisor under World Bank’s SDNRP, the Ministry is following a more systematic process of consultation and agreement with the local communities for the purpose of land acquisition and compensation.

(v) Based on an agreement with the residents of Wali Killai village, most of them have been moved out to alternate locations after payment of compensation amount for their houses as agreed to with them. The compensation amount was quoted by the villagers and government agreed to pay them that amount based on their size of houses and number of rooms.

(vi) In addition to the compensation for houses, government is also providing all project affected families with a free plot of land in the resettlement site being developed by government with modern infrastructure. Villagers will have access to clinic, school, community centre, proper roads, drinking water and sewerage system in this site which they did not have in their original locations.

(vii) Government faced lot of problem in case of settlement of claims for agricultural lands mainly due to absence of proper land records with government, huge claims of land ownership by villagers in the absence of legal or customary ownership papers and lack of clarity of land acquisition and compensation issues in Law of land Appropriation and Law of Managing Land Affairs.
Coordination level of the Ministry of Mines (MoM) with Ministry of Agriculture (MAIL) to deal with land claims has improved over time. MAIL has set up two committees recently to work on land clearing issues at Aynak. These committees have engaged with the communities for the deciding the claims of land ownership and fixing of rates of different types of land. These committees are submitted their interim report relating 11 villages to government last month. These villages include which may be affected due to the location of tailings pond coming up in future. The Committee is likely to give its final report very soon which will include the size of land owned by the villagers and grade of land for the purpose of payment of compensation.

Resurvey- A process of due diligence was adopted for the results of the socio economic survey carried out in Jan 2011. As many discrepancies were found in data and villagers also reported not being individually consulted for this survey, it was decided to go in for resurvey as the process of resettlement was as important as the final result and it had to be absolutely fair and transparent. This survey is currently being carried out.

Another round of socio economic survey has been carried out in 11 more villages at Aynak in August 2011 to cover all villages which may later get affected by coming up of tailings pond and smelter. This survey of over 500 families was carried out by a 40 members of ministry staff including 8 women to cover females in the families. This was notable achievement considering that the security conditions in some of these villages were not good and that previously villagers were not cooperating to share information. However, focus group meeting were held with the local communities to make them aware of the purpose of the survey and to get their cooperation in carrying out this exercise.

Resettlement Action Plan for the communities affected by Aynak project is being prepared by the International Social Advisor of the MoM. This would be completed once the final report of the land acquisition committees relating to size of land holdings of the villagers and the rates of land are available.

World Bank support has been very helpful to overcome gaps and lacunas in the government’s consultation and resettlement process through deeper engagement of senior staff on social and environmental issues and a continued dialogue through better informed opinion.
Process of Resettlement of Project Affected Persons at Aynak

Introduction: Aynak project

Afghanistan is believed to have substantial mineral resources worth over one trillion dollars that remain untapped of which the copper deposits constitute a significant share. However, before any value from these resources can be realized, extensive exploration and appraisal of these resources will have to be undertaken, followed by mine feasibility studies, mine planning, and mine construction, including extensive social and environmental studies, plans and programs.

The Aynak copper deposit in Logar province has in-ground reserves of 240 MT @ 2.3% with an estimated value at current copper price of US $ 43 billion. China Metallurgical Group Corporation (MCC) won the Aynak mine development contract worth US $ 3.4 billion through a competitive tender in 2008. While contracting mining rights at Aynak to MCC, Ministry of Mines included certain social obligations on MCC for protecting the people from negative social and environmental impacts of mining. This involved conducting social and environmental impact assessments, engaging the communities and carrying out community development activities in the area. The ministry has been involved in initiating various measures for mitigating social and environmental impacts of mining on the communities that address wide ranging issues relating to resettlement, compensation, housing, medical, recreation, religious, and other infrastructural facilities for the affected population. However, proper documentation, publicity and awareness of these activities has been largely inadequate. Besides, a comprehensive resettlement action plan is under preparation which would provide a clear road map for government’s overall strategy and actions on the issue.

World Bank is funding a technical assistance project to support Ministry’s efforts in the sustainable development of the mining sector in the country. The project among other components includes providing support to the Ministry in developing social policy framework, conducting social impact assessments, preparing guidelines for social protection measures and working with the local communities for their involvement in implementing mitigation measures.

Local Communities at Aynak

Villages: There are nine villages in Aynak which will be directly affected due to the mining activities. Out of these, only two villages are inhabited. There are about 82 families residing in Wali Killai and Kooz Chinaria. In Wali Killai apart from these, there are 59 families living elsewhere who have houses and agricultural land in the village. In Adam Qillai, Bar Chinaria and Siso Tanga, only have abandoned houses. These remaining villages were abandoned during the past years of conflict mainly during the Soviet invasion period (1978-1988), however the private ownership of the lands within these villages is recognized. In case of the remaining four villages namely, Zahidabad, Gumran, Kalia Anwar and Damaran Khel, only part of the agricultural land is coming in the way of assess road and the villagers need to be compensated accordingly for the loss of their agricultural land.

Consultation with the communities: Government initiated consultation with the villagers two years ago when contract was signed with MCC. This involved discussion primarily with the village heads for cash compensation for their houses in one Wali Killai village. However, no prior social assessment was carried out in these villages to assess the impact of mining on these communities in terms of their loss of income, agricultural produce, grazing land, trees, orchards etc. Therefore the process of consultation was ad hoc and

Ministry of Mines with Governor Logar province, district authorities and provincial councils held many meetings with the villagers and some of these were also attended by the then Minister of Mines. Though the consultations were held with the villagers, these are not well documented and stakeholder
consultations were not well structured. This was mainly due to the fact that Aynak is the first major mining project in the country and there was overall lack of understanding of social issues as well as capacity within the ministry to plan and implement measures for mitigation and management of social impacts especially for large projects like Aynak.

Based on the agreement with the villagers, for residential land, each resident of Wali Killai village has been compensated at a uniform rate of 250 square meters in addition to compensation for their house which is based on the number of rooms in the house. This agreement was signed by the village leader, representative of provincial council, provincial governor, and the Ministry of Mines. MCC has paid 8.47 million AFN (USD $ 180,000) for the 101 families to the Provincial Administration of Logar as the cash compensation. These villagers have been paid the compensation amount and have moved out to alternate accommodations. After the graveling of the ground, these families would be moved to the resettlement area at Ashab Baba, close to Aynak. Provincial governor has allocated a piece of land where 450 square meters of land free of cost will be given to each family being relocated from Aynak.

During the process of consultation with the communities, Ministry of Mines also set up of a number of inter departmental committees, including Working Committee, Confirmation of Local Inhabitants’ Properties for Acquisition, Clearance and Acquisition Committee, etc with representatives from Ministry of Mines, Agriculture, Finance, Governor of Logar Province, provincial councils, local authorities etc. to coordinate and monitor the work of acquisition of agricultural land from local communities and to develop a compensation package based on the agreement with the communities at Aynak. For long, these committees grappled with the contentious issues of eminent domain precisely those of acquisition of land by government and entitlement of land in the absence of clear titles (ownership documents) with villagers.

A committee formed by Afghanistan Land Authority and Cadastre department of Government of Afghanistan is leading the process of deciding ownership of land by the villagers based on the records available with them. They have also held consultations with the villagers and asked them to present the papers they have regarding land ownership. There are wide variations in government records and claims made by villagers and in many cases villagers are claiming ownership of government land.

### Ashab Baba-Resettlement Township:

Governor Logar has allocated free of cost land at Ashab Baba for the resettlement of communities which will be relocated from Aynak. This township is very close to the main Kabul-Logar road about 3-4 kilometers from Aynak and many private townships are also coming up in the nearby area.

**Infrastructural Development:** Government has allocated 4.5 million USD for the development of this area. The work of levelling the land, making of pavements etc has been completed at the resettlement site. The villagers have been free of cost residential plots of land here and they can start building their houses. In the resettlement township, government is committed to provide important infrastructure facilities including schools, health centre, mosques, road, drinking water, sewage, recreational facilities, and a shopping area. Ministry of Finance has allotted about 3.01 million USD for providing these facilities. In contrast, the communities at Aynak currently have no school, medical facilities, access to clean drinking water and electricity. Further, for the last 30 years there has been hardly any commercial agriculture pursued in the village due to lack of water.
Socio Economic Surveys in Aynak

MoM with the assistance of its International Social Advisor initiated conducting this survey in January 2011 to assess the living conditions of the local communities, their income and expenditure levels, size of agricultural land, assets owned by them and their feedback on the resettlement process. This survey was carried out in three villages, Wali Killai, Bar Chinarai and Kooz Chinarai covering about 80 families. To cover the gender aspect, a female activist, Ms Zohra belonging to a local shura was employed to collect data from women in these communities.

For this survey a comprehensive questionnaire was prepared in consultation with World Bank social safeguards team. To facilitate the surveyors, they were given training at World Bank and Ministry on the methodology for conducting the socio economic survey.

A data base for analyzing this data has also been developed. This data base is generic and will be used for the analysis of the results of socio-economic surveys conducted by the ministry in the future projects.

Resurvey: For due diligence in this process of socio economic survey, the survey data was properly checked in the Ministry and many discrepancies were found. Consequently social team from the Ministry visited these villages in end January to check the veracity of the survey report. Many villagers reported that they have not been interviewed in the survey. Probably in many cases the forms have been filled up by the village heads. This issue was brought to the notice of senior management and it was decided to go in resurvey as this kind of survey could lead to serious problems in future with complaints coming from the villagers that the information is incorrect. Further a resettlement action plan could not be prepared on the basis of the wrong information. The senior management allocated a much larger team of officials to work with the social team to carry out this survey.

The resurvey was initiated in first week of February but it had to be stalled soon after as villagers refused to cooperate and give any information. Thereafter, many meetings were held with village heads at Aynak as well as Ministry to make them aware of the purpose of the survey and convince them to participate. All this probably stemmed from the past communication gap between government and the communities and the communities had some apprehensions about the compensation package. The atmosphere at Aynak is political and these people are frequently misled by others who ask them not to cooperate as by doing do they will manage to get larger compensation from government for their houses and land. With the help of senior management in Ministry, the social team had again started the survey work at Aynak from end February and completed it in two weeks.

Focus group meetings: Focus group meetings have been held at Aynak for women and men villagers separately to make them aware of the benefits of the Aynak project. They were also informed of the resettlement process including the infrastructural facilities at the new site for effectively rehabilitating them in a manner that they will be much better off than what they are now. The need for this survey was also discussed with them and they were urged to give correct information. The villagers were assured that they will get ample opportunities to work at the mining site and training programs for skill leaning in mining related activities will also be carried out by MCC.

Socio economic survey near tailings pond: Another round of socio economic survey has been carried out in 11 more villages at Aynak in August 2011 to cover all other villages which may later get affected by coming up of tailings pond and smelter. This survey of over 500 families was carried out by a 40 members of ministry staff including 8 women to cover females in the families. This was notable achievement considering that the security conditions in some of these villages were not good and that previously villagers were not cooperating to share information. However, focus group meeting were held with the local communities to make them aware of the purpose of the survey and to
get their cooperation in carrying out this exercise. Currently this data is being put into database and 
would be thereafter analyzed. This information will also be useful in taking decision regarding 
the location of tailings pond depending upon the number of families required to be relocated and 
compensated.

Agricultural Land Acquisition

Consultations with Communities: Ministry of Mines initiated discussions in October 2010 with the 
representatives of Wali Killa and Kooz Chinari villages regarding compensation for their agricultural 
land. The procedures of community consultation are now established in the Ministry of Mines with 
the assistance of its International Social Advisor via SDNRP-I and SDNRP-II. Hence these 
discussions of the Ministry with the communities were much more structured and the proceedings 
were documented and the pictures of consultation were taken. Consultations were also held with the 
villagers whose agricultural land is in the way of the Aynak access road. The villagers during the 
consultations were urged to be fair in their claims and that government would provide all possible 
benefits to the communities.

The claims made by the villagers are much larger than the land they actually own and they do not 
have papers to authenticate their claims. Their claims are mainly based on the contention that this land 
has been passed on from generation to generation and that they have cultivating these lands for long 
and have contributed to agrarian development and as these families are now being relocated, they 
need to be compensated appropriately. However, very few villagers have paid taxes and that too only 
for a very small piece of their land.

Land Acquisition Committees: Two committees have been formed by the Ministry of Agriculture in 
December 2010 to settle the agricultural land claims at Aynak and to settle disputes and complaints on 
land ownership issues at Aynak. They will also provide rates at which the villagers will be 
compensated for their lands. Ministry of Mines is regularly coordinating with these Commissions to 
submit their report as soon as possible. These committees along with Cadastre team has given its 
interim report to Ministry of Mines after consulting the records with cadastre and based on the 
documents made available by the villagers.

