

**ISLAMIC REPUBLIC OF AFGHANISTAN**

**Ministry of Economy**

**Environmental and Social Management Framework  
(ESMF)**

**For the**

**Eshteghal Zaiee – Karmondena (EZ-KAR) Project**

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## Abbreviations/Acronyms

ALCS	Afghanistan Living Conditions Survey
ARTF	Afghanistan Reconstruction Trust Fund
CCAP	Citizen Charter Afghanistan Project
CDC	Community Development Council
CIP	Cities Investment Program
CDC	Development Council
CFM	Community Feedback Mechanism
DiREC	Displacement and Returnee Executive Committee
DTM	Displacement Tracking Mechanism
DU	Dwelling Unit
EC	Environmental Clearance
ECOP	Environmental Codes of Practice
EHS	Environmental Health & Safety
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental Social Management Framework
ESMP	Environmental & Social Management Plan
ESS	Environmental and Social Safeguards
ESSO	Environmental and Social Safeguards Officer
EZ-KAR	Eshiteghal Zaiee – Karmondena <i>The Pashto term, “Karmondena,” means ‘finding a job,’ while the Dari term, “Eshteghal Zaiee,” means ‘job creation.’</i>
FP	Facilitating Partner
GA	Gozar Association: <i>Gozar is a neighbourhood-based organisation at sub district level within municipalities</i>
GCS	Gozar Cooperating Shura
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
IAs	Implementing Agencies
IDLG	Independent Directorate of Local Governance
IDP	Internally Displaced Person
IOM	International Organization for Migration
KM	Kabul Municipality
KMDP	Kabul Municipality Development Project
LIPW	Labor Intensive Public Works
MACA	Mine Action Centre for Afghanistan
MIS	Management Information System
MoEC	Ministry of Economy
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoRR	Ministry of Refugees and Repatriation
NEPA	National Environmental Protection Agency
NGO	Non Governmental Organization
NSP	National Solidarity Program
OP/BP	Operation Procedures/Bank Policy
PAF	Project Affected Family
PAP	Project Affected Person
PMU	Project Management Unit
RAP	Resettlement Action Plan

RPF  
TPM  
WB

Resettlement Policy Framework  
Third Party Monitor  
World Bank

## Draft Executive Summary

### Eshteghal Zaiee – Karmondena (EZ-KAR)

**Project Context:** Internal displacement and large-scale return of Afghans has put a huge strain on traditional coping mechanisms, service delivery, and increased competition for already scarce economic opportunities, at a time when Afghanistan is suffering from a stagnating economy. The concentration of the displaced in urban centers risks overwhelming the public services and generating large humanitarian needs. The already profound lack of meaningful livelihoods and access to basic services for host communities in this context, could exacerbate pre-existing risks of conflict and generate popular discontent. The large-scale population movements also present a chance to develop new economic opportunities in the affected cities, both for the displaced and for the host communities. EZ-KAR provides a mechanism for the Government of Afghanistan (GoIRA) to promote the integration of returnees and internally displaced persons (IDPs) into productive employment alongside settled communities and thereby providing a boost to productivity and growth. Properly supported, the returnees can help revitalize critical value chains; encourage participation in new industrial, commercial and service markets; and finance new businesses to the benefit of both hosts and returnees/IDPs.

Returnees/IDPs<sup>1</sup>: More than 2.4 million Afghans have returned to Afghanistan since 2015. Coinciding with the largest return of Afghans a deteriorating security situation in Afghanistan together with lack of income opportunities and poor service provision has led to large-scale internal population displacements.<sup>2</sup> In 2018 to date UNHCR records 75,023 returnees to Afghanistan.<sup>3</sup> The top drivers of displacement are avoidance of armed conflict, human rights violations, protection concerns and natural disasters.<sup>4</sup> Recent reports suggest that 1 in 6 people is either a returnee or an IDP in each of the provinces<sup>5</sup> in which the EZ KAR 12 cities are the provincial capitals. There is a strong trend among returnees and IDPs to move to urban areas in search of better security, essential services and job opportunities. However, if returnees and IDPs are to be successfully (re)integrated into host communities then the emphasis needs to move beyond satisfying basic needs towards livelihoods and social cohesion.<sup>6</sup> The latter is a major plank of the EZ KAR project.

The overall objective of the component is to support Afghan refugees in Pakistan by (a) increasing the capacity of the Ministry of Foreign Affairs (MoFA) to provide consular services; and (b) providing helpful information to facilitate the refugees if they chose to return, access to economic opportunities and social services. MoFA will be the Implementing Agency for the Component both in Afghanistan and in Pakistan, while support will be provided to the Ministry of Refugees and Repatriation (MoRR) with communications activities. This is in line with the Solutions Strategy for Afghan Refugees (SSAR) that both Afghanistan and Pakistan governments have adopted. An MoU will be signed between MoFA and MoRR to define their roles and coordination arrangements.

**Project Objective:** The Project Development Objective is to strengthen the enabling environment for

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<sup>1</sup> DTM Afghanistan defines (i) returnees as Afghan nationals who have returned to Afghanistan after at least 6 months abroad and (ii) IDPs as Afghans who have fled a specific location and currently reside in a different settlement in Afghanistan: *Baseline Mobility Matrix*, January – March 2018

<sup>2</sup> WB, (2016) Project Appraisal Document (PAD), *Citizen Charter Afghanistan Project*

<sup>3</sup> UNHCR, Operations Portal, <https://data2.unhcr.org/en/country/afg>

<sup>4</sup> DTM Afghanistan: *Baseline Mobility Matrix*, January – March 2018

<sup>5</sup> International Organization of Migration (IOM's) Displacement Tracking Matrix (DTM) Baseline Mobility Assessment, 2018

<sup>6</sup> *The Study of NSP's Impact on IDP/refugee reintegration in Afghanistan*, York, University of York 2012

economic opportunities in cities where there is a high influx of displaced people.

*Project Components:*

**COMPONENT 1: SUPPORT FOR AFGHAN REFUGEES IN PAKISTAN.** In order to support the regional commitments that the Government of Afghanistan and Pakistan set out in the Solutions Strategy for Afghan Refugees (SSAR) framework and tripartite agreements, this component will support Afghan refugees in Pakistan and their voluntary repatriation by (a) increasing the capacity of the Ministry of Foreign Affairs (MoFA) to provide consular services; and (b) providing information to facilitate the refugees to access economic opportunities and social services. MoFA will be the Implementing Agency for the Component both in Afghanistan and in Pakistan, while support will be provided to the Ministry of Refugees and Repatriation (MoRR) with communications activities.

**COMPONENT 2: SHORT TERM EMPLOYMENT OPPORTUNITIES AND MARKET ENABLING INFRASTRUCTURE UNDER IDLG.** This component aims to increase economic opportunities in Jalalabad, Kandahar, Herat, Mehterlam, Puli Khumri, Khost Matun, Asadabad, Taluqan, Kunduz, Chaghcharan, and Maimana by (a) creating short term employment opportunities, (b) supporting municipal level regulatory and process reforms, and (c) investing in market enabling infrastructure.

**COMPONENT 3: MARKET ENABLING INFRASTRUCTURE AND REFORMS FOR KABUL MUNICIPALITY.** This component aims to address the challenges faced by Kabul's private sector in accessing economic opportunities. Kabul's private sector is dominated by a very large number of small- and micro-businesses. These are located throughout the city in: (a) formal market areas, (b) small semi-formal shops and factories located in commercial areas, and (c) on the sides of main transport roads informally. In general, these businesses are performing in a suboptimal manner due to productivity, value (quality), and connectivity challenges. This component aims to address these problems, while also allowing for cluster formation. This will be done by: (a) assisting Kabul Municipality to implement selected national level regulatory reforms and municipal level regulations associated with market upgrading; and (b) financing investments in market upgrading and connectivity improvements (e.g. roads and drainage) that promote economic opportunities.

**COMPONENT 4: PRIORITIZED URBAN INVESTMENTS IN FOUR PROVINCIAL CAPITAL CITIES.** This component will be implemented by IDLG in the four provincial capital cities of Jalalabad, Kandahar, Herat and Khost (a) Prioritized Urban Investments (b) Given that Component-4 will be implemented by the CIP PIU at IDLG, sub-component will finance the cost of feasibility studies, detailed engineering designs, construction supervision and monitoring and evaluation.

**COMPONENT 5: PROJECT MANAGEMENT, IMPLEMENTATION SUPPORT AND NATIONAL REGULATORY REFORMS.** This component finances the efforts of the Ministry of Economy (MoEC) in (a) supporting national level regulatory reforms, and (b) coordinating the management of EZ-Kar project implementation.

***Project Beneficiaries:*** Afghan refugees living in Pakistan and citizens, including both host communities and returnees as well as internally displaced persons (IDPs), within 12 cities in Afghanistan: Jalalabad (Nangarhar Province), Kabul (Kabul Province), Kandahar (Kandahar Province), Herat city (Herat Province), Puli Khumri (Baghlan), Maimana (Faryab), Firozkoh (Ghor), Khost (Khost province), Asadabad (Kunar), Kunduz (Kunduz province), Mihtarlam (Laghman) and Taloqan (Takar Province).

***National Policy, Legal and Regulatory Context which anchors the ESMF within the EZ KAR***

- The Constitution of Afghanistan (2004)
- Law on Preservation of Afghanistan's Historical and Cultural Artifacts (2004)
- National Law for Persons with Disability (2004)
- Environment Law of Afghanistan (2007)
- Labor Law (2007)
- Sub National Governance Policy (2010)
- National Policy on Internally Displaced Persons in Afghanistan (2013)
- Access to Information Law (2014)
- National Regulations for Environmental and Social Impact Assessment (2017)
- National Land Policy (2018)

- Policy Framework for Returnees and IDPs (2017)
- The Law on Land Acquisition (2017)
- Land Management Law (2017)
- Urban Development and Housing Law(2017)
- Municipal Law (2000)
- The Law on Prohibition and Prevention of Harassment of Women and Children (2018)

***World Bank Operation Policies triggered by EZ-KAR***

**Safeguard policies**

Safeguard Policies Triggered by the Project	Yes	No
<u>Environmental Assessment (OP/BP 4.01)</u>	[X ]	[ ]
Natural Habitats ( <u>OP/BP 4.04</u> )	[ ]	[X]
Pest Management ( <u>OP/BP 4.09</u> )	[ ]	[x]
Physical Cultural Resources ( <u>OP/BP 4.11</u> )	[ ]	[X]
Involuntary Resettlement ( <u>OP/BP 4.12</u> )	[X]	[ ]
Indigenous Peoples ( <u>OP/BP 4.10</u> )	[ ]	[X]
Forests ( <u>OP/BP 4.36</u> )	[ ]	[X]
Safety of Dams ( <u>OP/BP 4.37</u> )	[ ]	[X ]
Projects in Disputed Areas ( <u>OP/BP 7.60</u> )	[ ]	[X]
Projects on International Waterways ( <u>OP/BP 7.50</u> )	[ ]	[X ]

OP/BP 4.11 is not triggered but Chance Find Procedures, aligned with national legislation, are in place.

