

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC15070

Date ISDS Prepared/Updated: 26-Jan-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Afghanistan	Project ID:	P157104
Project Name:	AF: AREDP Additional Financing		
Team Leader(s):	Kamran Akbar, M Haroon Chakhansuri		
Estimated Date of Approval:	31-May-2016		
Managing Unit:	GFA06	Lending Instrument:	Lending Instrument
Sector(s):	Animal production (10%), General agriculture, fishing and forestry sector (10%), Microfinance (40%), Other non-bank financial intermediaries (20%), Agro-industry, marketing, and trade (20%)		
Theme(s):	Micro, Small and Medium Enterprise support (40%), Gender (20%), Rural markets (15%), Rural non-farm income generation (20%), Other rural development (5%)		
Financing (in USD Million)			
Total Project Cost:	4.7	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Afghanistan Reconstruction Trust Fund			4.7
Environment Category:	C - Not Required		

B. Project Development Objective(s)

A. Original Project Development Objective (Parent Project)

To improve employment opportunities and income of rural men and women, and sustainability of targeted local enterprises

B. Proposed Project Development Objective - Additional Financing "Not changed same as parent project".

To improve employment opportunities and income of rural men and women, and sustainability of targeted local enterprises

C. Project Description

The Afghanistan Rural Enterprise development Program (AREDP) is a six years program which started with an initial phase in five provinces in June 2010, under the financing agreement between Government of Islamic Republic of Afghanistan (GoIRA) and International Development Association (IDA), (Grant No. H531-AF) which was approved in January 2010.

The overarching objective of the program is to increase employment and income in rural Afghanistan through the support to rural economy by strengthening potential value chains and key agro and non-agro sectors. Based on experiential learning in the unique Afghanistan context, over the last two years the program has evolved into a unique indigenous model of economic development and employment generation. The turn around was brought in by restructuring the project in December 2013 to change the delivery model to private sector oriented. The restructuring also led to cancellation of US \$ 9.772 million of the ARTF Grant 98045. The model developed and facilitates local resource mobilization, for instance the rural poor communities in the project villages saved more than USD 3.5 million and redeployed the same for productive purposes such as business enhancement and establishing new enterprises. The program design has led the rural economies just in five provinces created more than 30,000 direct jobs and over 20,000 indirect and seasonal jobs. Further, the program has created linkages between rural and urban economy with over 320 transactional relationships recorded in two year. The program has also provided rural entrepreneurs and SMEs the access to urban, national and international market.

The program is continuously delivering these phenomenal results in line with the economic development vision of the government. The program is well synchronized with the political and economic transitions that the country is going through for creating sustainable jobs at the rural level of Afghanistan.

The new Afghan government places greater emphasis on the rural economic development as the key driver for national economy and, therefore, the President has desired MRRD programs to transform into one flagship program with key strategic focus on rural economic, social and governance development. This transformation being 'work in progress' will see all the MRRD programs becoming one large national level program. This being work in progress needs substantial home work so that gains made in AREDP for rural job creation and economic development are not lost. Hence, based on recommendations of the MoF, AREDP has already been extended up to December 29, 2016.; it is expected that by that time way forward for MRRD joint program would have been clarified. Additional financing of USD 4.7 million to cover the period and further strengthen the milestones achieved by this program is proposed. The AREDP-AF similar to parent project, consist of the following components:

Component A: Community-based Enterprise Development

Sub-component A1: Community Facilitation

Sub-component A2: Support to Enterprise Group

Sub-component A3: Access to Finance

Component B: Small and Medium Enterprise (SME) Development

Sub-component B1: SME Facilitation

Sub-component B2: Business Development Support for SMEs

Sub-component B3: Access to Finance for SMEs

Component C: Program Implementation

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The additional financing will be used to continue the project activities in the existing five provinces

which have been identified during the parent project. The provinces are Parwan, Nangrahar, Bamyan, Balkh and Herat which have been selected considering their potential for enterprise development, security and accessibility, significant number of good quality Community Development Councils (CDCs) created by NSP and track record of implementing NSP.

E. Borrower's Institutional Capacity for Safeguard Policies

Ministry of Rural Rehabilitation and Development (MRRD) has over the years gained considerable experience and improved capacity in managing proper implementation supervision and monitoring of safeguard issues in projects. MRRD has been implementing several World Bank funded project such as NSP, Afghanistan Rural Access Project (ARAP), as well as the parent AREDP project, and has long history of working with the donors. MRRD has established separate unit for safeguards implementation, which consist of social and environmental safeguard specialists and has trained staff to implement the environmental and social concerns from both the managerial and technical perspectives. The environmental and social management framework (ESMF) for the screening of all subprojects under AREDP has been adjusted based on the existing ESMF for AREDP, which means that MRRD staff has already gained experience in implementing ESMF and are aware of its requirements.

The safeguards staff have specific terms of reference and are capable to conduct trainings on various aspects of the ESMF to ensure full awareness and smooth implementation. PMU has also appointed safeguards focal points at provincial level to do implementation supervision and monitoring of the ESMF as well as ensure compliance with safeguards policies at the field.

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	OP 4.01 on Environmental Assessment is triggered due to likelihood of some adverse environmental and social impacts from the activities related to enterprise and borrower activities planned under the proposed AF and assigned EA category "B". An ESMF has been prepared for the parent project which will be applicable for the AF. Site specific EMPs are being prepared for fishery, brick industries and plastic factories under the parent project, while EHS requirements are also stipulated in the ESMPs and ESMF of the original project. The ESMF has been has been disclosed to infoshop on 08 June 2009. And the new ISDS will be redisclosed on November 13, 2015.

Natural Habitats OP/BP 4.04	No	This policy is not triggered, because the project components are not expected to be in the area of any natural habitat or will not have any impact on it.
Forests OP/BP 4.36	No	The project activities do not impact forests in any way, as defined by the policy.
Pest Management OP 4.09	No	The project will neither finance pesticides nor will they be used in the project.
Physical Cultural Resources OP/BP 4.11	No	OP/BP 4.11 is not triggered because there is no indication of presence of physical cultural resources within the selected sites for the additional financing.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered as there are no Indigenous Peoples that meet the criteria of OP/BP 4.10 within the project area that could potentially benefit or be adversely affected by the Project's activities.
Involuntary Resettlement OP/BP 4.12	No	No involuntary land acquisition is expected in the AF project since there will be no construction work. The main focus areas of the project are economic development and employment generation in the rural areas.
Safety of Dams OP/BP 4.37	No	The project does not have any activity involving dams.
Projects on International Waterways OP/BP 7.50	No	The project does not involve any activity that will affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project does not involve any activity in any known disputed area.

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Kamran Akbar, M Haroon Chakhansuri	
Approved By:		
Safeguards Advisor:	Name: Zia Al Jalaly (SA)	Date: 09-Nov-2015
Practice Manager/ Manager:	Name: Shobha Shetty (PMGR)	Date: 09-Nov-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.