Cultural Antiquities at Aynak

In the Ministry of Mines, many meetings have been held at the level of Minister to discuss the road 
map for carrying out the work of excavation of antiquities from site and their preservation. These 
meetings were attended by ISAF, MCC, DAFA, Ministry of Culture, American and Chinese Embassy 
etc. Final report submitted by DAFA for archaeological management at Aynak was also discussed 
during these meetings. DAFA has categorized excavation in six phases. It is based on two premises, 
one is that excavations are obligatory in the areas which are going to be affected by the mining and 
related activities and secondly excavation phasing should be as per the working plan of MCC in order 
to optimize the timing of both operations, archaeological and mining.

Archaeological excavation plans: There have also been several rounds of technical discussions among 
MCC, DAFA and MoM on matching DAFA’s archaeological plan of excavation with MCC's mining 
plan so that the excavation of artefacts could be carried out within the time frame that it does not 
unduly delay the mining activities. DAFA plans to conduct excavation in six phases which will take a 
long time. However, all these areas are not critical and time sensitive as they are not likely to be 
affected by mining. Ministry has decided to go ahead with Phase 1 and 2 of the excavation which 
includes the areas required for mining on priority. This exercise will take 12 months time. The 
excavation has already started with the help of national and international archaeologists and workers.
ISAF has been contributing in accelerating the pace of moving forward in this work particularly for making of road to safely transport antiquities from Aynak to the museum, warehousing facilities and the museum. Recently, joint visits by Ministry of Mines, Culture, Governor Logar and ISAF have been made to Logar to identify the location for the museum for antiquities from Aynak. This has been selected close to the township where the communities to be shifted from Aynak will be relocated. An important issue in the way forward now will be for the government to mobilize funds to carry out this archaeological excavation work at Aynak.

Other Issues of concern:

(i) The Environmental and Social Impact Assessment (ESIA) and social and environment management plan need to be finalized immediately by MCC and submitted to government for clearance without any further delay in this process.

(ii) In order to provide a mechanism for grievance redressal for the local communities, there is a need for the MoM and MCC to set up an appropriate body which is easily accessible to the villagers. This would lend confidence to the villagers, public and media on the objectivity and transparency of the entire resettlement process.

(iii) Considering the greater need for outreach to the local communities, local civil society organizations could also be involved more actively in conducting community consultations. Such organizations could also help in implementing social and community development programs especially for the vulnerable groups, women and youth.

(iv) There is need to devise suitable social impact mitigation and income restoration measures like employment preference on mine, small business training, scholarships, transportation to work place, provision of water wells, technical assistance to develop agricultural and business enterprises etc. Since these villagers have limited resources, these measures will help to financially strengthen them.

(v) Training programs should be organized by MCC in mining and related activities for skill learning and upgradation of the communities to take advantage of employment opportunities in mining at Aynak.

(vi) Internationally accepted principles of occupational safety and health for workers at Aynak need to be fulfilled. Various social protection measures like insurance, workmen compensation, social assistance, benefit schemes for the mine workers and their families also have to be in place.

(vii) Close association of MCC on social and cultural issues with the Aynak Project Authority, Logar Governor, DAFA and Ministry of Mines is very essential in order to move forward in a coordinated manner for the rehabilitation of these communities and protection and preservation of cultural artefacts at Aynak.
Draft

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

ANNEX 9 - ESMF Safeguard Sheets

for the

Afghanistan
Second Sustainable Development of Natural Resources Project (SDNRP-II)

25 November 2011
## Coal Mining

### Current status

An important industry, essential for domestic and industrial heating, electrical generation, fired brick production, food processing and other industries. Mines are mostly underground, small by world standards and a mix of SME mines and ASM mines. Active coalfields are small and in remote mountainous terrain with poor transport infrastructure. Coal quality is variable but includes some coking coal. Most formal mines are old and hampered by underinvestment over decades. Exploring for coal resources is a national priority being carried out by AGS with assistance of USGS and WB.

### Current issues

- Vital industry, employing many people in underground mining and coal transport.
- Endemic child labour and poor working conditions.
- Coal mines are generally small with steeply dipping coal seams not amenable to safety or mechanisation.
- Many coal mines are on very steep mountainsides at risk from landslides due to gravity and earthquakes.
- Many coal mines are gassy and without proper ventilation.
- Some coal mines have a long documented history of underground and surface coal fires.
- Coal mines are underinvested due to lack of capital due to exceptionally high royalty rates.
- Little or no attempt at mine closure measures or land rehabilitation.
- AGS Archives have substantial technical reports on coal resources.
- Detailed studies conducted by USGS on coal resources, with SDNRP-I addition of Jalalabad coal resources.

### Potential interventions by SDNRP-II

- Cadastre operational and starts issuing Mining Licences under the Mining Law.
- NEPA encouraged to process ESIA for coal exploration and coal mining.
- MOM-NEPA prepare environmental and social guidelines for coal mining.
- CBAGS continue to assist AGS field teams to determine additional coal resources.
- SDNRP-II develops the CBAGS coal exploration model to assist AGS find large new coalfields.
- SDNRP-II follows up SDNRP-I recognition of brown coal potential near Jalalabad city.
- SDNRP-II assists MoM/AGS find more coking coal resources for Hajigak metallurgical requirements.
- SDNRP-II assists MoM review penal royalty rate to stimulate private sector investment in coal mining.
- SDNRP-II assists MoM review potential for coal bed methane (CBM) commercial exploitation.
- SDNRP-II assists SME and ASM coal mines with mine health and safety.

### Asian know-how

- India and Pakistan – substantial know-how in ASM, SME and large coal mines; both open pit and underground. Special expertise in dealing with underground coal fires, mine explosions and mine rescue services.
- Mongolia – ongoing ‘coal rush’ with 1 billion USD coal exports to China. The Government Mine Rescue Service has special know-how on ASM coal mining and its EHS risks. Special knowledge on combustion of high ash, high sulphur, uraniumiferous coal, and the production of PFA concentrate from ash settling lagoon, and the health risk of radon.

- China – substantial know-how, Major issues include underground coal fires, mine explosions, mine rescue services, air pollution, acid mine drainage (AMD) and millions suffering chronic disease from mercury and fluorine from domestic burning of coal and coal bricks containing high mercury and fluorine.
### Coal Mining: page 2 of 3

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td>Risk to biodiversity</td>
<td>▪ ESIA system is sufficient, if baseline studies are strict.</td>
</tr>
<tr>
<td></td>
<td>Risk to archaeological sites</td>
<td>▪ Attention required to impacts of coal trucking routes.</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>Risk of child labour</td>
<td>▪ MoM has recently started a highly focussed enforcement of ILO standards and national legislation to eliminate child labour from SME coal mines in the short term.</td>
</tr>
<tr>
<td></td>
<td>Risk of tied labour and low wages</td>
<td>▪ Child labour in ASM mines remains a concern.</td>
</tr>
<tr>
<td></td>
<td>Risk of exclusion of women from the industry</td>
<td>▪ MoM are currently focussed on elimination of child labour and then these issues can be considered.</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Risk of silicosis to miners underground</td>
<td>▪ Train in ventilation, and regular mandatory tests for dust</td>
</tr>
<tr>
<td></td>
<td>Risk of other respiratory diseases</td>
<td>▪ Assist AGS test coals for radioactivity and install radon detectors in selected coal mines.</td>
</tr>
<tr>
<td></td>
<td>Risk of lung cancer from radon emitted by uraniferous coals in confined spaces.</td>
<td>▪ Raise awareness radon is dispersed by good ventilation.</td>
</tr>
<tr>
<td></td>
<td>Risk of widespread fluorosis, osteoporosis and arsenosis from burning coal and coal briquettes for domestic heating or drying foodstuffs (e.g. tea).</td>
<td>▪ Assist AGS test coals for fluorine, mercury and arsenic content of coals and especially coal briquettes.</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>Dangers of headframes and winding engines</td>
<td>▪ BAT design being evolved</td>
</tr>
<tr>
<td></td>
<td>Dangers of windlasses and manual haulage</td>
<td>▪ BAT design tested in Mongolia</td>
</tr>
<tr>
<td></td>
<td>Dangers of shaft instability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of roof falls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of poor illumination and electrical ignition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of collapse of faces of surface mines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of suffocation and carbon monoxide poisoning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of explosions of methane and dust</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of underground fires</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of surface fires of stockpiles and waste dumps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of surface fires of faces of surface mines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of explosives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of headframes and winding engines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of windlasses and manual haulage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of shaft instability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of roof falls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of poor illumination and electrical ignition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of collapse of faces of surface mines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of suffocation and carbon monoxide poisoning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of explosions of methane and dust</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of underground fires</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of surface fires of stockpiles and waste dumps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of surface fires of faces of surface mines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of explosives</td>
<td></td>
</tr>
</tbody>
</table>

103
<table>
<thead>
<tr>
<th>Local economy</th>
<th>How to achieve multipliers with local economy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Impose quota to optimise local employment opportunities</td>
</tr>
<tr>
<td></td>
<td>• Encourage local transport by trucks, jeeps and mule trains.</td>
</tr>
<tr>
<td></td>
<td>• CBAGS assist AGS assess potential of coal-associated clays for artisanal ceramics, guided by AGS archives.</td>
</tr>
<tr>
<td></td>
<td>• CBAGS assist AGS assess potential for manufacture of coal briquettes for domestic fuel, by mixing waste coal fines with abundant local clays.</td>
</tr>
<tr>
<td></td>
<td>• Investigate CBM for stimulating local industry.</td>
</tr>
<tr>
<td>National economy</td>
<td>How to achieve value-added</td>
</tr>
<tr>
<td></td>
<td>• Investigate potential for coal washeries for boosting coal quality by reducing clay and sulphur.</td>
</tr>
<tr>
<td></td>
<td>• Find new markets for fine coal waste:</td>
</tr>
<tr>
<td></td>
<td>• manufacture of coal briquettes for domestic heating.</td>
</tr>
<tr>
<td></td>
<td>• interlayering with green bricks in brick kilns to produce better quality fired bricks with less energy and less greenhouse gas emission.</td>
</tr>
<tr>
<td></td>
<td>• Investigate potential for using waste of coal combustion, specifically burnt coal clinker, and the ash of pulverised coal fuel (PFA) as valuable additives to produce high quality concrete blocks.</td>
</tr>
<tr>
<td>How to ensure used more by Afghan industry</td>
<td>• Increase coal production by reducing royalty to increase viability for private sector investment.</td>
</tr>
<tr>
<td></td>
<td>• Ensure Hajigak and Aynak use Afghan sources of coal</td>
</tr>
<tr>
<td></td>
<td>• Expand coal exploration away from traditional areas, including wildcat drilling to detect concealed coalfields in structurally simple districts; and trenching of lignite coals near Jalalabad city.</td>
</tr>
</tbody>
</table>
**Clay Quarries and Brick Production**

### Current status

Remote sensing shows it to be an exceptionally large industry, active in at least 16 provinces, producing a) ‘green bricks’ for direct use, and b) green bricks fed to over 1,100 brick kilns to produce fired bricks.

### Current issues

- Vital industry, employing 50-100,000 people in mining and production of green bricks and fired bricks.
- Endemic child labour and tied labour with low wages and poor working conditions.
- Clay quarries are generally on the best agricultural land, damaging food production and farming livelihoods.
- Clay quarries damage or destroy underground irrigation systems (‘karez’) vital for arable farming.
- Clay quarries show little or no attempt at land rehabilitation; the land is left derelict and unfit for agriculture.
- Brick kilns have very high <10 micron dust air pollution due to moveable chimneys and lack of dust gravity traps.
- Brick kilns have high energy consumption per brick with very high greenhouse gas emissions.
- Potential for system of Carbon Credits to improve/replace existing brick kilns.
- Afghanistan’s main kilns are mostly BTK-MCK, which are being rapidly phased out in Pakistan and India, and are Small traditional clamp kilns are numerous and grossly polluting, due to expensive coal and wood encouraging use of rubber tyres, waste oil and plastics as fuel.
- Banned in Bangladesh. Conversion to BTK-FCK plus ash traps would meet Bangladesh air pollution standards.
- NEPA is closing brick kilns in and near Kabul due to high air pollution.
- Incomplete air pollution study suggests fine particles from kilns kill more people than insurgents do.
- AGS Archives have some Russian reports on tests of brick clay resources (in Russian).