The proposed EZ–KAR project has been rated Category B under the World Bank Operational Policy on Environmental Assessment (OP4.01).

***Environmental and Social Risk Assessment Rating:*** Substantial primarily due to limited safeguards management capacity within line ministries/agencies, potential for disputes between host and IDP/returnee communities together with a weak regulatory environment.

***Potential Environmental Impacts:*** No major adverse environmental impacts are envisaged. Typical impacts associated with the maintenance, rehabilitation of existing infrastructure and construction activities under component 2 may include: a) increase in noise and dust levels due to increased vehicle movement b) construction debris c) soil and land degradation and d) disruption of utility services.

Additional potential negative environmental impacts under components 3 and 4 may involve (i) degradation of habitat due to extraction of construction materials, (ii) Congested and heavy use of road networks due to the frequent movement of heavy construction vehicles during construction (iii) generation of construction waste (iv) health and safety hazards from inadequate disposal of dangerous waste from construction camps as well as construction materials. (v) Occupational Health and Safety issues for labor and communities. These impacts are expected to be small, localized, short-lived and thus readily reversed or effectively managed with relevant mitigation measures. Environmental screening as part of sub project development will identify potential impacts which will be mitigated and managed through environmental and social management plans (ESMPs) and environmental codes of practice (ECOP).

***Potential Social Impacts:*** No major adverse social impacts are anticipated. Under component 1, the increased capacity of the Afghan embassy and consulates in Pakistan to issue passports is expected to increase the Afghan refugees’ access to passports by reducing the time and costs required to issue the passports. Passports, in turn, will enhance Afghan refugees’ access to social services as well as various social and economic rights, increasing their economic opportunities. The dissemination of useful information to the Afghan refugees in Pakistan will also help them receive beneficial services and support to increase and protect their opportunities. Together, these interventions are expected to



facilitate the reintegration of Afghan refugees by protecting their rights, access to services, and enhancing their opportunities. Both settled and displaced communities in the 12 EZ KAR cities are expected to benefit significantly from sub project investments. To demonstrate quick results, sub-component 2 a will rely on the design, implementation modality, and lessons learned from the ongoing Maintenance Cash and Construction Grants (MCCG) scheme under the Citizens' Charter Program, while customizing this to focus on urban communities. Vulnerable households are expected to benefit from short-term employment through the MCCG scheme. Employment for vulnerable households under this is expected to boost the food security of these households. The larger scale economic opportunities envisaged under components sub-component 2.1, 3,4 and 5.1 are expected to benefit considerably both communities thus leading to the expansion of existing, and the development market enabling infrastructure facilities and regulatory reforms as complimentary measures necessary to achieve the economic opportunities associated with the infrastructure investments.

Neither the small-scale public works sub projects under component 2.1 nor the larger scale infrastructure investments under components 3.and 4 are expected to result in land acquisition or asset loss. However, a standalone Resettlement Policy Framework (RPF) has been developed should small areas of land be needed to facilitate construction. Those investments where contractors hire laborers from outside the investment area for construction work will include a Labor Influx mitigation plan as part of the ESMP. Although it is not envisaged that investments under components 2.1, 3 and 4 will impact existing cultural and heritage sites, guidelines for Protection of Cultural Property and National Heritage, including Chance Finds, are included in the ESMF Systematic involvement of host and returnee/IDP communities, including women, landless, disabled and other vulnerable groups, throughout the planning, implementation and monitoring of sub projects will underpin the identification and implementation of any mitigation measures to be included in ESMPs and RAPs.

## **The Environmental and Social Management Framework (ESMF): Procedures and Approach**

**Objective of the ESMF:** To avoid or minimise potential adverse environmental and social impacts and to enhance benefits arising from EZ KAR project activities.

**Approach to environmental and social management:** A framework approach is adopted as all project investments under component 2 ,3, and 4 could not be identified at the time of project appraisal. The Ministry of Foreign Affairs (MoFA) is the implementing agency (IA) for component 1. The Independent Directorate of Local Governance (IDLG) and Kabul Municipality (KM) are the designated implementing agencies (IAs) and will execute planned investments under components 2, 3 and 4 through three existing projects – CCAP and KMDP - with existing ESMFs - as well as the City Investment Program (CIP). As part of the process of preparing this ESMF, the ESMFs from these three projects have been reviewed and updated to reflect the implications of expanded geographic coverage under EZ KAR. .

The approach sets out a range of screening and review tools to identify and assess potential negative environmental and social impacts of investments as well enhance their benefits. These tools include guidelines for preparing and monitoring relevant mitigation management plans. These tools and guidelines are included as annexes to the main ESMF report. Training for IAs, CCAP, KMDP, CIP and their facilitating partners on the content and application of these tools will take place at the beginning of the project. The approach highlights the importance of citizen engagement, environmental codes of practice in effective social and environmental management.

**Incorporating lessons learned:** Some important lessons learned from implementing safeguards in KMDP and CCAP's current projects, which have informed the development of this ESMF, include, but are not limited to: (a) Regular negotiation and communication with male community leaders, mullahs and other influential people within a community is essential in improving women's participation in sub project activities; (b) trained female staff working at local level enables women

CDC members' concerns to be taken account of during the development of community development plans and in the survey, design and implementation of sited activities; (c) Positive discrimination measures in favour of women helps to increase the number of female staff e.g. accepting women with slightly lower than the required educational qualifications and allowing an adult male relative to accompany a woman as *maharram* on field visits; (d) Strong and sustained commitment at senior management level within implementing agencies is essential to ensure that complaints raised through the GRM are properly addressed;(e) The use of score cards to hold authorities to account for provision of services can be an important community empowerment tool; (f) CDC members who have participated in community planning processes as part of a sub project development have greater confidence and legitimacy in promoting concerns and proposals to municipal authorities;(g) ongoing training of social organizers is essential to increase a community's awareness of, and mobilization around, a sub project; (h) the involvement ('interference') of powerful and influential people during sub project implementation needs to be managed carefully; (i) the flow of monitoring information into the CCAP MIS systems has been difficult to manage and requires adequate staffing, training and funding and (j) The systematic use of social media as well as broadcast media is important in keeping the general public as well as project beneficiaries informed about the projects' work.

**Screening procedures:** Environmental and Social screening of all proposed investments will take place at appraisal stage to collect information and assess key environmental and social concerns. A review of screening findings will ensure that proposed investments which due to size, type and potential impacts fall into category 'A', do not proceed for financing under the EZ KAR project.<sup>7</sup> Initial screening will confirm whether some issues require more detailed and rigorous examination through an Environmental and Social Impact Assessment (ESIA) which will generally be conducted in parallel with required technical studies so that ESIA findings can inform final sub project designs and plans. The implementation of regulatory reforms, may require Strategic Environmental and Social Assessments to be conducted to input into sectoral or regional plans prior to selection of some proposed investments in EZ KAR. Consultations with various stakeholders, especially different community groups, will be a central plank of these assessments. Guidelines for all screening and assessments are included in annexes 1a -1F and 2a and 2b.

**Preparation and review of Safeguards documents:** The ESMF contains guidelines on the preparation of site-specific safeguards documents such as an Environmental and Social Management Plan (ESMP), a labor influx plan which will form part of ESMPs, and, where necessary, a Resettlement Action Plan (RAP), an Abbreviated Resettlement Action Plan (RAP) and a Cultural and Heritage Management Plan (CHMP). The RAP and abbreviated RAP will be prepared in accordance with the standalone Resettlement Policy Framework (RPF) developed for the EZ KAR. The ESMF also includes guidance on ensuring that gender concerns are properly considered in the preparation and review of the above documents.

**ESMP Development:** An ESMP is the principal safeguards instrument for identifying, managing and monitoring safeguards (environmental and social impacts) and will be required for sub projects developed under EZ KAR components 2,3and 4. An ESMP sets out feasible and cost effective measures to (a) address all identified potential negative environmental and social impacts and (b) enhance the positive benefits arising from the project. The ESMP should include a brief description of: (i) potential adverse impacts of sub project activities; (ii) appropriate mitigation measures to either avoid or reduce these; (iii) measures to enhance potential benefits; (iv) monitoring plans; (v) institutional responsibilities; (vi) capacity building; and (vii) associated costs. The costs of mitigation and enhancement measures need to be well defined and included in the project implementation costs. Appropriate mitigation and enhancement measures will be discussed and agreed with respective communities and taken account of in the final design and plans of investments.

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<sup>7</sup> The GoIRA may choose to continue with feasibility studies of category A projects with a different funding stream.

The ESMP will also include a labor influx mitigation plan, which will be informed by an assessment of labor influx risks including child labor issues, community safety, gender-based violence, disruption to local community and include an employee code of conduct (COC). ESMPs will be developed by Facilitating Partners and Safeguards teams of CCAP, KMDP and CIP and reviewed by Environmental and Social Officers within each project's PMU. The National Environmental Protection Agency (NEPA) is responsible for environmental and social protection and for determining the potential adverse affects of development projects in Afghanistan. CCAP and KMDP's existing agreements with NEPA, whereby a small number of sample ESMPs for different categories of projects are submitted to NEPA for approval, is likely to continue. The ESMP will be used by CCAP, KMDP and CIP to manage all potential environmental and social impacts for each project. A similar process will be followed for the development and review of abbreviated RAPs and CHMPs which will be developed by local safeguards teams and facilitating partners and reviewed by environmental and social safeguards officers in central PMUs. Abbreviated RAPs will be submitted to the WB for final clearance. It is not anticipated that a full RAP will be required for any of the investments under the EZ-KAR.

**Monitoring and Evaluation:** Designated Safeguards staff within MoEC have overall responsibility for monitoring the extent of social and environmental compliance across the project. Safeguards teams within CCAP, KMDP and CIP and their Facilitating Partners (FPs), together with local communities, will be responsible for monitoring the implementation of agreed mitigation measures in Environmental and Social Management Plans (ESMPs). Community Participatory Monitoring, a central plank of CCAP and KMDP's current work will be further enhanced under the EZ KAR. Monthly reports will be submitted to the Directors of the PMUs in CCAP/KMDP/CIP who will review and submit to the PMU in MoEC. A Third-Party Monitor will be appointed to conduct quarterly assessments of selected investments.

Reporting is a central part of the Monitoring and Evaluation system. Facilitating Partners and Safeguards teams will provide weekly reports on each sub project to ESSOs in the central level PMUs of the KMDP, CCAP and CIP. These ESSOs will be responsible for reviewing and consolidating the reports into one monthly report which will be shared with the ESSO in MoEC. The MoEC PMU will be responsible for preparing and submitting quarterly progress reports to the WB.

**Citizen Engagement (CE) – a key underpinning of the ESMF:** Citizen engagement is based on a two-way interaction and dialogue between government agencies and citizens. Within EZ KAR various elements of Citizen Engagement (CE) include:

- (i) stakeholder consultations: consultations with different community groups through CDCs and GAs/GCS and other stakeholders will begin at the outset of a sub project and continue throughout its development. Particular emphasis will be placed on seeking the views of vulnerable groups, especially women, landless and people with disabilities throughout a sub project's cycle. The ESMF and RPF include detailed mechanisms for consultation and feedback which will reinforce the existing emphasis on consultations in the CCAP and KMDP. Community representatives will have an opportunity to discuss key findings from environmental and social screenings and assessments as well as appropriate mitigation and enhancement measures to be included in ESMPs. Their feedback will inform final plans and design of potential investments;
- (ii) A multilevel Grievance Redress mechanism (GRM) for components 2-4 , similar to that already in place in the KMDP and CCAP, and a grievance system based on MoFA's existing system, set up and administered for component 1. The ESMF sets out a process for grievance handling, including responsibilities of key stakeholders to address public concerns. MoEC's PMU Director , in close liaison with senior management in implementing agencies, IDLG and KM, will be responsible for ensuring that the implementing agencies, IDLG and KM, will be responsible for ensuring all sub-projects are covered under an effective GRM system: effective GRM is established for each sub project to: (i) raise public awareness among local communities on how to use GRM services, (ii) establish multiple uptake channels and locations for submitting grievances,

- (iii) register properly all grievances related to sub project activities to enable tracing and review and (iv) provide feedback to AP on the outcome of her/his complaint.
- (iii) An Access to Information and Communication Strategy will be developed by MoEC's PMU in close coordination with environmental and social safeguards staff in MoFA, CCAP, KMDP and CIP. The strategy will be widely disseminated to enable the systematic provision of relevant and up-to-date information and the receipt of feedback through appropriate communication channels for different groups of stakeholders and to the public at large. The strategy will recognize the different ways women and men access and communicate information and will be a cornerstone of the project's Transparency and Accountability Framework.
- (iv) A Community Feedback Mechanism (CFM) to be piloted under component 1 will involve refugees providing their views by telephone on services received and the IA recording, reviewing and acting on this feedback. Reports will be shared with safeguards officers in MoEC and will inform steering committee discussions.
- (v) Community Participatory Monitoring will form a key part of the overall monitoring and evaluation of sub projects under components 2-4. Beneficiaries, independent of CDC and GA structures, will be encouraged to become involved in monitoring the quality of investments and holding elected council members to account for the use of project funds.
- (vi) Local communities' involvement in Third Party Monitoring. The TPM will systematically seek the views of women and men on the performance of selected investment sub projects.

The extent of citizen engagement and beneficiary feedback throughout the timeframe of a project will be a key indicator in assessing its results. The following citizen engagement indicators have been included for EZ KAR:

- The number of grievance recorded and responded/ resolved within the stipulated service standard for response time: 80%
- beneficiaries reporting satisfaction with key aspects of consultation process: 80%

MoEC will engage a consulting firm or individual to conduct a survey to measure beneficiaries' satisfaction in relation to these CE indicators.

**Gender:** The EZKAR will adopt and strengthen measures in implementing agencies to increase women's participation in the project. CCAP, KMDP and CIP are required to ensure that their social teams or facilitating partners include local female social organizers to enable outreach to women. For Component 1, MoFA will make efforts to recruit female staff to make services more accessible to female refugees, and to gather gender disaggregated data that can form the basis of further interventions for female refugees. Gender awareness training is required for all implementing agency staff. To ensure a safe workspace, EZKAR will also require the implementing agencies and their facilitating partners to abide by and enforce the Government's recently approved anti-harassment act<sup>8</sup>.

Women CDCs provide an important space for women to come together, share problems and identify solutions. Women CDCs members report greater standing and respect within their communities. Members, especially, office bearers within CDCs, gain increase understanding of leadership and service provision within their communities. The role of women's CDCs in developing and monitoring sub projects can provide an important foundation to increase their role in society. Crucially, women's CDCs can send a strong signal to men that women have a central role in development. Despite significant accomplishment to date very real barriers to women's involvement in public life still exist e.g. social and cultural perceptions of role of women, lack of education and illiteracy, and lack of knowledge and experience of public affairs which can inhibit women's participation in CDC meetings. Under EZ KAR gender mainstreaming efforts will include: (a) further training of CDCs and their sub committees on gender equity and the identification of the specific needs of women; (b) adoption of a

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<sup>8</sup> The Law on Prohibition and Prevention of Harassment of Women and Children ( 2018)

range of participatory approaches to ensure that women's priorities and needs are properly taken account of in the planning and subsequent implementation of investments.

**Labor:** A labor influx risk management plan will form part of each site-specific ESMP developed under EZ KAR. The plan will identify and manage the potential impact on communities that may result from a temporary influx of laborers into those communities to work on EZ KAR investments and ensure compliance with Afghanistan's Labor Law and labour influx management plan including code of conduct. The plan will take account of the presence of external workers on (i) the immediate environment and natural resources, (ii) the livelihood strategies/ coping mechanisms of communities, and (iii) increased pressure/ demand on public services e.g. health facilities. Crucially, the plan will also consider the impact of mostly male workers from outside the area on community cohesion, safety, and wellbeing, especially the safety of women and children. A Labor Influx plan will include plans to address gender-based violence at work place with increase in labour.

**Institutional Responsibility:** The Ministry of Economy is the lead Ministry for EZ KAR. The Ministry of Economy (MoEC), as lead Ministry responsible for interagency coordination, oversight and management, has overall responsibility for ensuring the project's safeguards compliance. MoEC will also be responsible for coordinating the regulatory reform under component 3c. The project will be executed by 3 Implementing Agencies. Component 1 will be implemented by the Ministry of Foreign Affairs (MoFA); Components 2 and 3a will be implemented by the Independent Directorate of Local Governance (IDLG) through the existing CCAP and its facilitating partners; Component 3b will be implemented by the Kabul Municipality (KM) through the KMDP and its social and environmental unit; Component 4 will be implemented by IDLG through the CIP and its environmental and social team.

Two Environmental and Social Safeguards Officers (ESSOs) – one male whose responsibilities will include social development and environment and one female whose focus will be social development and gender - will be included within the Project Management Unit (PMU) to be established within the MoEC. They will liaise closely with the ESSOs and safeguards teams within the Implementing Agencies (MoFA, IDLG and KM) to ensure that all investments funded under EZKAR comply with the GoIRA and World Bank's relevant legal regulatory and policy framework. Environmental and social staff in the central PMUs of CCAP, KMDP and CIP will be responsible for reviewing environmental and social assessments and overseeing compliance with ESMF provisions during preparation, implementation, monitoring and evaluation of EZ KAR sub projects. They will support their local safeguards teams and Facilitating Partners to carry out their responsibilities which will include conducting community-level environmental and social screening, enabling consultations with stakeholders as well as the development and monitoring the implementation of ESMPs.

**Capacity Building:** The overarching objective will be to build and strengthen the institutional capacity of the Ministry of Economy (MoEC), the Implementing Agencies through MoFA, CCAP, KMDP and CIP and their Facilitating Partners to develop, implement and monitor the implementation of ESMPs as well as ensure compliance with all safeguards requirement of this ESMF. A cascade approach to capacity development will be employed within the EZ KAR. Emphasis will be placed on building the capacity of designated safeguards staff within the PMUs of MoEC, MoFA, CCAP, KMDP and CIP to manage safeguards effectively. They, supported by specialists as required, will then work to build the capacity of social development and environment staff and facilitating partners and increase awareness and knowledge of environmental and social issues within management teams and construction companies. Facilitating Partners will in turn work with local Community Development Councils (CDCs) and GAs to organize practical training to build knowledge and awareness of local communities, including women and other vulnerable groups, on social and environmental issues related to proposed project activities.

**Budget:** The ESMF assumes that the costs of preparing and implementing ESMPs, RAPs and CHMPs and conducting ESIA and SESAs would be included in EZ KAR site specific investment budgets. The ESMF indicates key safeguards activities that require a costed budget.

**Disclosure:** ESMF, RPF will be disclosed before project appraisal. The ESIA, site-specific Social Management Plans (ESMPs) and, if required, Resettlement Action Plans would be subject to local disclosure and consultation as per the national law and WB safeguards policies.

## 1. PROJECT DESCRIPTION

### 1.1. Project Context

1. Internal displacement and large-scale return of Afghans has put a huge strain on traditional coping mechanisms, service delivery, and increased competition for already scarce economic opportunities, at a time when Afghanistan is suffering from a stagnating economy. The concentration of the displaced in urban centers risks overwhelming the public services and generating large humanitarian needs. The already profound lack of meaningful livelihoods and access to basic services for host communities in this context, could exacerbate pre-existing risks of conflict and generate popular discontent. The large-scale population movements also present a chance to develop new economic opportunities in the affected cities, both for the displaced and for the host communities. EZ-KAR provides a mechanism for the Government of Afghanistan (GoIRA) to promote the integration of returnees and internally displaced persons (IDPs) into productive employment alongside settled communities and thereby providing a boost to productivity and growth. Properly supported, the returnees can help revitalize critical value chains; encourage participation in new industrial, commercial and service markets; and finance new businesses to the benefit of both hosts and returnees/IDPs.