### Potential interventions by SDNRP-II

- Cadastre operational and starts issuing Quarry Permits under the Mining Law.
- NEPA encouraged to process ESIA for clay quarries and associated brick kilns.
- MOM-NEPA prepare environmental and social guidelines for clay quarries and brick kilns.
- Stimulation of know-how transfer from WB Bangladesh over conversion of kilns to BTK-FCK.
- Investigation of Carbon Credits for adaptation/replacement of existing kilns.
- CBAGS and AGS determine potential areas for relocating brickworks over the long term (5-10 years).
- MoM may request/require Aynak and Hajigak to create efficient clay quarries and brick kilns as their suppliers.
- MoM may encourage investors to establish gas-fired brick kilns at Mazar using natural gas.

### Asian know-how

- Bangladesh - successfully banned Afghan style BTK-MCK in favour of less polluting BTK-FCK, and currently developing a Carbon Credit scheme with World Bank TA to go beyond BTK-FCK.
- India - Many good variations with advanced BTK-FCK technology.
- Piloting of low energy cleaner brick kilns in India and Bangladesh.
- China - Afghanistan’s brick clay quarries are technologically far behind Xinjiang region e.g. Urumchi.
- Afghanistan’s brick kilns are technologically far behind Pakistan, India and Bangladesh.
### Clay Quarries and Brick Production: page 2 of 2

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Risk to biodiversity - moderate.</td>
<td>▪ ESIA system is sufficient, if baseline studies are strict</td>
</tr>
<tr>
<td></td>
<td>Risk to archaeological sites - very high</td>
<td>▪ International experience suggests ‘wildlife gain’ is possible on derelict sites due to seral change.</td>
</tr>
<tr>
<td></td>
<td>Risk of dereliction - extremely high</td>
<td>▪ Archaeological screening of main brick clay districts.</td>
</tr>
<tr>
<td></td>
<td>Risk of loss of best agricultural land - very high</td>
<td>▪ Remote sensing to map potential archaeological sites.</td>
</tr>
<tr>
<td></td>
<td>Risk to karez irrigation tunnels - extremely high</td>
<td>▪ Raise awareness of MoM, NEPA, other ministries.</td>
</tr>
<tr>
<td></td>
<td>Risk of desertification - very high</td>
<td>▪ Enforcement by NEPA and MoM Mine Inspectors.</td>
</tr>
<tr>
<td></td>
<td>Risk of forest loss – very high</td>
<td>▪ R&amp;D into frugal land rehabilitation, e.g. biofuels.</td>
</tr>
<tr>
<td></td>
<td>Greenhouse gas emissions – extremely high per brick</td>
<td>▪ Raise awareness of MoM, NEPA, other ministries.</td>
</tr>
<tr>
<td></td>
<td>Child labour is endemic, but lack of systematic data.</td>
<td>▪ Standard regulation banning clay quarries on best land or near karez; and requiring tree planting around perimeter.</td>
</tr>
<tr>
<td></td>
<td>Tied labour, low wages and long working hours endemic</td>
<td>▪ Ban traditional kilns dependent on wood for fuel.</td>
</tr>
<tr>
<td></td>
<td>Risk of exclusion of women from the industry</td>
<td>▪ Investigate biofuel production in derelict clay quarries.</td>
</tr>
<tr>
<td>Social</td>
<td></td>
<td>▪ Conduct social survey of clay quarries and brick making.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Address these issues first with coal mining, where MoM has more leverage and control, and later apply lessons</td>
</tr>
<tr>
<td></td>
<td></td>
<td>learned to clay quarries and brick production.</td>
</tr>
<tr>
<td>Health</td>
<td>Severe health risk from using rubber tyres and plastics as fuel rather than expensive coal and timber.</td>
<td>▪ Assist NEPA with monitoring equipment and training.</td>
</tr>
<tr>
<td></td>
<td>Severe health risk from emitting ash as fine dust</td>
<td>▪ Ban traditional kilns and moveable chimneys (BTK-MCK)</td>
</tr>
<tr>
<td></td>
<td>Potential risk if fluorine is emitted into air</td>
<td>▪ Encourage switch to fixed chimneys (BTK-FCK)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Investigate carbon credit mechanism to finance switch.</td>
</tr>
<tr>
<td>Safety</td>
<td>Safety risk less than in other types of mining.</td>
<td>▪ Ban traditional kilns and moveable chimneys (BTK-MCK)</td>
</tr>
<tr>
<td>Local economy</td>
<td>How to achieve multipliers with local economy</td>
<td>▪ Write regulation requiring gravitational dust collectors.</td>
</tr>
<tr>
<td>National economy</td>
<td>How to achieve value-added</td>
<td>▪ Assist NEPA with fluorine detection.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Training of mine inspectors, NEPA inspectors and miners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Encourage artisanal production of ceramic pots and tiles.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Encourage green brick use in lining canals and karez.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Encourage green brick technology for low-cost housing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Encourage production of hollow bricks, and raise quality.</td>
</tr>
</tbody>
</table>
**Hardrock Quarries for Angular Construction Materials**

**Current status**
Remote sensing shows it to be a large industry, active in most or all provinces, with major concentration around Kabul and to a lesser extent around other cities. A sample of about 60 hardrock quarries visited near Kabul by MoM/GAF revealed only half had permission to remove material. Hardrock quarries typically sited on outcrops of tough rock on mountain sides, but also common on talus slopes of loose angular material (‘screes’) that requires little or no crushing. Hardrock quarries range from permanent to seasonal, and include ‘borrow pits’, notably for road construction and road repair. Hardrock quarries often specialise, e.g. schist slabs for paving and walling; marble and quartzite blocks for walling; adamellite talus for road top dressing; crushed screened rocks for concrete manufacture; etc.

**Current issues**
- Vital industry, employing thousands of people in mining and production of low cost angular aggregate.
- Labour conditions include child labour and tied labour with low wages.
- Remote sensing shows stone quarries prolific around Kabul, and increasing rapidly.
- Haul roads from stone quarries often have major impacts across landscape.
- Impacts depend on many factors and range from Extremely Severe (e.g. Bagram archaeological site - Greek city of ‘Alexandria of the Caucasus) to Negligible.
- Hardrock quarries on talus ‘scree’ slopes avoid use of explosives but quality lower due to weathering.
- Rarely any attempt at rehabilitation after hardrock quarrying but many are anticipated to mellow and blend into natural landscape.
- Environmental concern is focussed on risk to archaeological sites and damage to important landscape features.
- Social concern is focussed on use of child labour in intrinsically hazardous occupation.
- AGS Archives have some Russian reports on tests of rocks suitable for hardrock quarrying (in Russian).

**Potential interventions by SDNRP-II**
- Cadastre operational and starts issuing Quarry Permits under the Mining Law.
- NEPA encouraged to process ESIA for hardrock quarries and associated crushing and screening plants.
- MOM-NEPA prepare environmental and social guidelines for hardrock quarrying.
- MOM/AGS searches for strategic resources of hardrock suitable for railway ballast in Corridor Strategy.
- CBAGS and AGS investigate if large scale hardrock quarrying is feasible for rail transport of crushed and screened aggregate to Kabul and other potential markets, sufficient to phase out many small hardrock mines near Kabul.
- Borrow pits and hardrock quarries necessary for Aynak, Hajigak and their road and rail infrastructure.

**Asian know-how**
- China, India, Pakistan – know-how on hardrock quarries for construction materials to meet high specifications.
- Mongolia – know-how on single hardrock quarry to supply railway ballast to entire rail network.
<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Risk to biodiversity – low to severe</td>
<td>• ESIA system is sufficient, if baseline studies are strict</td>
</tr>
</tbody>
</table>
| | Risk to archaeological sites – low to severe | • Remote sensing archaeological screening of regions.  
| | Risk of dereliction – low to severe | • Archaeological screening of truck haulage routes.  
| | Risk to wetlands – nil to low | • Raise awareness of MoM, NEPA, other ministries.  
| | Risk of desertification – nil to low | • Enforcement by NEPA and MoM Mine Inspectors.  
| | Risk of flooding – nil to low | • Investigate low-cost quarry rehabilitation methods. |
| Social | Child labour is endemic, but lack of systematic data.  
| | Tied labour, low wages and long working hours unclear.  
| | Risk of exclusion of women from the industry | • Conduct social survey of hardrock quarries.  
| | | • Address these issues first with coal mining, where MoM has more leverage and control, and later apply lessons learned to hardrock quarries. |
| Health | Risk of silicosis and respiratory diseases | • Raise awareness of MoM, NEPA, other ministries.  
| | Risk of noise damage | • Assist NEPA raise awareness of workers and managers.  
| | | • Assist NEPA organise health check survey of workers.  
| | | • Enforcement by NEPA and MoM Inspectors. |
| Safety | Risk of death or injury from quarry activities. | • Training of mine inspectors, NEPA inspectors and miners  
| | | • Training in transport, storage and use of explosives.  
| | | • Training in assessing risk of face collapses.  
| | | • Awareness raising of general quarry risks.  
| | | • Awareness raising of machinery risks. |
| Local economy | How to achieve multipliers with local economy | • Hardrock quarrying in support of construction sector.  
| | | • AGS search for opportunities e.g. top dressing for roads. |
| National economy | How to contribute to national infrastructure | • AGS search for special railway ballast.  
| | | • AGS search for special concrete aggregate rocks/ |
## River Quarries for Sand and Gravel

### Current status
Remote sensing shows it to be a large industry, active in at least 8 provinces, taking advantage of seasonal low water for ‘dry mining’ of river-bed sand and gravels, to produce screened or unscreened aggregate for construction industry. All quarries operate during low water, with no civil dredges or mining dredges operational in Afghanistan.

- Vital industry, employing thousands of people in mining and production of low cost uncrushed aggregate.
- Labour conditions unknown, but may include child labour and tied labour with low wages.
- Remote sensing (2004) shows river quarries along 31 km of Kabul river, 21 km of Gariband river, 20 km of Panshir river, 15 km of Taloqan river, 12 km of Salang river etc.
- Impacts depend on many factors and range from Extremely Severe (e.g. Kabul river) to Moderate (e.g. Gharband river) to Probably Benign (e.g. Salang and Panshir rivers).
- Remote sensing reveals artisanal river quarrying to create and maintain dams along major rivers, notably 98 dams on the Panshir, 240 on the Salang river and 183 dams on the Gharband river, to enable ‘duck hunting’ along bird migration flyways by villagers as traditional food source. Duck dams and duck ponds also built from sand and gravel on wetlands away from rivers in several locations. 957 gun hides detected so far. The issue is regional, with river mining to facilitate duck hunting detected in Chitral (Pakistan) and western China.
- While indiscriminate duck hunting has massive impacts on migratory wetland birds (ducks, swans, cranes, flamingos etc), the still waters produced by the river mining make a large contribution to regional biodiversity regarding wetland ecosystems and their flora and flora (e.g. some fish species, most amphibians, dragonflies, damselflies etc).
- River quarrying on the Pagman river poses a threat to the survival of the endemic Pagman Salamander.
- River quarrying can be beneficial, in avoiding use of explosives and avoiding loss of scarce agricultural land.
- River quarrying has contributed to destruction of the Kabul River ecosystem in the capital city and its suburbs.
- Rarely any attempt at rehabilitation after river quarrying, but fast rivers (e.g. Panshir, Salang) able to remodel the river channel morphology to natural state during seasonal spates. However, slow rivers (e.g. Kabul) lack sufficient momentum and energy and may fail to flow though the disrupted landscape.
- Environmental concern is focussed on the “ruining” of the Kabul river, and decimation of ducks.
- AGS Archives have some Russian reports on tests of river sands and gravels (in Russian).