The proposed Project Development Objective is to strengthen the enabling environment for economic opportunities in cities where there is a high influx of displaced people.

#### Project Components

##### COMPONENT 1: SUPPORT FOR AFGHAN REFUGEES IN PAKISTAN

In order to support the regional commitments that the Government of Afghanistan and Pakistan set out in the Solutions Strategy for Afghan Refugees (SSAR) framework and tripartite agreements, this component will support Afghan refugees in Pakistan and their voluntary repatriation by (a) increasing the capacity of the Ministry of Foreign Affairs (MoFA) to provide consular services; and (b) providing information to facilitate the refugees to access economic opportunities and social services.<sup>9</sup> MoFA will be the Implementing Agency for the Component both in Afghanistan and in Pakistan, while support will be provided to the Ministry of Refugees and Repatriation (MoRR) with communications activities.

Subcomponent 1.1: Enhancement of MoFA's capacity to meet the documentation requirements of Afghan refugees in Pakistan. This subcomponent will finance costs associated with increasing MoFA's capacity to provide consular services (e.g. issuing passports, birth certificates, marriage certificates, school certificates, etc.) in Pakistan, such as, but not limited to (a) purchasing equipment; (b) increasing the number of temporary local staff working at the Operations Support Center in Kabul and the four MoFA missions in Pakistan; and (d) training MoFA staff on the operation of equipment. The procurement of equipment will focus on the database and IT equipment. This subcomponent will not finance the costs of salary of civil servants, and only finance the salary of temporary local staff, who are contracted on an annual basis by MoFA. The operating costs of the MoFA missions, including the salary of temporary local staff, will be financed for two years.

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<sup>9</sup> Promoting the repatriation of Afghan refugees in Pakistan is not an objective of this component

Subcomponent 1.2: Provision of information to Afghan refugees in Pakistan. This subcomponent will finance information services to be provided to the Afghan refugees in Pakistan to help facilitate their access to economic opportunities and social services. This sub-component will be implemented by MoFA, in collaboration with MoRR<sup>10</sup>. The information will be provided in both demand-driven (responding to inquiries made by individuals) and supply-driven (widely disseminating commonly helpful information) methods. To provide demand-driven (responsive) information, information centers will be set-up at four MoFA missions (Islamabad, Karachi, Peshawar, Quetta) in Pakistan to receive and respond to specific questions by refugees related to legal issues, business registration, asset transfers, transaction of assets (real estates, business investments), education certificates, protection services, among others. The Information Centers will be complemented by a helpline (call center) and a website, which will respond to similar queries. A response manual will be developed for the help-desk personnel, who will be trained with the manual. On the supply-driven side, key information that can be beneficial and helpful to Afghan refugees in Pakistan will be widely disseminated through various communication means, such as announcements in social media, distribution of posters/brochures/flyers, TV/radio commercials, and other advertisements. A joint-MoFA/MoRR communications strategy that defines contents (including key policy parameters such as “facilitation of returns” as opposed to “promotion of repatriation”), audience, and modalities of information to be provided in detail will be developed. Once the joint communications strategy has been developed, a social media coordinator and a communications firm will be hired to implement the communications strategy. Additional consultants will also be recruited to support the MoRR to enhance its information and knowledge management capacity. A Joint Communications Committee will be established among MoFA, MoRR, and the Ministry of Interiors (MoI) to review and approve communications materials.

Subcomponent 1.3: Component 1 Project Management. This subcomponent involves (a) financial management, (b) procurement, (c) environmental and social safeguards, (d) monitoring and evaluation, and (d) the grievance redress mechanism for the component. Efforts will be made to recruit female staff to make services more accessible to female refugees, especially in the information center and the call center. Efforts will also be made to gather gender disaggregated data that can form the basis of further interventions for female refugees, and to have a dissemination strategy and grievance redressal mechanism (GRM) that has a broad outreach.

## COMPONENT 2: SHORT TERM EMPLOYMENT OPPORTUNITIES AND MARKET ENABLING INFRASTRUCTURE UNDER IDLG

This component aims to increase economic opportunities in Jalalabad, Kandahar, Herat, Mehterlam, Puli Khumri, Khost Matun, Asadabad, Taluqan, Kunduz, Chaghcharan, and Maimana by (a) creating short term employment opportunities, (b) supporting municipal level regulatory and process reforms, and (c) investing in market enabling infrastructure.

Subcomponent 2.1: Short Term Employment Opportunities. This sub-component supports the request from the Government to provide some level of short-term employment support in urban areas for vulnerable households that may not benefit from other project activities. It also recognizes that large numbers of IDP/Rs in urban areas rely on daily wage work. To demonstrate quick results (i.e. immediately after CDC establishment), it will follow the design, implementation modality, and lessons learned from the ongoing Maintenance Cash and Construction Grants (MCCG) scheme under the MRRD-implemented Citizens’ Charter Program (CCAP, P160567) – while customizing this to focus on urban communities.

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<sup>10</sup> An MoU will be signed between MoFA and MoRR to define their roles and coordination arrangements.



The urban MCCG scheme will be implemented by IDLG, whose presence will be expanded from the three CCAP cities (Jalalabad, Kandahar, Herat) they currently operate in, into another eight cities where a total of 1,150 CDCs will be established (each CDC comprises approximately 200 households). Facilitating Partners (FPs) will be contracted to establish CDCs, support communities in the elections of CDCs, and in line with the CCAP-MCCG selection process they will conduct a Well-Being Analysis (WBA)<sup>13</sup> to identify vulnerable households who will participate in the daily wage work.

At least 60 percent of the grant will be used for paid labor which is expected to generate an estimated 40 days of work per household per year.<sup>14</sup> Details of the subcomponent design, selection process, costs and benefits, monitoring indicators, and governance systems will be outlined in the Project Operations Manual. It is estimated that around 80,000 vulnerable households will benefit from the MCCG scheme in 11 cities.<sup>15</sup> These activities are also expected to increase the target cities' and households' resilience to shocks (including those related to climate change) by creating jobs and source of income through labor intensive public work.

In an effort to ensure sustainability of the CDCs created under this sub-component and to maximize the socio-economic returns on the investment made, IDLG will actively promote CDCs (by municipalities, NGOs and development actors at the city level) to serve as the primary focal point for local development purposes for their given constituents. Similarly, when the CCAP program expands to these urban areas, the same CDCs will be used by CCAP. The CDC's Community Development Plans (CDP) will be updated as needed and the same FPs can be contracted to continue work under CCAP.<sup>16</sup>

Subcomponent 2.2. Support for Municipal Level Regulatory and Process Reforms. In an effort to move municipalities towards an investor friendly way of operating, this sub-component will support the following activities:

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<sup>11</sup> The coverage is expected to be close to 90% of the city if using the Afghanistan's Central Statistical Office (CSO, 2018) urban population figures, which shows that there are 1,210 communities in these urban areas. However data from UN-Habitat's 'State of Afghan Cities' report (SoAC 2015, updated 2017), shows that there are around 2,035 communities. Saturation beyond 1,150 CDCs in the 11 cities can be carried out under CCAP as more resources are made available.

<sup>12</sup> Covering only communities that are not covered by CCAP.

<sup>13</sup> The Well Being Analysis (WBA) is part of the Participatory Learning and Action (PLA) tools, which is a participatory process that classifies all households in the community into socio-economic categories (rich or well-off, middle class, poor, and very poor). Each household in the poor or poorest categories of the WBA with an able-bodied member willing to participate in paid labor is considered a potential beneficiary for this component. If the total number of such eligible households exceeds 35 percent of the total households in the community, then a lottery approach is used exclusively from among the eligible households only to select the actual beneficiaries.

<sup>14</sup> The MCCG will be calculated as per the following: 35 percent of the total households in the community x 40 days @ AFA 350/day = 60 percent of the total grant amount. The wage rate is proposed at AFN 350 per day for unskilled labor and AFN 650 per day for skilled labor – which is aligned with the CCAP-MCCG scheme.

<sup>15</sup> 1,150 CDCs x 200 hh per CDC x 35 percent = 80,500 hh.

<sup>16</sup> A CDC's mandated tenure is only for 3 years, and if the CCAP is not rolled out within the 3-year mark from when the EZ-Kar CDCs were formed, they will hold new elections.

Undertaking a gozar and regulatory assessment for each city. The gozar/city level economic assessment will be conducted in all IDLG project cities. The assessment will include: (i) an overview of city level processes dealing with enterprises for Government related permits, licenses, certification, payments etc.; (ii) a summary of enterprise demographics which will be used in part to identify potential business gozars; and (iii) identification and recommendations for market-based infrastructure at the gozar level.

Supporting regulatory reforms identified by the economic assessment and complimentary measures necessary to achieve economic opportunities associated with infrastructure investments. Priority will be given to simplification of construction permits (in coordination with IFC and PRISEC), but other reforms relevant to Doing Business (DB) indicators could also be supported.

Under Component 4, the achievement of both the Public Financial Management (PFM) reform triggers under the parallel World Bank-funded CIP project as well as the Construction Permit (CP) reform triggers below under the EZ-Kar project represent the reform framework for the release of the three investment tranches below:

First Investment tranche of 5%: The first tranche of 5% will be available to all four PCCs upon project effectiveness. This will help establish the project, undertake design work, and complete the second tranche release condition.

Second Investment tranche of 45% release condition: Construction permit reform implementation plan for commercial properties developed in the three cities of Jalalabad, Kandahar and Herat with no-objection from the World Bank. The construction permit implementation plan will be developed by March 2019 and will include the following actions: (i) detailed mapping of current steps, processes and stakeholders for obtaining a construction permit for commercial properties; and (ii) identifying redundant or duplicative or non-value-adding steps and processes. IDLG (with input from the three Municipalities) will be responsible for delivering this trigger. As for the city of Khost, compliance with the Public Financial Management (PFM) reform triggers under the parallel World Bank-funded CIP project will be the condition for releasing the second investment tranche under the EZ-Kar project.