### Current issues

<table>
<thead>
<tr>
<th>Potential interventions by SDNRP-II</th>
<th>Asian know-how</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadastre operational and starts issuing Quarry Permits under the Mining Law.</td>
<td>China – know-how on recovery of derelict river systems in urban areas by use of fleets of small bucket-line dredges to remove rest of sand/gravel deposits profitably while remodelling the landscape and creating a viable river channel.</td>
</tr>
<tr>
<td>NEPA encouraged to process ESIA for river quarries and associated screening.</td>
<td>Mongolia – know-how on single large sand/gravel mine to serve entire city, removing need for river mining.</td>
</tr>
<tr>
<td>MOM-NEPA prepare environmental and social guidelines for river quarrying.</td>
<td></td>
</tr>
</tbody>
</table>
## Main issues

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
</table>
| Risk to biodiversity – low to severe | • ESIA system is sufficient, if baseline studies are strict  
• Assist NEPA study biodiversity gain/loss by river mining, and encourage duck hunters form a conservation NGO.  
• MoM and NEPA encourage multi-agency plan for recovery of Kabul river, including selective river quarrying to restore channel and wetlands.  
• MoM and NEPA to ban river quarries and land-based mining in the upper Pagman watershed, home of the critically endangered Pagman Salamander. | |
| Risk to archaeological sites – low | • Archaeological screening of truck haulage routes. | |
| Risk of dereliction – low to severe | • Raise awareness of MoM, NEPA, other ministries.  
• Enforcement by NEPA and MoM Mine Inspectors.  
• Investigate low-cost river rehabilitation methods. | |
| Risk to wetlands – positive to severe | • Raise awareness of MoM, NEPA, other ministries.  
• Standard regulation banning sand and gravel quarrying in the bed, banks and vicinity of Kabul river unless net wetland/biodiversity gain along the river corridor. | |
| Risk of desertification – nil to severe | • MoM to request US Bagram airbase to mitigate 11 km of river quarrying of Gariband river.  
• NEPA to investigate merits and demerits of installing check dams in the Gariband and Kabul rivers to assist the recharge of aquifers and improve viability of flow. | |
| Risk of flooding – low to severe | • MoM and NEPA consider river quarrying by small civil dredges to reduce risk of flooding on certain rivers. | |
| Social | Labour – no data. | • Conduct social survey of river quarries. |
| Health | Wildfowl are an important food for rural households.  
Risk of water-borne and vector-borne diseases.  
Unknown risk of lead poisoning from crops and milk. | • Assist NEPA with relevant health agencies conduct health screening of river quarry workers and duck hunters.  
• MoM/AGS geochemical and panning survey for lead  
• Assist NEPA test lead in crops, milk and human hair  
• PMU/NEPA study of existing alternatives to lead shot | |
| Safety | Safety risk less than in other types of mining. | • Training of mine inspectors, NEPA inspectors and miners |
| Local economy | How to achieve multipliers with local economy | • River quarrying in support of sustainable duck hunting.  
• River quarrying to aid recovery of river ecosystems.  
• River quarrying as alternative to quarrying good farmland. | |
| National economy | How to achieve value-added | • Encourage use of affordable screens to boost quality. |
Asbestos Quarries

Current status

Asbestos is currently not quarried in Afghanistan. Asbestos quarrying apparently took place at a limited industrial scale during Soviet times in Nangarhar Province. According to the USGS (2007): There are two known asbestos deposits in Afghanistan... ...and more than 20 identified occurrences in the Afghanistan mineral database. A cluster of these occurrences is centered about 35 to 45 km S to SW of Kabul. Another more widely spread cluster is north of Kabul, and a third cluster is roughly 30 to 35 km SW of Khost along the Pakistani border”. - S.G. Peters, S.D. Ludington, G.J. Orris, D.M. Sutphin and J.D. Bliss editors) (2007). Preliminary Non-Fuel Mineral Resource Assessment of Afghanistan: USGS Open-File Report 2007-1214.

Estimations by the USGS-AGS Assessment Team imply a mean value of 13.4 million metric tons of undiscovered asbestos in Loghar and Khost provinces, “which may be sufficient quantity to support a local industry.” - S.G. Peters and colleagues, USGS Open-File Report 2007-1214. This is equivalent to about a decade of world asbestos production. However the USGS-AGS Assessment Team were ill-advised to regard asbestos as being economic, in the light of the worldwide collapse of the asbestos industry triggered by serious health concerns. Creation of a “a local asbestos industry” would not be possible due to the lack of a world market, and would contravene USA and international efforts to eliminate the general use of asbestos, and would also breach WB/IFC EHS 2007 Guidelines and WB Operational Procedures (OPs). Disturbance of asbestos during exploration would be classed as a Category A activity under NEPA regulations and so require a mandatory EIA in accordance with the Afghanistan EIA Law. As asbestos is now classed as ‘difficult waste’ or ‘toxic waste’ in the USA, Canada and all EU member states, the expectation would be that NEPA would reject any EIA for asbestos exploration, barring MoM from issuing an Exploration License or Mining License. The USGS (2007) Mineral Assessment Report describes the health risks, and notes Afghan asbestos is serpentine-associated chrysotile, “white asbestos”. (Chapter 2.3 Serpentine-Hosted Asbestos: contributors - David Sutphin, Greta Orris and Walter Bawiec). Nearly all asbestos produced worldwide is chrysotile, totalling 2.4 million tons in 2005. Chrysotile has fine fibres that can be spun into as much as 4.35 km of thread per kilogram. Some varieties withstand 2,750°C. The Afghan asbestos resources are ultramafic-hosted chrysotile deposits. David Sutphin and colleagues draw attention to Afghan chrysotile being “less harmful than the other types of asbestos since it is less friable, and therefore less inhalable”. Nevertheless asbestos quarrying would raise insurmountable health concerns and attract crippling financial liabilities. Asbestos still has industrial uses worldwide albeit reduced to tenuous niches. But the export of asbestos ore or concentrate would attract adverse criticism worldwide, and incur substantial insurance liability costs for transport and storage. Export would be difficult to accomplish legally with Afghanistan being a signatory of various international conventions. Alternatively the asbestos ore could be processed into asbestos products in Afghanistan for the domestic market and for export, but this would pose unacceptable health risks to miners, industrial workers and consumers and would put an additional burden on landfill waste disposal sites. The collapse of asbestos mining in Kazakhstan is salutary, as is collapse of the UK asbestos industry by health concerns and legal claims.

Current issues

- Potential for Afghan asbestos industry highlighted by the USGS-AGS Joint Assessment Team (2007).
- Environmental and social impacts would be negative, damaging all communities and the national economy.
**Asbestos Quarries: 2 of 2**

<table>
<thead>
<tr>
<th>Potential interventions by SDNRP-II</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cadastre operational and starts issuing Mining Licenses and Exploration Licenses under the Mining Law.</td>
</tr>
<tr>
<td>• CBAGS may assist AGS field teams in USGS ‘prospective tracts’ and ‘favourable tracts’ for asbestos.</td>
</tr>
<tr>
<td>• MoM, AGS and CBAGS may focus on chromite and talc opportunities next to asbestos deposits and occurrences.</td>
</tr>
<tr>
<td>• MoM/NEPA may discover informal ASM asbestos quarrying for insulation materials.</td>
</tr>
<tr>
<td>• NEPA may encounter instances of asbestos presence in buildings and dumps.</td>
</tr>
<tr>
<td>• CBAGS in SDNRP-I and SDNRP-II trains AGS geologists in chromite and talc exploration and mining.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asian know-how</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Kazakhstan - know-how on environmental and social risks of asbestos mining</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Risk to biodiversity – medium to severe</td>
<td>• ESMF safeguards specifically prohibit SDNRP-II activities that might support asbestos exploration or asbestos mining (see Annex 4).</td>
</tr>
<tr>
<td></td>
<td>Risk to archaeological sites – very low</td>
<td>• Deliver asbestos awareness training to NEPA and AGS.</td>
</tr>
<tr>
<td></td>
<td>Risk of dereliction – severe</td>
<td>• Ensure AGS laboratory has asbestos detection equipment.</td>
</tr>
<tr>
<td></td>
<td>Risk to wetlands and potable water – extremely low</td>
<td>• Prohibit exploration, quarrying or mining in close vicinity to sites containing asbestos deposits or occurrences.</td>
</tr>
<tr>
<td></td>
<td>Risk to local air quality – very severe</td>
<td>• Raise awareness of Mine Inspectors to ensure hardrock quarries and construction materials (e.g. crushed stone) are free of natural asbestos, especially if in or near USGS prospective or favourable tracts for asbestos.</td>
</tr>
<tr>
<td></td>
<td>Risk of asbestos abuse – moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk of disturbing natural asbestos – moderate</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>Little awareness of asbestos risks.</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Risk of asbestos diseases of miners and communities</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Local economy | How to maximise insulation by alternatives to asbestos | |
| National economy | | • Encourage insulation by use of natural fibres (NEPA) |
| | • Encourage insulation by mining of mica (MoM/AGS) | |
## Placer Gold Mining and Processing

### Current status

New formal mining industry in Afghanistan, with successful start-up of an SME placer gold mine on an alluvial valley floor in Badakhshan using conventional gravitational wash-plant made by Dove Mining of Thailand. Reconnaissance visit by GAF consultants with the Minister noted widespread signs of ASM gold mining in vicinity along several paleoplacers high up on valley sides, sufficient to sustain a large string of apparently ASM-dominated villages. Current proposal for a large placer mine on the floodplain of the Amu Darya river raises environmental concerns; and its gold resource may be twice as large as calculated by Russian AGS churn drills as the ground is wet and required Russian AGS bucket drill. Underground ASM gold mining has potential for expansion in paleoplacers in the Hindu Kush, and ASM might expand rapidly in some desert regions if USA drywasher technology is imported, as in the Gobi desert.

### Current issues

- New formal SME industry, with scope for immediate expansion in remote areas.
- Mature informal ASM industry in Hindu Kush paleoplacers with scope for immediate expansion in remote areas.
- Potential new ASM industry in desert regions, if USA drywasher technology is imported and copied, as in Mongolia.
- ASM placer gold mining is a feasible sustainable alternative lifestyle in some remote areas.
- Environmental impacts thought to be small, as no requirement for mercury or cyanide.
- Social impacts thought to be on balance positive, sustaining rural communities.
- ASM labour conditions unknown, but may include child labour and poor working conditions underground.
- ASM placer gold mining areas not visible on Google Earth, as only low definition available in critical areas.
- USGS high definition remote sensing soon available in AGS, allowing mapping of ASM placer gold mining.
- AGS Archives have some Russian reports on placer gold drilling and merit review.
- AGS Warehouse has about 21 used Soviet churn drills of which 10 can be refurbished for placer gold drilling.
- AGS Warehouse has one unused Soviet bucket drill ideal for placer gold in wet floodplains (e.g. Samtai)

### Potential interventions by SDNRP-II

- Cadastre operational and starts issuing Mining Licenses and Exploration Licenses under the Mining Law.
- NEPA encouraged to process ESIA for placer gold mining.
- CBAGS in SDNRP-I trained AGS geologists in placer gold exploration and mining.
- CBAGS currently training AGS geologists in panning and heavy mineral mapping.
- MOM-NEPA prepare environmental and social guidelines for ASM mining, including ASM placer gold mining.
- Stimulation of know-how transfer from Mongolia and Russia regarding formal placer gold exploration and mining.
- Stimulation of know-how transfer from Mongolia, Alaska and California about ASM placer gold recovery.
- Stimulation of know-how transfer from Mongolia about ASM placer gold recovery in deserts.

### Asian know-how

- Mongolia, Siberia, China, Papua New Guinea, Philippines and Indonesia – know-how on ASM, SME and large-scale placer gold mining and its environmental and social impacts, including paleoplacers, gold dredges and desert mining.
### Placer Gold Mining and Processing: 2 of 2

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td>Risk to biodiversity – low to moderate</td>
<td>▪ ESIA system is sufficient, if baseline studies are strict</td>
</tr>
<tr>
<td></td>
<td>Risk to archaeological sites – low to severe</td>
<td>▪ Deliver BAT awareness training to NEPA and AGS.</td>
</tr>
<tr>
<td></td>
<td>Risk of dereliction – low to severe</td>
<td>▪ Assist NEPA study biodiversity loss by placer mining.</td>
</tr>
<tr>
<td></td>
<td>Risk to wetlands – low to severe</td>
<td>▪ Archaeological screening of placer mining districts.</td>
</tr>
<tr>
<td></td>
<td>Risk of desertification – nil to moderate</td>
<td>▪ Encourage ASM miners to report discoveries.</td>
</tr>
<tr>
<td></td>
<td>Risk of mercury usage and abuse – low but not zero</td>
<td>▪ Raise awareness of MoM, NEPA, other ministries.</td>
</tr>
<tr>
<td></td>
<td>Risk of cyanide usage and abuse – low but not zero</td>
<td>▪ Enforcement by NEPA and MoM Mine Inspectors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ BAT training of NEPA and MoM Mine Inspectors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Investigate low-cost placer rehabilitation methods.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Raise awareness of MoM, NEPA, other ministries.</td>
</tr>
<tr>
<td>Social</td>
<td>No data on current situation.</td>
<td>▪ Conduct social survey of ASM paleoplacer mining.</td>
</tr>
<tr>
<td></td>
<td>No awareness of opportunities and risks.</td>
<td>▪ CBAGS train AGS/MoM in opportunities and risks.</td>
</tr>
<tr>
<td>Health</td>
<td>Risk of mercury and cyanide poisoning</td>
<td>▪ Train MoM/NEPA inspectors to raise miners awareness</td>
</tr>
<tr>
<td></td>
<td>Risk of acid mine drainage (AMD) and heavy metals</td>
<td>▪ Ensure mercury deposits are not allowed to be mined.</td>
</tr>
<tr>
<td></td>
<td>Risk of water-borne and vector-borne diseases.</td>
<td>▪ Very low, but address in ESIA monitoring plan.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Assist NEPA conduct health survey of placer miners</td>
</tr>
<tr>
<td>Safety</td>
<td>Dangers of headframes and winding engines</td>
<td>▪ BAT design being evolved</td>
</tr>
<tr>
<td></td>
<td>Dangers of windlasses and manual haulage</td>
<td>▪ BAT design tested in Mongolia</td>
</tr>
<tr>
<td></td>
<td>Dangers of shaft instability and roof falls</td>
<td>▪ Training of mine inspectors and miners</td>
</tr>
<tr>
<td></td>
<td>Dangers of explosives</td>
<td>▪ Grant ASM permits only to local villagers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Local job quota requirement in SME mining licenses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Ensure ASM/SME selling gold to State gives more income than selling via illegal channels.</td>
</tr>
<tr>
<td>Local economy</td>
<td>How to achieve multipliers with local economy</td>
<td>▪ Encourage low-cost high % gold recovery systems</td>
</tr>
<tr>
<td>National economy</td>
<td>How to maximise gold recovery</td>
<td>▪ Integrate goldsmith training into gemstone training.</td>
</tr>
<tr>
<td></td>
<td>How to achieve value added</td>
<td>▪ Encourage use of small nuggets in jewellery trade.</td>
</tr>
<tr>
<td></td>
<td>How to use gold production in currency support</td>
<td>▪ Investigate Central Bank buying dore gold bars using Mongolia example of success.</td>
</tr>
</tbody>
</table>
## Hardrock Gold Mining and Processing