Third Investment tranche of 50% release condition: Reduction in processing steps for obtaining a construction permit for commercial properties in the three PCCs of Jalalabad, Kandahar and Herat. Tranche 3 disbursement will be per city on a pro-rata basis of the actual-to-target reduction in steps. For example: if Jalalabad reduces 4 or more steps by December 2020, it receives the full tranche amount; for a reduction of 3 steps, it receives 75% of the tranche amount, and so on. This will be implemented by the three Municipalities under IDLG oversight. Compliance will be verified by an Independent Evaluation Agent procured under the project. The reduction in processing steps will be accomplished by December 2020 in line with the following targets:

	Jalalabad	Kandahar	Herat
Reduction in processing steps – PDO Indicator			
Baseline	21	14	23
Target	17	12	19

Source for Baseline: Sub-National Doing Business in Afghanistan 2017

It is expected that the reduction in processing steps will be accompanied by a reduction in time taken for obtaining a construction permit for commercial properties in the three CIP cities. While the reduction in time taken is not a trigger for release of funds, it will be an intermediate indicator for the EZ-Kar project and the targets will be as follows:

	Jalalabad	Kandahar	Herat
Reduction in time (days) – Intermediate Indicator			
Baseline	104	96	133
Target	90	90	115

Source for Baseline: Sub-National Doing Business in Afghanistan 2017

As for the city of Khost, and similarly to Tranche 2, compliance with the Public Financial Management (PFM) reform triggers under the parallel World Bank-funded CIP project will be the condition for releasing the third investment tranche under the EZ-Kar project.

Subcomponent 2.3. Market enabling infrastructure: Gozar & Business gozar grants. The objective of this sub-component is to improve the poor market infrastructure which businesses complain<sup>17</sup> constrains the enabling environment for business activity - which is essential for job creation and economic wellbeing, particularly among the urban population.

In order to organize the demand driven process and its implementation, IDLG will establish (i) Gozar Assemblies (GAs) and (ii) Business Gozars Assemblies (BGA) in the cities. A Gozar will be formed from four to five CDCs coming together who will elect their representative Gozar Assembly. While a Business Gozars will consist of an estimated 100 to 300 businesses<sup>18</sup>, who will also elect their representative Business Gozar Assembly. Before a BGA is established, IDLG in consultation with the municipality will conduct a Gozar Economic Assessment (GEA) to identify areas in the city with a high density of businesses and where EZ-Kar investments can have a high impact.

They will be established following the same governance structure which has proven to work in Afghanistan (under the CCAP), with the support of Facilitating Partners (FPs) who will facilitate the process of their elections, opening of bank accounts, capacity building in grant management and through a participatory and transparent process develop their Development Plans which will identify GA and BGA members priority economic infrastructure needs. The development plans for the GAs and BGAs will have the same positive menu (outlined in the operations manual) as the objective of their investments will be the same.

Roll out and coordination: The formation of the 1,150 CDCs and estimated 46 Business Gozars will take place in all cities in parallel. Once CDCs have been formed and have utilized their MCCG then an estimated 230 Gozar Assemblies will be formed (as GAs are a grouping of CDCs). Once formed, the IDLG and with the support of FPs will ensure that there is close coordination between GAs and BGAs (to avoid any duplication) and there is regular consultation with nahia administration and the

<sup>17</sup> Doing Business in Afghanistan: A Survey of Sub-National Performance, 2017 and Economic Cluster Analysis: Study of Food Processing and Informal Manufacturing Activities in Kabul City, prepared by Altai Consulting for the World Bank, March 2015.

<sup>18</sup> Businesses' includes all registered small and medium size enterprises, street vendors, enterprises etc.

Municipality Advisory Boards (MABs) in site selection, alignment with city network plans and to share information on the progress of EZ-Kar progress.

These processes are also expected to increase the resilience of businesses and households in the target cities to shocks (including those related to climate change) by improving public infrastructure, such as drainage, sanitation, and access roads, that would contribute to improved accessibility to social services, economic opportunities, and food supply. The participatory community driven development approach applied in the implementation of these investments is also expected to increase resilience by enhancing social cohesion. In addition, depending on the type of market infrastructure improved or constructed, the project may contribute to the reduction of heat loss in utilities and/or increased recovery of waste heat (Climate Finance Category 3.3 Energy efficiency improvements in the utility sector and public services).

Subcomponent 2.4: Component 2 Project Management. Activities under this component will be implemented using the existing CCAP Project Implementation Unit established under IDLG. This sub-component will therefore cover all the additional operations and management costs associated with the EZ-Kar activities in IDLG (up to 10% of the component amount), which includes costs associated with facilitating the activities of CDCs, Gozars, and Business Gozars; support for regulatory reforms; staffing; office and vehicle rentals; office/ IT equipment and accessories; training; and other incremental operating costs. The existing CCAP coverage extends only to 700 communities in three of the 11 cities selected for EZ-Kar implementation; hence, EZ-Kar specific Provincial Management Units (PMUs) will be set up in the remaining eight cities.

### COMPONENT 3: MARKET ENABLING INFRASTRUCTURE AND REFORMS FOR KABUL MUNICIPALITY (Est. US\$40 million)

This component aims to address the challenges faced by Kabul’s private sector in accessing economic opportunities. Kabul’s private sector is dominated by a very large number of small- and micro-businesses. These are located throughout the city in: (a) formal market areas, (b) small semi-formal shops and factories located in commercial areas, and (c) on the sides of main transport roads informally. In general, these businesses are performing in a suboptimal manner due to productivity, value (quality), and connectivity challenges. This component aims to address these problems, while also allowing for cluster formation. This will be done by: (a) assisting Kabul Municipality to implement selected national level regulatory reforms and municipal level regulations associated with market upgrading; and (b) financing investments in market upgrading and connectivity improvements (e.g. roads and drainage) that promote economic opportunities.

Subcomponent 3.1: Regulatory and process reforms. Assistance will be provided to Kabul Municipality in realizing select national level regulatory reforms at the municipal level and regulations associated with market upgrading. The focus will be on the simplification of construction permits, but other reforms relevant to Doing Business (DB) indicators can also be supported. This sub-component will also help determine the allocation of investment resources under subcomponent 3.2. Investment resources will be allocated on a performance basis, and the same procedures and triggers explained in Subcomponent 2.3 will be used to release the three tranches for subcomponent 3.2 implementation. The reduction in steps and time will be accomplished by December 2020 in line with the following targets:

	Kabul
Reduction in steps	
Baseline	13

Target	10
Reduction in time (days)	
Baseline	354
Target	300

Source: Afghanistan Doing Business Reform Memorandum, March 2018

Subcomponent 3.2: Priority subprojects. The subcomponent will finance investments designed to promote economic opportunities through market upgrades and market connectivity improvements (roads, drainage, electricity, among others). These investments will be screened to ensure a focus on economic opportunities. Eligible investments will be limited to those that: (a) improve economic opportunities through improved productivity (reductions in wastage and pilfering), (b) increase the value of products (hygiene, packaging, etc.) or (c) improve connectivity to the market, and that (d) are located on land owned by the municipality, (e) are limited to a maximum of \$2.5 million and confined to market establishment or refurbishment and associated connectivity of services (e.g. drainage, roads), (f) consistent with Kabul’s master plan (zoning, future development), and (g) have the concurrence of the private sector.

The funding for these investments will be conditional on regulatory reform achievements. The type of investments that are likely, include work on public markets (including women’s markets) and roads, the provision of electricity connections and logistics infrastructure (warehouses etc.). Investment resources will be allocated on a performance basis in three tranches. As with the market infrastructure of Subcomponent 2.3, these processes are also expected to increase the resilience of businesses and households in the target cities to shocks (including those related to climate change) by improving public infrastructure, such as drainage, sanitation, and access roads, that would contribute to improved accessibility to social services, economic opportunities, and food supply. In addition, depending on the type of market infrastructure improved or constructed, the project may contribute to the reduction of heat loss in utilities and/or increased recovery of waste heat (Climate Finance Category 3.3 Energy efficiency improvements in the utility sector and public services).

Subcomponent 3.3: Component 3 Management. Activities under this component will be implemented using the existing Project Implementation Unit established under KMDP. This sub-component will therefore cover all the additional operations and management costs associated with the EZ-Kar activities in Kabul, which includes costs associated with facilitating the selection of eligible investments, meeting the regulatory reforms and their release conditions, staffing, office and vehicle rentals, office/ IT equipment and accessories, training, and other incremental operating costs.

#### COMPONENT 4: PRIORITIZED URBAN INVESTMENTS IN FOUR PROVINCIAL CAPITAL CITIES (US\$25 million)

This component will be implemented by IDLG in the four provincial capital cities of Jalalabad, Kandahar, Herat and Khost. It consists of the following two sub-components:

Sub-Component 4.1: Prioritized Urban Investments: The funding of Prioritized Urban Investments (Priority Projects) under EZ-Kar will be conditional upon improvement in both the municipalities’ public financial management (as per the principles of the parallel World Bank CIP Project) as well the construction permit issuance procedures. Priority Projects will be selected through consultations led by municipalities, with participation of Municipal Advisory Boards (MABs) and the private sector. Furthermore, budget allocation per participating city will be allotted according to the number of

returnees in the past 3 years (2016-2018). This sub-component is also fully aligned behind the implementation arrangements under the parallel World Bank-funded Cities Investment Program (CIP) project. A clearing mechanism (within the IDLG CIP PIU) will be established to decide which of the Priority Projects will be financed under the CIP or the EZ-Kar Window. Priority Projects with high economic returns located in neighborhoods of high concentration of IDPs and returnees will be financed under the EZ-Kar window.

Buildings and Public Spaces	Road and Traffic Management	Streetscape Improvements
Greening of open spaces	Paving of flood-prone primary and secondary streets	New/restored storm water drainage canals
Reforestation of new/existing public parks and women’s public parks	Construction of/ improvements to infrastructure for improving market accessibility, connectivity	Solar powered/energy efficient street lighting
Restoration of public markets and women’s markets with resource efficient materials and designs	New/rehabilitated bus stops/stations	Sidewalk and pedestrian crossings
Small scale restoration of historic/cultural sites	Traffic management systems and signaling and calming	
Rehabilitation of toilet and storage facilities for markets including cold storage and warehousing facilities	Parking facilities	

Sub-Component-4.2 Project Preparation: Given that Component-4 will be implemented by the CIP PIU at IDLG, sub-component 4.2 will finance the cost of feasibility studies, detailed engineering designs, construction supervision and monitoring and evaluation for a budget equal to US\$5million. Progress and financial reporting as well as output and outcome monitoring under this component will be reported upon under a separate reporting system along the same format of the CIP.

#### COMPONENT 5: PROJECT MANAGEMENT, IMPLEMENTATION SUPPORT AND NATIONAL REGULATORY REFORMS (Est. \$10 m)

This component finances the efforts of the Ministry of Economy (MoEC) in (a) supporting national level regulatory reforms, and (b) coordinating the management of EZ-Kar project implementation.

Sub-component 5.1: National level regulatory reforms. This sub-component seeks to move municipalities from providing “red tape” (bureaucratic and/or difficult processes) to providing a “red carpet” (an investor friendly way of operating). The Project will support the following red-carpet measures:

National level regulatory reforms. The national regulatory reform agenda will be identified and informed by: (i) the priority national reform agenda; (ii) the city level economic assessment; and (iii) issues that arise in the implementation of the economic opportunities infrastructure at both the city and gozar levels. The work will involve: (i) a mapping of reform processes; (ii) development of an implementation plan; (iii) implementation, (iv) monitoring, and (v) coordination with other stakeholders (the national level PRISEC process, the national Government and the private sector). At

the national level, construction permits have been identified as a high priority. The immediate priority is the simplification of construction permits (in coordination with IFC and PRISEC) and will accomplish the following by December 2020:

Reviewing and assessing the gaps in existing national level legal and regulatory framework related to construction permit for commercial properties

- Developing a national level regulatory reform plan with detailed recommendations
- Updating the national level legal and regulatory framework as per the recommendations
- Developing a national level Building Code for Afghanistan
- Developing and implementing a risk-based inspection system based on type of buildings
- Developing an action plan for establishing quality control and safety mechanisms prior to occupation of newly constructed buildings
- Identifying ICT and technical assistance needs for automation of construction permitting procedures (online application and approval processes).

Feasibility assessment of business service centers in cities that do not already have them. At the city level, the individual cities in coordination with IDLG will be responsible for the actual city level interventions and infrastructure development. However, the feasibility studies for these centers will be procured and financed under the MoEC framework contract.

Development of coordination mechanisms with: (i) relevant central government ministries and the PRISEC reform process; (ii) the different units of the city government that interface with the private sector; and (iii) the private sector (in Kabul's case this only applies to the PRISEC coordination). Implementing the Red Carpet program will require: (i) strong coordinating mechanisms; and (ii) access to technical assistance. Coordination will be achieved through establishing steering committees at the national and city levels. This coordination will be supported through the establishment of memorandums of understanding for coordination and collaboration. The technical assistance will be provided through a combination of firms and individuals.

Subcomponent 5.2. Project Management. EZ-Kar Project is an inter-ministerial effort to improve economic opportunities in cities across Afghanistan. Ministry of Economy (MoEC) will serve as the lead line Ministry for the project responsible for inter-ministerial coordination among stakeholders within GoIRA. It will be responsible for overall management and project oversight across the Implementing Agencies (IAs).<sup>19</sup> To strengthen the linkages across components during project implementation, MoEC will establish two inter-ministerial bodies that will foster strong project specific engagement and coordination at the Deputy Ministers and the technical level. The terms of reference of these two bodies has been agreed with MoEC and will be outlined in the operations manual.

This sub-component will finance the operational planning; capacity building; management information and reporting systems; grievance redress mechanisms (GRM); human resource management; communications; donor and field coordination; financial management (FM) and procurement functions; and safeguards oversight. Funds will also be set aside to carry out mixed method evaluations. This component will therefore cover all expenditures associated with MoEC's management and oversight of the project as listed above, including technical assistance needed to support the Program Management Unit (PMU) and incremental operating costs (IOC).

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<sup>19</sup> MoFA, IDLG, Kabul Municipality and coordination with MoF.

## C. Project Beneficiaries

The EZ-Kar project will reach Afghan refugees living in Pakistan and Afghans in Jalalabad (Nangarhar Province), Kabul (Kabul Province), Kandahar (Kandahar Province), Herat city (Herat Province), Puli Khumri (Baghlan), Maimana (Faryab), Firozkoh (Ghor), Khost (Khost province), Asadabad (Kunar), Kunduz (Kunduz province), Mihtarlam (Laghman) and Taloqan (Takar Province). These cities have been selected based on the influx of returnees and IDPs with data from GoIRA (CSO) sources (see Annex 6 for the population figures).

The project recognizes that returnees cannot be targeted at the expense of the hosts who face similar vulnerability and challenges. Except for Component 1 on documentation, which provides that path for returnees to repatriate and receive economic opportunities, all other components benefit both the displaced population and the host communities.

## II. LEGAL, REGULATORY and POLICY FRAMEWORK ANCHORING THE ESMF

### 2.1 Key National Laws and Regulations

2. The primary relevant laws and regulations framing social and environmental issues of the EZ-KAR project are: the Constitution of Afghanistan (2004); the Law on the Preservation of Afghanistan's Historical and Cultural Artifacts (2004); the Environment Law of Afghanistan (2007); the Labor Law (2007); National Policy on Internally Displaced Persons in Afghanistan (2013); Access to Information Law (2014); National Regulations for Environmental and Social Impact Assessment (2017); National Regulations for Environmental and Social Impact Assessment (2017); National Land Policy (2018); Policy Framework for Returnees and IDPs (2017); the Law on Land Acquisition (2017); the Land Management Law (2017); Law on Prohibition and Prevention of Harassment of Women and Children (2018). Key provisions of these laws/regulations are highlighted as follows:
3. *The Constitution of Afghanistan* (2004) contains articles that relate specifically to Afghan citizenship. Article 4 states that the nation consists of all individuals who are citizens of Afghanistan and no member of the nation can be deprived of his citizenship. Affairs related to citizenship and asylum are regulated by laws; Article 22 stipulates that any kind of discrimination and privilege between citizens of Afghanistan is prohibited. Citizens, whether women or men, have equal rights and duties before the law. Article 39 states that every Afghan citizen shall have the right to travel and settle in any part of the country except for those areas prohibited by law. Every citizen has the right to travel outside Afghanistan and return according to the law. The state shall protect the rights of citizens of Afghanistan outside the country.
4. Article 141 of The Constitution assigns institutional responsibility for administering city affairs to municipalities and grants them the role of leading public participation by linking 'bottom up' and 'top down' planning.
5. *The Environmental Law (2007)*: The law was developed based on international standards taking into account the environmental conditions in Afghanistan and is considered comprehensive. It stipulates that the active involvement of local communities in decision making processes is required for the sustainable use, rehabilitation and conservation of biological diversity, forests, land, and other natural resources as well as for prevention and



control of pollution, conservation and rehabilitation of the environment quality. It also states that the affected persons must be given the opportunity to participate in each phase of the project. The law requires the proponent of any development project, plan, policy or activity to apply for an environmental permit (called the Certificate of Compliance or CoC) before implementation of the project by submitting an initial environmental impact assessment to the National Environmental Protection Agency (NEPA) to determine the associated potential adverse effects and possible impacts. The law also establishes a Board of Experts that reviews, assesses and considers the applications and documents before NEPA could issue or not issue the permit. The EIA Board is appointed by the General Director of the NEPA and is composed of not more than 8 members. The EIA Board of Expert's decision can be appealed.

6. *National Regulations for Environmental and Social Impact Assessment (2017)*: These update the *EIA Regulations (2008)* and grant the National Environmental Protection Agency (NEPA)<sup>20</sup> formal oversight responsibility for social impact assessment in addition to environmental impact assessment. There are now merged into a single Environmental and Social Impact Assessment process. The updated regulations sets out the administrative procedures for conducting ESIA. The regulations provide examples of projects expected to create adverse impacts (Category 1) and those that may create significant negative impacts (Category 2) before describing specific processes and procedures, and the required documents for each category. After receipt of the application form and other relevant documents NEPA will, according to the requirements: (i) issue a CoC, with or without conditions, (ii) advise the applicant in writing to review the technical reports and address the concern of NEPA, or (iii) refuse the CoC with written reasons. Once permission is granted the proponent must implement the project within three years otherwise, the permit expires. Implementation constraints include (i) effective application of ESIA procedures by private and public proponents; (ii) monitoring of the implementation of the ESMP; (iii) the expertise and means for quality analysis necessary to determine compliance reports; (iv) the ownership of the EIA process by line ministries; (v) limited knowledge, experience, and capacity of staff; and (vi) the coordination, monitoring, and harmonization of various requirements by international agencies involved in technical and financial supports.
7. *The National Policy for Internally Displaced Persons (IDPs) (2014)* sets out the rights of IDPs to assistance and protection during all phase of displacement – from emergency through protracted displacement – until they are effectively integrated into host communities. The policy lays out the national responsibilities of the Afghan Government in accordance with international standards and Guiding Principles on Internal Displacement. A comprehensive government approach is detailed in a road map for implementation that integrates provincial action plans with a National Implementation Plan.
8. *The Policy Framework for Returnees and IDPs (2017)* elaborated following the surge of returnees to Afghanistan in 2016. The framework is anchored in the Constitution of Afghanistan and its aim is to ensure the safe and successful re-integration of returnees and IDPs into the social and economic fabric of Afghanistan.

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<sup>20</sup> NEPA is the focal point for the ozone treaties, the Vienna Convention and the Montreal Protocol, and the UN Framework Convention on Climate Change (UNFCCC) while MAIL is the focal point for the UN Convention on Biological Diversity (UNCBD), the UN Convention to Combat Desertification (UNCCD) and the Convention on International Trade of Endangered Species (CITES)

9. *Labor Law (2007)* contains a number of articles relevant to the type of infrastructure development likely to take place under EZ KAR: Article 30 states that an organization ‘can increase or decrease the hours of work during the week providing that the total working hours during a week do not exceed 40 hours’. Article 31 states that youths between 15-18 cannot work more than 35 hours per week. Articles 107 – 119 in Chapter 10 of the Law set out a range of specific requirements to ensure health and occupational safety conditions in a workplace. For example, Article 112 requires that when working in ‘conditions harmful to health’ special clothing/footwear etc. should be put at the disposal of employees free of charge; Article 114 requires that First Aid Medical kits should be available and the treatment of an employee’s illness should be at the employer’s expense.
  
10. *The Access to Information Law (2014)* ensures that Afghan citizens have the right to access information from government institutions increasing their transparency and accountability to ordinary people. Although Article 50 of the Afghan constitution guarantees citizens the Right to Access to Information from state departments and Article 34 provides for Freedom of Expression, the country previously did not have a law on access to information. The law follows the internationally accepted principle of maximum disclosure of information where all information held by the Government is presumed to public with minimal exceptions. Limitations to access to information are restricted to situations where disclosure poses legitimate harm to public or private interests.
  