| Current status | Potential mining industry with fast start based on commercial hardrock gold deposits documented in northern Afghanistan suitable for SME and ASM operations; plus widespread hardrock gold occurrences in north-central Afghanistan justifying exploration. Mining of hardrock gold was widespread in antiquity. Current proposals for hardrock gold mining raise environmental and social concerns such as health and safety of miners underground, child labour and gold smuggling. In addition, special concerns regarding the potential use of toxic chemicals such as mercury and cyanide, and contamination from acid mine drainage (ADM) and heavy metals. |
| Current issues | ▪ Potential for new SME industry, with scope for immediate start-up in north Afghanistan.  
▪ Potential for new ASM industry, with scope for immediate start-up in north Afghanistan.  
▪ Potential for large scale projects, first requiring substantial investment in modern exploration methods.  
▪ Environmental and social impacts potentially large from AMD, and if mercury or chemical leaching allowed.  
▪ Social impacts can be on balance positive, sustaining rural communities and contributing to the national economy. |
| Potential interventions by SDNRP-II | ▪ Cadastre operational and starts issuing Mining Licenses and Exploration Licenses under the Mining Law.  
▪ NEPA encouraged to process ESIA for hardrock gold mining.  
▪ CBAGS in SDNRP-I and SDNRP-II trains AGS geologists in hardrock gold exploration and mining.  
▪ CBAGS currently training AGS geologists in panning and heavy mineral mapping.  
▪ MOM-NEPA prepare environmental and social guidelines for ASM mining, including hardrock gold.  
▪ Stimulation of know-how transfer from USA of hardrock gold exploration in mercury-rich provinces.  
▪ Stimulation of know-how transfer of heap-leach gold recovery, e.g. cyanide leaching.  
▪ Stimulation of know how transfer of advanced gravitational gold recovery, e.g. tuned sluices and centrifuges. |
| Asian know-how | ▪ Kyrgyzstan, Kazakhstan, Mongolia, Siberia, China, Papua New Guinea, Philippines and Indonesia - know-how on ASM, SME and large-scale hardrock gold mining and its environmental and social impacts. |

### Main issues

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
</table>
| Risk to biodiversity – low to severe | ▪ ESIA system is sufficient, if baseline studies are strict  
▪ Deliver mercury awareness training to NEPA and AGS.  
▪ Deliver cyanide awareness training to NEPA and AGS.  
▪ Ensure AGS laboratory has Hg measuring equipment.  
▪ Ensure AGS field teams have portable Hg detectors.  
▪ Assist NEPA study biodiversity impact of AMD. |
| Risk to archaeological sites – medium to severe | ▪ Archeological screening of hardrock gold mining districts.  
▪ Encourage ASM miners to report discoveries. |
| Risk of dereliction – low to severe | ▪ Raise awareness of MoM, NEPA, other ministries.  
▪ Enforcement by NEPA and MoM Mine Inspectors.  
▪ BAT training of NEPA and MoM Mine Inspectors. |
### Hardrock Gold Mining and Processing: 2 of 2

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong> (continued)</td>
<td>Risk to wetlands – low to severe</td>
<td>• Raise awareness of MoM, NEPA, other ministries.</td>
</tr>
<tr>
<td></td>
<td>Risk of desertification – nil to low</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk of mercury abuse – moderate to severe</td>
<td>• Train hard-rock gold miners in low cost gravitational methods of achieving high % gold recovery.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Give preference to ESIAs using gravity-only.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reject ESIAs of all projects that use mercury.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deter proposers from countries where mercury is mined and smuggled (e.g. notably Kyrgyzstan and China).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deter proposers from countries where mercury usage is endemic in hardrock gold mining (e.g. China).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ensure NEPA/MoM has Hg and CN detection capability.</td>
</tr>
<tr>
<td></td>
<td>Risk of disturbing natural mercury – very severe</td>
<td>• CBAGS review AGS/BGS/USGS Hg-gold distribution.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CBAGS train AGS geologists in mercury risks to health.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CBAGS train AGS in mercury detection in the field.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• MoM/NEPA define Hg areas where ESIAs not approvable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• MoM define ‘no-go’ Hg areas for AGS field teams.</td>
</tr>
<tr>
<td></td>
<td>Risk of cyanide abuse – moderate to severe</td>
<td>• Consider ESIAs using cyanide, but only after stringent assessment by international experts on gold recovery.</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>No awareness of opportunities and risks.</td>
<td>• CBAGS train AGS/MoM in opportunities and risks.</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Risk of mercury and cyanide poisoning</td>
<td>• Train MoM/NEPA inspectors to raise miners awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Train SME/ASM in low-cost gravitational methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ensure mercury deposits are not allowed to be mined.</td>
</tr>
<tr>
<td></td>
<td>Risk of acid mine drainage (AMD) and heavy metals</td>
<td>• Significant, requiring international know-how.</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>Dangers of headframes and winding engines</td>
<td>• BAT design being evolved</td>
</tr>
<tr>
<td></td>
<td>Dangers of windlasses and manual haulage</td>
<td>• BAT design tested in Mongolia</td>
</tr>
<tr>
<td></td>
<td>Dangers of shaft instability and roof falls</td>
<td>• Training of mine inspectors and miners</td>
</tr>
<tr>
<td></td>
<td>Dangers of explosives</td>
<td></td>
</tr>
<tr>
<td><strong>Local economy</strong></td>
<td>How to achieve multipliers with local economy</td>
<td>• Local job quota requirement in SME mining licenses.</td>
</tr>
<tr>
<td></td>
<td>How to maximise gold recovery</td>
<td>• Encourage low-cost high % gold recovery systems</td>
</tr>
<tr>
<td><strong>National economy</strong></td>
<td>How to achieve value added</td>
<td>• Integrate goldsmith training into gemstone training.</td>
</tr>
<tr>
<td></td>
<td>How to use gold production in currency support</td>
<td>• Encourage use of small nuggets in jewellery trade.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Investigate Central Bank buying dore gold bars.</td>
</tr>
</tbody>
</table>
## Mercury Exploration and Mining

### Current status

Mercury is currently not mined in Afghanistan, with the proviso that some ASM mercury mining may still be occurring in remote areas. Extensive mercury mining was prevalent in ancient times, as evidenced by “old workings” for cinnabar and mercury in the vicinity of Kharnak, Duwalak, Qasem and Kho-i-Katif as noted by the AGS and Russian geologists in the 1970s.

According to the USGS (2007): “Mercury (Hg) deposits are present along a 400–km-long by 30–km-wide permissive area in south-western Afghanistan; this zone contains a number of hot-spring mercury occurrences with similar geologic characteristics. Known occurrences in this area may contain a mean expected value of 32,000 metric tons of undiscovered Hg, large enough to support a local mercury industry. There are likely numerous undiscovered deposits. Two other areas in west central and eastern Afghanistan also contain anomalous mercury zones. All the areas containing mercury might also contain silver and gold deposits.” - S.G. Peters, S.D. Ludington, G.J. Orris, D.M. Sutphin and J.D. Bliss (editors) (2007). Preliminary Non-Fuel Mineral Resource Assessment of Afghanistan: USGS Open-File Report 2007-1214.

The USGS report rates Afghanistan’s mercury highly, and devotes 42 pages and 19 figures to describing them and advocating further exploration, but mentions environmental concerns only superficially in a mere two paragraphs. (Chapter 6.1 Mercury deposits - Contributions by James Rytuba, Stephen Peters, Stephen Ludington, Walter Bawiec, and Bernard Hubbard). The USGS advocacy of mercury exploration invites criticism for it might result in “a local mercury industry” and in doing so would contravene USA and international efforts to reduce and eliminate mercury mining, breach WB/IFC EHS 2007 Guidelines and WB Operational Procedures (OPs). The USGS advocacy would lead to contravening the Environmental Law of Afghanistan and disturbance of mercury deposits during exploration would be classed as a Category A activity under NEPA regulations and so require a mandatory EIA in accordance with the Afghan EIA Law. As mercury is now classed as ‘toxic waste’ in the USA, Canada and all EU member states, the expectation would be that NEPA would reject any EIA for mercury exploration, and consequently MoM would be barred from issuing an Exploration License or Mining License.

As noted by James Rytuba and colleagues, the main demand for mercury is from artisanal gold miners in the third world. But the export of mercury to such end-users would attract adverse criticism worldwide, and would be difficult to accomplish legally with Afghanistan being a signatory of various international conventions such as the Basel Convention on Trans-boundary Movement and Disposal of Hazardous Waste. Alternatively the mining of mercury for sale in Afghanistan would pose considerable environmental and health risks to novice ASM gold miners as currently witnessed in Kyrgyzstan and Mongolia where such trade is illegal and difficult to combat in remote rural areas. Additionally, mine closure would be liable to be technically challenging and highly expensive. Indeed, ‘exploration closure’ might also be difficult, especially if local people were alerted the value of illicitly mining of mercury.

### Current issues

- Potential for Afghan mercury industry highlighted by USGS (2007) together with advocacy of mercury exploration.
- Environmental and social impacts would be negative, damaging rural communities and the national economy.
**Mercury Exploration and Mining: 2 of 2**

### Potential interventions by SDNRP-II

- Cadastre operational and starts issuing Mining Licenses and Exploration Licenses under the Mining Law.
- AGS may follow USGS recommendations to undertake mercury exploration.
- CBAGS may assist AGS field teams in USGS ‘prospective tracts’ and ‘favourable tracts’ for mercury.
- MoM/NEPA may discover renewal of ASM mercury mining in any of numerous ‘ancient workings’.
- NEPA may encounter instances of mercury pollution of crops or water, or NEPA encouraged to process ESIA for hardrock gold mining.
- CBAGS in SDNRP-I and SDNRP-II trains AGS geologists in hardrock gold exploration and mining.
- CBAGS currently training AGS geologists in panning and heavy mineral mapping.
- MOM-NEPA prepare environmental and social guidelines for ASM mining, including hardrock gold.
- Stimulation of know-how transfer from USA of hardrock gold exploration in mercury-rich provinces.
- Stimulation of know-how transfer of heap-leach gold recovery, e.g. cyanide leaching.
- Stimulation of know how transfer of advanced gravitational gold recovery, e.g. tuned sluices and centrifuges.

### Asian know-how

- Kyrgyzstan, Mongolia and China - know-how on environmental and social risks of mercury mining.
- Mongolia, Indonesia and Philippines -know-how on alternatives to mercury in recovering gold.