11. *The Law on Land Acquisition (2017)* replaces *The Law on Land Expropriation (2009)* in providing the legal basis for land acquisition and compensation. Article 4 confirms Municipalities in urban areas and ARAZI in rural areas as the enforcement authorities of the law. Article 5 sets out the range of public interest projects, including a range of infrastructure projects, for which an individual’s property and assets may be expropriated; Article 6 reconfirms the types of properties ( cultural and historic) and land ( required for environmental protection) where expropriation is either prohibited or limited; Articles 9-12 set out the various responsibilities of the expropriating authority, affected person and evaluation committee; Articles 13-18 describe the different types of expropriation; The arrangements for transfer of Government Property in order to enable a Project are described in Articles 19- 21. Articles 22 -37 are devoted to a set of issues around the valuation of expropriated properties including the establishment of a Panel of Developing Bill of Valuation of Expropriated Properties in every province ( article 22), appraisal of compensation for different assets ( articles25-33); Articles 36 and 37 deal respectively with expropriation of property of an absent person and timing of compensation payments; Articles 38-41 set out the Resettlement procedures and responsibilities of the Resettlement Committee. Various miscellaneous provisions related to land acquisition including assessment of property related conflicts and enforcement are set out in articles 42-53.
  
12. The new *Land Management Law (2017)* replaces the *Law on Managing Land Affairs (2008)* and aims to create a legislated unified, reliable land management system. This Law also aims to provide a standard system for land titling, land segregation – subdividing land

into a number of parcels of land- and registration; prevent illegal land acquisition and distribution; access to land to people; and conditions for appropriation of lands. Article 40 states that government lands are regulated by the Land Authority and Article 50 states that public welfare projects cannot be implemented on government lands without acquiring the agreement of the Land Authority.

13. *National Land Policy* was approved by the cabinet in 2018. Important relevant provisions of the current policy include: *Land Tenure/Land Acquisition* (i) Land policy provides that compensation for the expropriation of ownership or of rights over land as enshrined in the Constitution be strictly enforced by law. Property rights may only be expropriated under defined legal procedures and for defined legal purposes; (ii) it also provides that no law may permit arbitrary deprivation of property rights. In the event that the government decides to implement a development project in the interest of the public, the value that the land had prior to the announcement of the expropriation will form the basis for the amount of monetary compensation to the owners of the property.
14. *Protection of Property Rights*: It is a national policy that the national and provincial governments take measures to protect citizens including residents of informal settlements from arbitrary and forcible eviction. Eviction and relocation of unplanned settlement residents shall be undertaken with community involvement only for necessary spatial rearrangement that should take effect in accordance with the public's interest. Compensation for expropriation of rights over land must be provided equitably in accordance with the law.
15. *The Law on Preservation of Afghanistan's Historical and Cultural Artifacts* (2004) According to The Law on the Preservation of Afghanistan's Historical and Cultural Artifacts operations which causes destruction or harm to recorded historical and cultural sites or artifacts is prohibited (art .11, art. 16). The law provides guidelines for how to deal with chance finds. This is considered consistent with the World Bank OP 4.11 on physical cultural resources. ESIA's will include screening for existence of physical cultural resources in the potential area of impact.
16. *Sub National Governance Policy (SNGP)* (2010) of the IDLG reinforces the government's commitment to achieving equal rights for women and men under the law set out in Article 22 of the Constitution. The policy states that to 'support the achievement of gender equity, all government entities will embrace and implement gender equity efforts, including gender sensitive policies, strategies, budgets and programs. Ensuring that gender equity is achieved is the shared responsibility among government entities at the national and sub-national levels'. The SNGP states that (a minimum) of 25% of the seats of Municipal Councils will be reserved for women.

17. *Afghanistan's gender strategy*<sup>21</sup>: the Afghanistan National Peace and Development Framework (ANPDF) confirms that the Afghan Constitution guarantees equal citizenship rights for women and explains that the national gender strategy 'rests on five pillars', anchored in cross-government action programs: (i) implementing global commitments on human rights, security, freedom from domestic violence for Afghan women; (ii) ensuring full access to education and health services, including higher education; (iii) launching of the Women's Economic Empowerment National Priority Program; (iv) Securing the constitutional rights for women through the full execution of Afghan laws; and (v) advancing women in government and business'.
18. *National Laws and Policies on Disability: The Constitution of Afghanistan* promotes the integration of people with disabilities into public and social life. *A National Policy for Persons with Disability* (2004) was operationalized in the *Afghanistan National Disability Action Plan (ANDAP)* (2008-2011) which included strategies to improve access to employment, education, justice, protection, social care for people with disabilities. The ANDAP has since been replaced by the *National Law of Rights and Benefits of Persons with Disabilities* which provides for the economic, social, political, educational economic and cultural rehabilitation of women, men and children with disabilities; the protection of their rights and their active participation in society. The law states that 3% of jobs in government and private sector should be reserved for people with disability. This chimes with Article 55 of the Constitution, which states that all Afghan citizens with 'legal capacity' will be able to work with government. Article 25 of the Law states that ministries and other government institutions are required to provide facilities to /access for people with disabilities when designing apartments, recreational areas, pavements, transport and technologies'. *A National Strategy for Disability and Rehabilitation (2013-2016)* prioritises support for people with physical disabilities. Disability is identified as an important cross-cutting issue in the *National Development Strategy*.
19. *The Law on Prohibition and Prevention of Harassment of Women and Children (2018)*: very recently approved by the President under this law jail terms and cash fines will be imposed on perpetrators of harassment against women and children. Verbal, physical, written and visual harassment has been defined as a crime. Under article 24, anyone harassing women and children in public places and vehicles will be fined between Afs 5000-10,000. Harassment of women in children in workplaces, health and educational centres will face a steeper fine of between Afs 10,000 - 20,000. The degree to which the government will ensure the implementation of the law's provisions is as yet unclear.
20. *Disability rights*: Afghanistan has ratified a number of conventions to protect the disabled including the Convention on Cluster Munitions; the UN Convention on the Rights of Persons with Disabilities and the Vocational Rehabilitation and Employment Convention.

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<sup>21</sup> *Afghanistan National Peace and Development Framework (ANPDF) 2017-2018*

21. *Convention on the Elimination of all forms of Discrimination against Women (CEDAW)*.  
Afghanistan ratified CEDAW in 2003.

## 2.2. World Bank Safeguard Policies Triggered by EZ-KAR

### Safeguard Operational Policies

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP/BP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP 7.60)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The rationale for triggering the above policies is set out below:

22. *Environmental Assessment (OP/BP 4.01)*: This OP covers impacts on the natural environment, human health and safety, transboundary and global environmental concerns. It is triggered because activities planned under the proposed project may result in negative impacts mainly related to occupational health and safety and natural environment. The regulatory reforms to be implemented under component 3(d) may lead to investments under component 3(b) and 3(c) which have additional environmental and social impacts. Through this ESMF, the Ministry of Economy will ensure that the implementing agencies have a process in place that would ensure the required environmental and social assessments and plans are prepared for proposed activities in compliance with Afghanistan's own requirements and with OP4.01 and other triggered Bank safeguards policies.
23. The extent and type of environmental and social assessment required is based on its screening category. The WB classifies projects into one of three categories: A, B, and C (see below), depending on the type, location, sensitivity and scale of the project and the nature and magnitude of its potential environmental and social impacts.

### World Bank EA Screening Categories

<b>Category "A"</b>	An Environmental and Social Impact Assessment (ESIA) is always required for projects that are in this category. Impacts are expected to be 'adverse, sensitive, irreversible and diverse with attributes such as pollutant discharges large enough to cause degradation of air, water, or soil; large-scale physical disturbance of the site or surroundings; extraction, consumption or conversion of substantial amounts of forests and other natural resources; measurable modification of hydrological cycles; use of hazardous materials in more than incidental quantities; and involuntary displacement of people and other significant social disturbances.
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<b>Category “B”</b>	When the subproject’s adverse environmental impacts on human populations or environmentally important areas (including wetlands, forests, grasslands, and other natural habitats) are less adverse than those of Category A subprojects. Impacts are site-specific; few, if any, of the impacts are irreversible; and in most cases, mitigation measures can be designed more readily than for Category A subprojects. The scope of environmental and social assessment for a Category B subproject may vary from subproject to sub-project, but it is narrower than that of a Category A sub-project. It examines the subproject’s potential negative and positive environmental and social impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance.
<b>Category “C”</b>	If the subproject is likely to have minimal or no adverse environmental impacts. Beyond screening, no further environmental assessment action is required for a Category C sub-project.

24. The EZ-Kar project is classified as category B. A “Category B” project may have some significant adverse environmental impacts that are sensitive, diverse, or unprecedented. Few if any of these impacts are irreversible. Environmental and Social Screenings and, if required, Environmental and Social Impact Assessments (ESIAs) will identify and examine potential negative and positive environmental and social impacts and through relevant plans (ESMP, RAP, CHMP) recommend measures to avoid, mitigate or compensate adverse impacts and enhance positive outcomes. OP/BP4.01 requires that the ESMF be subject to participatory and culturally appropriate consultations in the project areas and publicly disclosed in both Dari and Pashto languages, locally and at the Banks InfoShop, before appraisal of the project.
25. *Involuntary Resettlement (OP/BP 4.12)*: This policy covers not only physical relocation but any loss of land or other assets resulting in (a) relocation or loss of shelter; (b) loss of or access to assets; (c) loss of income sources or means of livelihood whether or not affected people must move to another location. It is triggered because the specific type and physical locations of investments under components 2,3 and 4 of EZ KAR have yet to be identified. Although no direct land acquisition and resettlement is anticipated as a result of these investment activities, social assessments and feasibility studies for these investments may recommend some land acquisition resulting in land and other asset loss. A stand-alone Resettlement Policy Framework (RPF) for the proposed EZ-KAR project has been prepared. The ESMF includes provisions for carrying out social due diligence. The RPF sets out procedures for handling land acquisition and resettlement in prospective sub projects and provides detailed guidance on developing RAPs and Abbreviated RAPs.
26. OP/BP 4.11 is not triggered but Chance Find Procedures, aligned with national legislation, are in place ( see annex 5).
27. Safeguard policies also require compliance with the WB group’s (i) environmental health and safety guideline (EHS) ( <http://www.ifc.org/ehsguidelines>, environmental codes of practice (annex 6), Labor Influx guidelines (annex 11) and (iv) Gender strategy (<http://documents.worldbank.org/curated/en/820851467992505410/pdf/102114-REVISED-PUBLIC-WBG-Gender-Strategy.pdf>)