### Main issues

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk to biodiversity – medium to severe</td>
<td>ESMF safeguards specifically prohibit SDNRP-II activities that might support mercury exploration or mercury mining (see Annex 4).</td>
<td>Prohibit exploration or mining in areas containing ‘ancient workings’ for mercury or cinnabar.</td>
</tr>
<tr>
<td>Risk to archaeological sites – medium to severe</td>
<td>Deliver mercury awareness training to NEPA and AGS.</td>
<td></td>
</tr>
<tr>
<td>Risk of dereliction – severe</td>
<td>Deliver cyanide awareness training to NEPA and AGS.</td>
<td></td>
</tr>
<tr>
<td>Risk to wetlands and potable water – severe</td>
<td>Ensure AGS laboratory has Hg measuring equipment.</td>
<td></td>
</tr>
<tr>
<td>Risk to local air quality and global flux – severe</td>
<td>Ensure AGS field teams have portable Hg detectors.</td>
<td></td>
</tr>
<tr>
<td>Risk of mercury abuse – severe</td>
<td>Assist NEPA study biodiversity impact of AMD.</td>
<td></td>
</tr>
<tr>
<td>Risk of disturbing natural mercury – very severe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>No awareness of mercury risks.</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Risk of mercury poisoning of miners and communities</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>Risk of acid mine drainage (AMD) and heavy metals</td>
<td></td>
</tr>
<tr>
<td>Local economy</td>
<td>How to achieve multipliers with local economy</td>
<td></td>
</tr>
<tr>
<td>National economy</td>
<td>How to maximise gold recovery</td>
<td></td>
</tr>
</tbody>
</table>
### Chromite Mining and Processing

| Current status | Sporadic mining several decades ago, and significant ASM now active. Deposits and occurrences still exist, several of potential interest to investors (AGS, BGS, USGS) High-grade chromite ore is present in the Eocene Kabul ophiolite, in Logar province on the Kabul Block. Ten near surface zones are estimated to contain about 180,000 tonnes at 42.2% chromite, 15% of which is metallurgical grade. Platinum group metals present. More exploration is warranted here and in other areas where ophiolite-related chromite occur. |
| Current issues | Media reports of substantial smuggling to Pakistan of truckloads of chromite ore. Concerns regarding health and safety of miners, hexavalent chromium (CrVI), damage to resources, failure to restore. |
| Potential interventions by SDNRP-II | ▪ Stimulation of ASM and SME mining and mineral processing to produce:  
  a) metallurgical grade concentrates with high export potential to Asian ferrochrome plants;  
  b) chemical grade concentrates with high explrt potential to Asian chemical industry. |
| Asian know-how | India - world’s second largest chromite producer, with ASM, SME and large mining companies.  
Kazakhstan - world’s third largest producer, with very large chromite mines at Kromtau in Aktobe Oblast. |

| Main issues | Specific ESMF concerns | ESMF safeguard mechanisms |
| Environmental | Risk to biodiversity – severe | ▪ ERIA system is sufficient, if baseline studies are strict  
  ▪ Deliver chrome awareness training to NEPA and AGS.  
  ▪ Ensure AGS laboratory has Cr measuring equipment.  
  ▪ Ensure AGS field teams have portable Cr detectors.  
  ▪ Assist NEPA study biodiversity impact of chrome. |
| Risk to archaeological sites – medium to severe | ▪ Archeological screening of chromite districts.  
  ▪ Encourage ASM miners to report discoveries. |
| Risk of dereliction – medium to severe | ▪ Raise awareness of MoM, NEPA, other ministries.  
  ▪ Enforcement by NEPA and MoM Mine Inspectors. |
| Risk to archaeological sites – low to medium | ▪ Archeologist screens areas prior to issuing licenses |
### Main issues

<table>
<thead>
<tr>
<th>Social</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of child labour and tied labour</td>
<td>New industry – enforce via Mining Inspectors from start.</td>
<td></td>
</tr>
<tr>
<td>Risk of exclusion of women from the industry</td>
<td>Train women in ore processing or alternative livelihood</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of silicosis to miners underground</td>
<td>Train in ventilation, and regular mandatory tests for dust</td>
<td></td>
</tr>
<tr>
<td>Risk of silicosis from dried out tailings ponds</td>
<td>NEPA ESIA approval of tailings pond design</td>
<td></td>
</tr>
<tr>
<td>Risk of chrome VI from natural leaching – med/severe</td>
<td>Geochemical survey of soils and vegetation</td>
<td></td>
</tr>
<tr>
<td>Risk of chrome VI from dust from mines – med/severe</td>
<td>Strict supervision of recovering spoil dumps</td>
<td></td>
</tr>
<tr>
<td>Risk of chrome VI from surface water – med/severe</td>
<td>Geochemical survey of streams, springs, wells and karez</td>
<td></td>
</tr>
<tr>
<td>Risk of chrome VI from groundwater – med/severe</td>
<td>Before allowing mining, there should be a fact-finding mission to India to visit chromite mines and affected communities, by MoM and NEPA plus MoM Social Adviser and leading Afghan water scientists.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dangers of headframes and winding engines</td>
<td>BAT design being evolved</td>
<td></td>
</tr>
<tr>
<td>Dangers of windlasses and manual haulage</td>
<td>BAT design tested in Mongolia</td>
<td></td>
</tr>
<tr>
<td>Dangers of shaft instability</td>
<td>Training of mine inspectors and miners</td>
<td></td>
</tr>
<tr>
<td>Dangers of roof falls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dangers of explosives</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local economy</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to achieve multipliers with local economy</td>
<td>Impose quota to optimise local employment opportunities</td>
<td></td>
</tr>
<tr>
<td>How to ensure some used by Afghan industry</td>
<td>Examine potential for fluor spar craft products</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National economy</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to achieve value-added</td>
<td>Test chrome ores for platinum group metals before mining</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parallel concerns</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chrome VI pollution from tanneries</td>
<td>Geochemical survey by NEPA/AGS</td>
<td></td>
</tr>
</tbody>
</table>
### Fluorspar Mining and Processing

<table>
<thead>
<tr>
<th>Current status</th>
<th>Very little or no mining, but viable deposits are known (AGS,BGS,USGS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current issues</td>
<td>None, as not yet active.</td>
</tr>
</tbody>
</table>
| **Potential interventions by SDNRP-II** | **stimulation of ASM and SME mining and mineral processing to produce:**
| | a) metallurgical (‘lump’) grade concentrates with high export potential to Asian steelworks;
| | b) metallurgical (‘lump’) grade concentrates for bulk domestic steel production at Hajigak;
| | c) chemical (‘acid’) grade concentrates with value-added for export to fluorochemical industry worldwide. |
| **Asian know-how** | China - world’s largest producer, but useful information is not readily available.
| | Mongolia – ongoing ‘fluorspar rush’ in Mongolia, now 3rd in world league table for production. |

<table>
<thead>
<tr>
<th>Main issues</th>
<th>Specific ESMF concerns</th>
<th>ESMF safeguard mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td>Risk to biodiversity</td>
<td><strong>ESIA system is sufficient, if baseline studies are strict</strong></td>
</tr>
<tr>
<td></td>
<td>Risk to archaeological sites</td>
<td></td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>Risk of child labour and tied labour</td>
<td><strong>New industry – enforce via Mining Inspectors from start.</strong></td>
</tr>
<tr>
<td></td>
<td>Risk of exclusion of women from the industry</td>
<td><strong>Train women in mineral processing of fluorspar</strong></td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Risk of silicosis to miners underground</td>
<td><strong>Train in ventilation, and regular mandatory tests for dust</strong></td>
</tr>
<tr>
<td></td>
<td>Risk of silicosis from dried out tailings ponds</td>
<td><strong>NEPA ESIA approval of tailings pond design (acid grade)</strong></td>
</tr>
<tr>
<td></td>
<td>Risk of fluorosis from natural leaching of fluorspar</td>
<td><strong>AGS geochemical survey of soils and vegetation</strong></td>
</tr>
<tr>
<td></td>
<td>Risk of fluorosis from leaching of milled fluorspar</td>
<td><strong>Supervision of design of acid grade mills.</strong></td>
</tr>
<tr>
<td></td>
<td>Risk of cancer if radon influx into mine</td>
<td><strong>Routine checks for radon; install good mine ventilation</strong></td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>Dangers of headframes and winding engines</td>
<td><strong>BAT design being evolved</strong></td>
</tr>
<tr>
<td></td>
<td>Dangers of windlasses and manual haulage</td>
<td><strong>BAT design tested in Mongolia</strong></td>
</tr>
<tr>
<td></td>
<td>Dangers of shaft instability</td>
<td><strong>Training of mine inspectors and miners</strong></td>
</tr>
<tr>
<td></td>
<td>Dangers of roof falls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dangers of explosives</td>
<td></td>
</tr>
<tr>
<td><strong>Local economy</strong></td>
<td>How to achieve multipliers with local economy</td>
<td><strong>Impose quota to optimise local employment opportunities</strong></td>
</tr>
<tr>
<td></td>
<td>How to achieve value-added</td>
<td><strong>Examine potential for fluorspar craft products</strong></td>
</tr>
<tr>
<td><strong>National economy</strong></td>
<td>How to ensure some used by Afghan industry</td>
<td><strong>Maximise production of chemical (acid) concentrates</strong></td>
</tr>
<tr>
<td></td>
<td>How to ensure Hajigak uses Afghan sources of fluorspar</td>
<td><strong>Ensure Hajigak uses Afghan sources of fluorspar</strong></td>
</tr>
<tr>
<td><strong>Parallel concerns</strong></td>
<td>Fluoride pollution via from clay, coal and groundwater.</td>
<td><strong>AGS geochemical survey</strong></td>
</tr>
</tbody>
</table>
This document is an unapproved draft. The contents are designed to be:

a) approved as a voluntary Afghanistan National Standard for large investment in any sector;

AND

b) made mandatory for a large project as an Annex to its contract with the Government;

AND

c) Applied to any large project in any sector;

BUT if not approved as a National Standard, then:

d) The main contents can still be applied as an Annex to a large project in any sector.

25 November 2011
Environmental, Health and Safety Standards for Large Projects

Copyright notice

This ANSA document is a National Standard and is copyright-protected by ANSA. In the interest of transparency, ANSA grants unrestricted permission to the user to reproduce, store in a retrieval system or transmit in any form or by any means, electronic, photocopying, recording or otherwise, this National Standard, in part or in its entirety, on condition that the ANSA copyright is appropriately acknowledged, and that when referred to this document is cited to in the following manner:


Afghanistan National Standards Authority
Kabul Jalalabad Road
Industrial Parks Area
AF- Kabul

Postal Address:
Central Post Office
P.O. Box 5172
AF- Kabul
Tel: +93 202320117
E-mail: icd@ansa.gov.af
Website: www.ansa.gov.af
Foreword

ANSA

ANSA, (the Afghanistan National Standard Authority) is the national standard body of the Islamic Republic of Afghanistan, and has observer status with ISO (the International Standards Organisation). ANSA functions within the Ministry of Commerce and Industries, and was established by Decree 952 signed by the President of the Islamic Republic of Afghanistan on 2 June 2004. ANSA was approved as an independent standards body by the Council of Ministers, Government of Afghanistan, on 20 August 2007 which was later ratified by Afghan Parliament on 25 February 2008.

ANSA works toward the following objectives:

1. To serve the Afghan stakeholders (government, industry and consumers) in the fields of standardization, conformity assessment, accreditation and metrology.

2. To improve commercial interactions, build the technical infrastructure and capacity, develop human resources, and establish closer ties amongst relevant institutions.

3. To encourage the private sector to participate in standardization, conformity assessment, accreditation and metrology activities to contribute to commercial interactions within Afghanistan.

4. To enhance implementation of international standards as well as regional and national standards and their application in business and industry.

5. To improve awareness of the role and to promote the benefits of standardization and conformity assessment, accreditation and metrology amongst government, the private sector and the general public.

Afghanistan National Standards Authority
Kabul Jalalabad Road
Industrial Parks Area
AF- Kabul

Postal Address:
Central Post Office
P.O. Box 5172
AF- Kabul
Tel: +93 202320117
E-mail: icd@ansa.gov.af
Website: www.ansa.gov.af

AF 2011-EHS was prepared for the Afghan National Standards Authority by local and international experts of the Ministry of Mines of Afghanistan, with technical assistance of international experts of the Sustainable Development of Natural Resources Project with financial support of the World Bank.
Introduction

National Standard AF 2011-EHS was developed in response to requests from investors and policy makers for clarity regarding the minimum acceptable standards of environment, health and safety to be followed by large investment projects in Afghanistan.

The need for clarity had become urgent, due to the development of Afghan National Standards being only in its early stages.

Accordingly, in the interests of speed, simplicity and clarity, National Standard AF 2011-EHS introduces into Afghanistan the minimum acceptable international standards of health, environment and safety and makes these minimum standards compulsory for large investment projects at the discretion of the Council of Ministers acting on the advice of the National Environmental Protection Agency (NEPA).
7 Scope

This National Standard specifies the minimum requirements for environmental, health and safety standards for projects in Afghanistan that, by virtue of their scale, location or activity are required to meet or exceed the minimum international guidelines for environment, health and safety.

National Environmental Protection Agency (NEPA) is the supreme national authority for this National Standard in accordance with the Environmental Law (2005, amended 2007). This law defined the overarching role of NEPA as an independent agency for environmental governance in Afghanistan. NEPA has overall responsibility to address policy and legal issues as well as environmental management in coordination with other related departments, and NEPA reports directly to the Office of the President.

At the present stage of the development of Afghanistan, this National Standard shall normally apply only to those Projects requiring substantial local or international finance, i.e. in excess of 50 million USD.

This National Standard is compulsory for any Project which, in the opinion of the Inter-Ministerial Committee (IMC), acting on the professional advice of the National Environmental Protection Agency (NEPA), is required to meet or exceed the minimum international guidelines for environment, health and safety.

Once a Project has been formally declared by IMC as being required to comply with this National Standard, then the IMC decision has to be approved by the Council of Ministers before this National Standard becomes compulsory for the Project.

Once approved by the Council of Ministers then NEPA is responsible for notifying the Project Proponent of this fact in writing.

NEPA will then attach this National Standard as a legally binding condition on the Project Proponent when screening, scoping, preparing, evaluating, approving, reviewing and monitoring the Environmental and Social Impact Assessment (ESIA) for the Project. This task will be carried out by NEPA in accordance with the existing Environmental Law, the EIA Law and associated regulations.

This National Standard shall apply from the date NEPA attach the National Standard as a legally binding condition on the Project, and shall apply throughout the life of the Project, including the closure and post-closure phases.

This National Standard shall be updated automatically to include any changes to the international guidelines and international standards referred to in this document,
8 Normative reference

The following referenced documents are indispensable for the application of this National Standard. The latest edition of the referenced document (including any amendments) applies.

The ISO 14000 series of standards are used worldwide for environmental management of projects:

ISO 14004:1996 Environmental management systems - General guidelines on principles, systems and supporting techniques.

The ISO 26000 standard is new, and gives harmonized, globally relevant guidance for private and public sector organizations of all types based on international consensus among expert representatives of the main stakeholder groups, and so encourage the implementation of best practice in social responsibility worldwide. The ISO group that prepared this standard has 450 participating experts and 210 observers from 99 ISO member countries and 42 liaison organizations.

9 Abbreviations, Terms and Definitions

For the purposes of this document, the following abbreviations, terms and definitions apply.

9.1 Abbreviations

<table>
<thead>
<tr>
<th></th>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>AF</td>
<td>Afghanistan</td>
</tr>
<tr>
<td>ii</td>
<td>ANSA</td>
<td>Afghanistan National Standards Authority</td>
</tr>
<tr>
<td>iii</td>
<td>BAT</td>
<td>Best Available Techniques</td>
</tr>
<tr>
<td>iv</td>
<td>BREF</td>
<td>BAT Reference Document</td>
</tr>
<tr>
<td>v</td>
<td>EHS</td>
<td>Environmental, Health and Safety Guidelines</td>
</tr>
<tr>
<td>vi</td>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>vii</td>
<td>EP</td>
<td>Equator Principles</td>
</tr>
<tr>
<td>viii</td>
<td>EPFI</td>
<td>Equator Principles, Financial Institution</td>
</tr>
<tr>
<td>ix</td>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>x</td>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>xi</td>
<td>FI</td>
<td>Financial Institution</td>
</tr>
<tr>
<td>xii</td>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>xiii</td>
<td>IPPC</td>
<td>Integrated Pollution Prevention and Control</td>
</tr>
<tr>
<td>xiv</td>
<td>ISO</td>
<td>International Standards Organisation</td>
</tr>
<tr>
<td>xv</td>
<td>L&amp;FS</td>
<td>Life and Fire Safety</td>
</tr>
<tr>
<td>xvi</td>
<td>NEPA</td>
<td>National Environmental Protection Agency</td>
</tr>
<tr>
<td>xvii</td>
<td>PCDP</td>
<td>Public Consultation and Disclosure Plan</td>
</tr>
<tr>
<td>xviii</td>
<td>PDF</td>
<td>Portable Document Format</td>
</tr>
<tr>
<td>xix</td>
<td>PPE</td>
<td>Personal Protective Equipment</td>
</tr>
<tr>
<td>xx</td>
<td>USD</td>
<td>United States Dollar (currency unit)</td>
</tr>
<tr>
<td>xxi</td>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>

9.2 Terms and Definitions

9.2.1 National Standard

National Standard refers to a standard approved by the Afghanistan National Standards Authority.

9.2.2 Equator Principles

The Equator Principles are a set of standards for determining, assessing and managing social and environmental risk in project financing, and can also be used as part of corporate social responsibility.

The Equator Principles were developed by private sector banks and launched in 2003 modelled on the environmental standards of the World Bank and the social policies of the International Finance Corporation (IFC). The Equator Principles have become the de facto standard for banks and investors on how to assess major development projects around the world.

9.2.3 Environmental, Health and Safety Guidelines

9.2.4 Performance Standards

Performance Standards are a set of eight IFC Performance Standards on Social and Environmental Sustainability, which are now used extensively worldwide.
10 Requirements

10.1 Equator Principles

The Project must conform to all the nine Equator Principles in force from 3rd July 2006, and to any subsequent amendments.


The nine Equator Principles are presented below, with modifications to clarify how they should be implemented in Afghanistan by: a) the Project Proponent; b) the Nature and Environmental Protection Agency (NEPA) on behalf of the Government of Afghanistan and c) by the Equator Principles Financing Institution (EPFI):

10.1.1 Equator Principle 1: Review and Categorisation

NEPA will, as part of its routine responsibilities, categorise the Project based on the magnitude of its potential impacts and risks in accordance with the environmental and social screening criteria specified in the NEPA regulations.

In addition, when a Project is proposed for financing to an EPFI, then the EPFI will, as part of its internal social and environmental review and due diligence, categorise such project based on the magnitude of its potential impacts and risks in accordance with the environmental and social screening criteria of the International Finance Corporation (IFC).

10.1.2 Equator Principle 2: Social and Environmental Assessment

If the Project is assessed by NEPA as being either Category A or Category B, the Project Proponent is required to conduct a Social and Environmental Assessment (SEIA) process\(^\text{13}\) to address, as appropriate and to NEPA’s satisfaction in accordance with the Environmental Law, the relevant social and environmental impacts and risks of the Project. The SEIA should also propose mitigation and management measures relevant and appropriate to the nature and scale of the Project.

If the Project is assessed by an EPFI as being either Category A or Category B, the Project Proponent is required to prepare an SEIA that not only satisfies the regulatory requirement of NEPA, but also is deemed appropriate by the EPSI and to its satisfaction.

10.1.3 Equator Principle 3: Applicable Social and Environmental Standards

The ESIA shall refer to the current General Environmental, Social, Health and Safety (EHS) Guidelines of the World Bank (WB) and International Finance Corporation (IFC); the relevant IFC Performance Standards and the relevant Industry Specific WB/IFC EHS Guidelines.

---

\(^{13}\) **Social and Environmental Assessment** is a process that determines the social and environmental impacts and risks (including labour, health, and safety) of a proposed project in its area of influence. For the purposes of Equator Principles compliance, this will be an adequate, accurate and objective evaluation and presentation of the issues, whether prepared by the borrower, consultants or external experts. Depending on the nature and scale of the project, the assessment document may comprise a full-scale social and environmental impact assessment, a limited or focused environmental or social assessment (e.g. audit), or straight-forward application of environmental siting, pollution standards, design criteria, or construction standards. One or more specialised studies may also need to be undertaken.
The ESIA will establish to the satisfaction of NEPA the Project's overall compliance with, or justified deviation from, the respective IFC Performance Standards and WB/IFC EHS Guidelines.

Likewise, if the ESIA is submitted to an EPSI, then the ESIA will also establish to the satisfaction of the EPFI the Project's overall compliance with, or justified deviation from, the respective IFC Performance Standards and the WB/IFC EHS Guidelines.

10.1.4 Equator Principle 4: Action Plan and Management System

For all Category A and Category B projects, the Project Proponent is required to prepare an Action Plan which addresses the relevant findings of the ESIA, and draws on the ESIA conclusions.

The Action Plan will describe and prioritise the actions needed to implement mitigation measures, corrective actions and monitoring measures necessary to manage the impacts and risks identified in the Assessment.

The Project Proponent will build on, maintain or establish a Social and Environmental Management System that addresses the management of these impacts, risks, and corrective actions required to comply with applicable social and environmental laws and regulations of Afghanistan, and requirements of the applicable IFC Performance Standards and WB/IFC EHS Guidelines, as defined in the Action Plan.

10.1.5 Equator Principle 5: Consultation and Disclosure

For all Category A and, as appropriate, Category B projects, the government, borrower or third party expert has consulted with Project Affected Communities in a structured and culturally appropriate manner. For Projects with significant adverse impacts on affected communities, the process will ensure their free, prior and informed consultation and facilitate their informed participation as a means to establish, to the satisfaction of NEPA (and EPFI if appropriate), whether a Project has adequately incorporated affected communities' concerns.

In order to accomplish this, the ESIA documentation and Action Plan, or non-technical summaries thereof, will be made available to the public by the Project Proponent for a reasonable minimum period in the relevant local language and in a culturally appropriate manner. The Project Proponent will take account of and document the process and results of the consultation, including any actions agreed resulting from the consultation. For Projects with adverse social or environmental impacts, disclosure should occur early in the ESIA process and in any event before the Project construction commences, and on an ongoing basis.

14 The Action Plan may range from a brief description of routine mitigation measures to a series of documents (e.g. Resettlement Action Plan, Indigenous Peoples Plan, Emergency Preparedness and Response Plan, Decommissioning Plan, etc). The level of detail and complexity of the Action Plan and the priority of the identified measures and actions will be commensurate with the project’s potential impacts and risks. Consistent with Performance Standard 1, the internal Social and Environmental Management System will incorporate the following elements: (i) Social and Environmental Assessment; (ii) management program; (iii) organisational capacity; (iv) training; (v) community engagement; (vi) monitoring; and (vii) reporting.

15 Affected communities are communities of the local population within the project’s area of influence who are likely to be adversely affected by the project. Where such consultation needs to be undertaken in a structured manner, EPFIs may require the preparation of a Public Consultation and Disclosure Plan (PCDP).

16 Consultation should be “free” (free of external manipulation, interference or coercion, and intimidation), “prior” (timely disclosure of information) and “informed” (relevant, understandable and accessible information), and apply to the entire project process and not to the early stages of the project alone. The Project Proponent will tailor its consultation process to the language preferences of the affected communities, their decision-making
10.1.6 Equator Principle 6: Grievance Mechanism

For all Category A and, as appropriate, Category B projects to ensure that consultation, disclosure and community engagement continues throughout construction and operation of the Project, the Project Proponent will, scaled to the risks and adverse impacts of the Project, establish a grievance mechanism as part of the management system. This will allow the Project Proponent to receive and facilitate resolution of concerns and grievances about the Project's social and environmental performance raised by individuals or groups from among project-affected communities.

The Project Proponent will inform the affected communities about the grievance mechanism in the course of its community engagement process and ensure that the mechanism addresses concerns promptly and transparently, in a culturally appropriate manner, and is readily accessible to all segments of the affected communities.

10.1.7 Equator Principle 7: Independent Review

For all Category A projects and, as appropriate, for Category B projects, an independent social or environmental expert not directly associated with the Project Proponent will review the ESIA, Action Plan and consultation process documentation in order to assist NEPA verify compliance with the Equator Principles and, if applicable assist the EPFI's due diligence of a financing proposal from the Project Proponent.

10.1.8 Equator Principle 8: Covenants

Covenants by Government of Afghanistan

When a Project Proposer submits an ESIA Category A or B Project to NEPA for approval, then covenants will be included in ESIA approval conditions by NEPA, and additional covenants added to permitting and licensing approvals by other agencies at the request of NEPA to link to compliance with the Equator Principles:

a) to comply with all Afghan social and environmental laws, regulations and permits in all material respects;

b) to comply with the Action Plan during the construction and operation of the project in all material respects;

c) to provide periodic reports in a format agreed with NEPA (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third party experts, that i) document compliance with the Action Plan, and ii) provide representation of compliance with relevant local, state and host country social and environmental laws, regulations and permits; and

d) to decommission the facilities, where applicable and appropriate, in accordance with an agreed Decommissioning Plan.

Where a Project Proponent is not in compliance with its social and environmental covenants, NEPA will work with the Project Proponent to bring it back into compliance to the extent feasible, and if the Project Proponent fails to re-establish compliance within an agreed grace period, NEPA reserves the right to exercise remedies, as NEPA consider appropriate.

processes, and the needs of disadvantaged or vulnerable groups. Consultation with Indigenous Peoples must conform to specific and detailed requirements as found in IFC Performance Standard 7. Furthermore, the special rights of Indigenous Peoples as recognised by Afghan legislation will need to be addressed.
Covenants by ESFI

When a Project Proposer submits a Category A or B Project to an EPFI for financing, then covenants will be included in financing documentation to link to compliance with the Equator Principles. For Category A and B projects, the Project Propponent will covenant in financing documentation:

a) to comply with all Afghan social and environmental laws, regulations and permits in all material respects;

b) to comply with the Action Plan during the construction and operation of the project in all material respects;

c) to provide periodic reports in a format agreed with EPFIs (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third party experts, that i) document compliance with the Action Plan, and ii) provide representation of compliance with relevant Afghan social and environmental laws, regulations and permits; and

d) to decommission the facilities, where applicable and appropriate, in accordance with an agreed Decommissioning Plan.

Where a borrower is not in compliance with its social and environmental covenants, EPFIs will work with the borrower to bring it back into compliance to the extent feasible, and if the borrower fails to re-establish compliance within an agreed grace period, EPFIs reserve the right to exercise remedies, as they consider appropriate.

10.1.9 Equator Principle 9: Independent Monitoring and Reporting

To ensure ongoing monitoring and reporting over the life of the loan, EPFIs will, for all Category A projects, and as appropriate, for Category B projects, require appointment of an independent environmental and/or social expert, or require that the borrower retain qualified and experienced external experts to verify its monitoring information which would be shared with EPFIs.

10.1.10 Equator Principle 10: Reporting

Reporting by NEPA

Each Project Propponent required by NEPA to adopt the Equator Principles is required to submit to NEPA a report publicly at least annually about its progress in implementing the Equator Principles within the Project, taking into account appropriate confidentiality considerations.

Reporting by EPFI

Each EPFI adopting the Equator Principles commits to report publicly at least annually about its Equator Principles implementation processes and experience, taking into account appropriate confidentiality considerations.
10.2 International Performance Standards

As required by the Equator Principles, the Project must conform to the most up-to-date IFC Performance Standards on Social and Environmental Sustainability, last updated April 30th, 2006.

The eight Performance Standards are listed below, and can be downloaded free-of-charge in PDF from the IFC website [www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards](http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards) in English, Chinese, Russian, Arabic, French, Spanish and Portuguese:

(i) Performance Standard 1: Social and Environmental Assessment and Management Systems
(ii) Performance Standard 2: Labor and Working Conditions
(iii) Performance Standard 3: Pollution Prevention and Abatement
(iv) Performance Standard 4: Community Health, Safety and Security
(v) Performance Standard 5: Land Acquisition and Involuntary Resettlement
(vi) Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management
(vii) Performance Standard 7: Indigenous Peoples
(viii) Performance Standard 8: Cultural Heritage

10.3 International Environmental, Health and Safety Guidelines

As required by the Equator Principles, the Project must equal or exceed the minimum international standards as set out in the latest IFC/WB Environmental, Health and Safety (EHS) Guidelines, last updated April 30th, 2007.

The EHS Guidelines are available in English, Chinese, Russian, Arabic and Spanish as free-of-charge downloads from IFC website: [www.ifc.org/ifcext/sustainability.nsf/Content/EHSGuidelines](http://www.ifc.org/ifcext/sustainability.nsf/Content/EHSGuidelines)
The EHS Guidelines consist of General EHS Guidelines and Sector-Specific EHS Guidelines.

10.3.1 General EHS Guidelines

The Project must conform to the General EHS Guidelines.

The General EHS Guidelines consist of the following Chapters and sections:

**10.3.1.1 Chapter 1 - Environmental**
1.1 Air Emissions and Ambient Air Quality
1.2 Energy Conservation
1.3 Wastewater and Ambient Water Quality
1.4 Water Conservation
1.5 Hazardous Materials Management
1.6 Waste Management
1.7 Noise
1.8 Contaminated Land

**10.3.1.2 Chapter 2 - Occupational Health and Safety**
2.1 General Facility Design and Operation
2.2 Communication and Training
2.3 Physical Hazards
2.4 Chemical Hazards
2.5 Biological Hazards
2.6 Radiological Hazards
2.7 Personal Protective Equipment (PPE)
2.8 Special Hazard Environments
2.9 Monitoring

10.3.1.3 Chapter 3 - Community Health and Safety
3.1 Water Quality and Availability
3.2 Structural Safety of Project Infrastructure
3.3 Life and Fire Safety (L&FS)
3.4 Traffic Safety
3.5 Transport of Hazards
3.6 Disease Prevention
3.7 Emergency Preparedness and Response

10.3.1.4 Chapter 4 - Construction and Decommissioning
4.1 Environment
4.2 Occupational Health and Safety
4.3 Community Health and Safety

10.3.2 Sectoral EHS Guidelines

The Project must conform to one or more international Sectoral EHS Guidelines relevant to the Project activities. NEPA shall select the Sectoral EHS Guideline or Guidelines are applicable to the Project, and for many Projects several Sector EHS Guidelines are likely to apply:

10.3.2.1 EHS Guidelines for Extractive Industries and related Infrastructure
   (i) Mining and Quarrying
   (ii) Construction Materials Extraction
   (iii) Coal Processing
   (iv) Onshore Oil and Gas Development
   (v) Metal Smelting and Refining
   (vi) Integrated Steel Mills
   (vii) Thermal Power
   (viii) Cement and Lime
   (ix) Ceramic Tile and Sanitary Ware
   (x) Glass
   (xi) Railways

10.3.2.2 EHS Guidelines for Forestry and Wood Processing
   (i) Board and Particle-based Products
   (ii) Sawmilling and Wood-based Products
   (iii) Forest Harvesting Operations
   (iv) Pulp and Paper Mills

10.3.2.3 EHS Guidelines for Agribusiness and Food
   (i) Livestock Rearing
   (ii) Poultry Rearing
   (iii) Plantation Crops
   (iv) Annual Crops
   (v) Aquaculture
   (vi) Sugar
   (vii) Vegetable Oil
   (viii) Dairy
   (ix) Fish
   (x) Meat
   (xi) Poultry Processing
10.3.2.4 Chemicals
(i) Pharmaceuticals and Biotechnology
(ii) Coal Processing
(iii) Natural Gas Processing
(iv) Oleochemicals
(v) Nitrogenous Fertilizer
(vi) Phosphate Fertilizer
(vii) Pesticides
(viii) Oil-based Polymers
(ix) Petroleum
(x) Petroleum-based Organic Chemicals
(xi) Inorganic Compounds and Coal Tar

10.3.2.5 Oil and Gas
(i) Onshore Oil and Gas
(ii) Offshore Oil and Gas
(iii) Liquefied Natural Gas (LNG)

10.3.2.6 Infrastructure
(i) Tourism and Hospitality
(ii) Railways
(iii) Shipping
(iv) Ports, Harbors and Terminals
(v) Airports
(vi) Airlines
(vii) Gas Distribution Systems
(viii) Toll Roads
(ix) Telecoms
(x) Crude Oil and Oil Product Terminals
(xi) Retail Petroleum Networks
(xii) Health Care Facilities
(xiii) Waste Management Facilities
(xiv) Water and Sanitation

10.3.2.7 General Manufacturing
(i) Cement and Lime
(ii) Ceramic Tile and Sanitary Ware
(iii) Glass
(iv) Construction Materials Extraction
(v) Textiles
(vi) Tanning and Leather Finishing
(vii) Semiconductors and Electronics
(viii) Printing
(ix) Foundries
(x) Integrated Steel Mills
(xi) Base Metal Smelting and Refining
(xii) Metal, Plastic, Rubber Products

10.3.2.8 Power
(i) Wind Energy
(ii) Geothermal Power Generation
(iii) Electricity Transmission and Distribution
(iv) Thermal Power
10.4 Best Available Techniques (BAT)

The Project Proponent must Benchmark the Project against international ‘best available techniques’ for Integrated Pollution Prevention and Control (IPPC) in the relevant sector or sectors.

The Project Proponent must submit a Benchmark Assessment to NEPA as an integral part of the Feasibility Study of the Project, in conjunction with the ESIA submission.

In Benchmarking, the Project Proponent shall refer to the relevant Best Available Techniques (BAT) Reference Documents (BREF) published by the European Integrated Pollution Prevention and Control (IPPC) Bureau on behalf of the European Commission. BREFs are the main reference documents used by EU Member States when issuing operating permits for about 50,000 industrial installations that have a significant pollution potential in Europe.

Each BAT Reference Documents (BREF) give information on an industrial/agricultural sector, techniques and processes used in this sector, current emission and consumption levels, techniques to consider in the determination of BAT, the Best Available Techniques (BAT), and emerging techniques:

(i) Management of Tailings and Waste-rock in Mining Activities BREF
(ii) Cement, Lime and Magnesium Oxide Manufacturing Industries BREF
(iii) Ceramic Manufacturing Industry BREF
(iv) Iron and Steel Production BREF
(v) Ferrous Metals Processing Industry BREF
(vi) Non-ferrous Metals Industries BREF
(vii) Smitheries and Foundries Industry BREF
(viii) Large Combustion Plants BREF
(ix) Energy Efficiency BREF
(x) Manufacture of Glass BREF
(xi) Mineral Oil and Gas Refineries BREF
(xii) Chlor-alkali Manufacturing Industry BREF
(xiii) Common Waste Water and Waste Gas Treatment/Management Systems in the Chemical Sector BREF
(xiv) Economics and Cross-media Effects BREF
(xv) Emissions from Storage BREF
(xvi) General Principles of Monitoring BREF
(xvii) Industrial Cooling Systems BREF
(xviii) Large Volume Inorganic Chemicals – Ammonia, Acids and Fertilisers Industries BREF
(xix) Large Volume Inorganic Chemicals – Solids and Others Industry BREF
(xx) Large Volume Organic Chemical Industry BREF
(xi) Manufacture of Organic Fine Chemicals BREF
(xii) Production of Polymers BREF
(xiii) Production of Speciality Inorganic Chemicals BREF
(xiv) Surface Treatment of Metals and Plastics BREF
(xxv) Surface Treatment Using Organic Solvents BREF
(xvi) Food, Drink and Milk Industries BREF
(xvii) Intensive Rearing of Poultry and Pigs BREF
(xviii) Slaughterhouses and Animals By-products Industries BREF
(xix) Tanning of Hides and Skins BREF
(x) Textiles Industry BREF
(xi) Waste Incineration BREF
(xii) Waste Treatments Industries BREF
(xiii) Wood-based Panels Production BREF
(xiv) Wood and Wood Products Preservation with Chemicals BREF
In Benchmarking, the Project Proponent shall refer to the most up-to-date Best Available Techniques (BAT) Reference Documents (BREF).

In Benchmarking, the Project Proponent shall pay particular attention to the latest ‘work in progress’ published as part of updating the BREF, by the European Integrated Pollution Prevention and Control (IPPC) Bureau, with updated BREFs being approved approximately every eight years.

In Benchmarking, the Project Proponent shall every four years throughout the life of the Project revise the Benchmarking in the light of revisions to the relevant BREFs.

BAT Reference Documents (BREF) can be downloaded free-of-charge from the European Integrated Pollution Prevention and Control (IPPC) Bureau in English and up to 17 other languages of the European Union, Turkey and Russia [http://eippcb.jrc.es/reference/](http://eippcb.jrc.es/reference/)

(i) Albanian  
(ii) Czech  
(iii) Danish  
(iv) Dutch  
(v) English  
(vi) Finnish  
(vii) French  
(viii) German  
(ix) Greek  
(x) Hungarian  
(xi) Italian  
(xii) Latvian  
(xiii) Lithuanian  
(xiv) Polish  
(xv) Portuguese  
(xvi) Russian  
(xvii) Serbian  
(xviii) Slovak  
(xix) Spanish  
(xx) Swedish  
(xxi) Turkish

With written agreement of NEPA, the Project Proponent may use alternative means of Benchmarking, such as by the United States Environmental Protection Agency, provided that such Benchmarking is no less stringent or less comprehensive that that of the BREF.

Whatever Benchmarking is used, the Project Proponent must publish his/her Benchmark Document in Dari and Pashtu, with summary in English, on internet as a downloadable PDF and organise public consultation for Project Affected Persons, and for local technical specialists and regulatory bodies.
Bibliography


**Equator Principles**


**Performance Standards**


**Best Available Techniques – BAT Progress**


**Best Available Techniques – BAT Reference Documents**


Download PDF from http://eippcb.jrc.es/reference/ 2,780 KB


**Best Available Techniques – other benchmark methods**