### III. General Environmental and Socio-Economic Baseline of Afghanistan<sup>22</sup>

<sup>22</sup> This section draws substantially on the Afghanistan Living Conditions Survey 2014. Specific provincial-level sources are limited and most data is fragmented and aligned to specific collecting agency requirements. In addition to the *Afghanistan Living Conditions Survey 2013-2104*, it is informed by previous studies, including *National Risk and Vulnerability Assessment*, CSO 2016, *Afghanistan’s Environment 2008*, NEPA & UNEP, *Afghanistan, Post-Conflict Environmental Assessment*, UNEP,

### 3.1. Environmental Baseline

28. Afghanistan is a semi-arid land-locked country in the center of Asia, covering an area of about 652,000 square kilometres. The country's climate is continental, with big differences in temperature from day to night, from one season or region to the next, ranging from 20–45°C in summer in the lowlands to minus 20–40°C in winter in the highlands. The overall average annual rainfall of about 250 millimetres conceals stark variations between different parts of the country, from 1,200 millimetres in the higher altitudes of the northeast to only 60 millimetres in the southwest. Due to its mountainous relief and the convergence of several climate systems, Afghanistan boasts an impressive diversity of ecosystems, land cover and water sources.
29. Almost **80 per cent of the country's population live in rural areas. This portion of the population** relies heavily on productive natural resources, which makes it extremely vulnerable to the impacts of local and global phenomena (such as droughts, natural disasters, climate change and desertification) and the degradation of natural resources through erosion and pollution of soil and water. Water is one of Afghanistan's most important resources. However, its unequal distribution may lead to increasingly severe water insecurity in some regions threatening livelihoods and compounding adverse humanitarian conditions. **More than 80% of the country's water resources originate in the Hindu Kush mountains. The Amu Darya River Basin covers approximately 15% of the surface area of Afghanistan and holds more than 55% of the country's water resources.**
30. However, climate change with the resulting melting of glaciers, severe droughts and poor management of water resources, including depleted aquifers through over exploitation of tube wells for agricultural purposes, are threatening water security. The poor are the most vulnerable to the effects of climate change which is likely to worsen existing food security issues and negatively affect those dependent on agriculture for their livelihoods. Women and children together with subsistence farmers and pastoralists (Kuchis) are likely to be disproportionately affected by climate change. A significant number of Afghans live just above the poverty line and shocks due to climate change such as increased floods have the potential to push these people into poverty.<sup>23</sup> The vulnerability of the agricultural dryland sector to increased temperatures, changes in rainfall patterns and snow melt as well as prolonged and repeated droughts—particularly across the northern belt where farmers have more rain-fed than irrigated land—is high. Development workers from these regions are witnessing farmers, reliant on rain-fed agriculture with its increasingly unpredictable and low returns, being forced to sell land and other assets and migrate within the country and neighboring countries or further afield in order to support their families.<sup>24</sup> The cumulative effects of more frequent and prolonged droughts on reservoir and ground water could threaten the water supply of entire communities leading to a range of humanitarian crises.<sup>25</sup>

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2002 and Afghanistan Humanitarian Needs Overview 2015. More comprehensive baseline information is included as annex 10. Project specific environmental and social information will be collected as part of the environmental and social screening process and will inform the development of sub project proposals.

<sup>23</sup> *Stockholm Environment Institute/DFID 'Socio-Economic Impacts of Climate Change in Afghanistan 2009*

<sup>24</sup> *Environmental and Social staff, MEW IRDP*

<sup>25</sup> *Stockholm Environment Institute/DFID 'Socio-Economic Impacts of Climate Change in Afghanistan 2009*

31. Afghanistan has been severely affected by land degradation for decades. This in turn is a significant contributing factor to increased ecological migration and further stress on the eco system. Environmental degradation together with high population growth and returning refugees are together constraining the amount of available productive land and increasing competition for land in both rural areas (for agriculture) and urban areas (for construction). The amount of agricultural land under cultivation or pasture has dropped significantly over the last couple of decades either as a result of abandonment (lack of water availability or damaged irrigation systems) or degradation (due to soil erosion, salinization or reduced soil fertility). Soil fertility is being degraded by poor agricultural practices, traditional grazing patterns have been disrupted due to conflict, land claims and drought, and irrigation systems have been affected by silting and flooding. This in turn has resulted in mass migration from the country side to urban areas. Sustaining livelihoods in Afghanistan in future will depend to a significant extent on appropriate environmentally sound management of land resources.<sup>26</sup>
32. Afghanistan is a disaster prone country subject to earthquakes, flooding, drought, landslides, and avalanches. Over three decades of conflict, coupled with environmental degradation, and insufficient investment in disaster risk reduction strategies, have contributed to increasing vulnerability of the Afghan people to natural disasters. High levels of poverty, lack of livelihood and income generating opportunities, chronic health problems, and poor state of the infrastructure add to the burden of natural disasters. Afghanistan ranks 176 on the Global Adaptation Index (ND-GAIN), which ranks 177 countries according to vulnerability and ability to cope with climate change.<sup>27</sup> Drought and mismanagement of ground water have caused the water table to drop across most parts of the country, including Kabul. Eco systems, soil water content and rangelands are thought to be most at risk from climate change.

### **3.2 Socio-Economic Baseline**

33. In 2013 Afghanistan was ranked 169th out of 185 countries in the UNDP Human Development Index. Despite significant achievements in the first decade of this century, Afghanistan remains among the most poorly developed countries in the world according to almost all development indicators covered by the Afghanistan Living Conditions Survey 2013-14.
34. The share of the population living below the poverty line has increased from 36.5 percent in 2011-12 to 39.1 in the present survey. The results also indicate that the poorer segments of the population suffered more from per-capita consumption decline than the better-off population, which suggests an increase in inequality. Around one third of the Afghan population is estimated to suffer from food insecurity, with 9.3 million people facing chronic or transitory food insecurity and some 3.4 million severely food insecure. Both quantitative and qualitative food indicators suggest better conditions in urban areas than in rural areas.
35. According to ALCS 2013-14, of all sectors the health sector shows the most consistent improvement. The most impressive improvements are observed for maternal health indicators. Afghanistan has achieved its MDG target for ante-natal care coverage (50

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<sup>26</sup> Afghanistan Environment 2008, UNEP

<sup>27</sup> Afghanistan Humanitarian Needs Overview, 2015



percent in 2020). Physical access to health facilities and costs involved in obtaining health services remain major obstacles for many people to obtain the care they need.

36. According to the ALCS, the net attendance ratio for primary education showed a decline to 55 percent, after a peak of 57 percent in 2011-12. The school attendance information suggests that 2.3 million primary school age children and 2 million secondary school age children miss out on education and on the opportunity to learn basic life skills. Transition rates indicate that the problem of Afghanistan's education system is not so much retention and drop out, but starting school. An Afghan child of 6 years old can expect to spend on average 7.7 years of his or her life in education, a very short period from an international perspective.
37. The age structure of Afghanistan's population shows that population growth remains a critical element in Afghanistan's development process. The proportion of persons under age 15 (47.5 percent) is one of the highest in the world. In the next five years close to 4 million young people will reach working age in a labor market that is already characterised by high levels of unemployment and underemployment. Afghanistan's labor market is under considerable stress, with 39 percent not-gainfully employed and a youth unemployment rate of 30 percent. Around 90 percent of the working population is employed in low-skilled occupations. The average household size in Afghanistan is around 7.4 persons. Female-headed households make up only one percent of the total number.
38. Achieving gender equality remains one of the major challenges in Afghan society. Within an overall poor development context, women and girls face especially deprived conditions. Various indicators signify a subordinate and dependent position in the household, leaving little negotiating power in terms of household decisions, sexuality and fertility. Three quarters of women do not leave their homes without the company of another person and about half leave the house four times or less per month. Female decision making on spending money is quite restricted with only 34 percent deciding independently how to spend money they earned themselves.
39. Efforts to promote women's involvement in the economic sphere have met with varying degrees of success, often hampered by strong cultural traditions that limit women's mobility and scope of activities. While inroads have been made over the last decade to improve women's economic options and allow space for their participation, actual gains have been modest. The establishment of separate women's CDCs under the National Solidarity Program (NSP) and their further development under the CCAP has been an important advance in helping women secure their voices in leadership roles and an initial foothold in the public sphere.<sup>28</sup>
40. Other vulnerable groups include:
  - a) *Kuchis*: With the loss of livestock and grazing opportunities an estimated 40% of *Kuchis* have moved from a nomadic existence to make their homes mostly in peri urban areas of large cities. Kabul City features prominently in the urbanisation of *Kuchis* who are attracted by employment opportunities in the construction and brick making industries. Socio-economic indicators rank the *kuchis* below the urban poor<sup>29</sup>

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<sup>28</sup> AREU, (2013): 'Women's Rights Gender, Equality and Transition: Securing Rights, Moving Forward,

<sup>29</sup> *The State of Afghan Cities* (SOAC) Vol I (GoIRA – UN Habitat)2015.

- b) *Returnees/IDPs*<sup>30</sup>: More than 2.4 million Afghans have returned to Afghanistan since 2015. Coinciding with the largest return of Afghans a deteriorating security situation in Afghanistan together with lack of income opportunities and poor service provision has led to large-scale internal population displacements.<sup>31</sup> In 2018 to date UNHCR records 75,023 returnees to Afghanistan.<sup>32</sup> The top drivers of displacement is avoidance of armed conflict, human rights violations, protection concerns and natural disasters.<sup>33</sup> Recent reports suggest that 1 in 6 people is either a returnee or an IDP in each of the provinces<sup>34</sup> in which the EZ KAR 12 cities are the provincial capitals. There is a strong trend among returnees and IDPs to move to urban areas in search of better security, essential services and job opportunities. However, if returnees and IDPs are to be successfully (re)integrated into host communities then the emphasis needs to move beyond satisfying basic needs towards livelihoods and social cohesion.<sup>35</sup> The latter is a central plank of the EZ KAR project.
- c) *People with disabilities* who have limited access to appropriate health care education and livelihood opportunities and also face hardship in terms of physical access to public and other facilities which do not comply with disability laws and policies.

### 3.2.1 Overview of Socio-Economic status of Afghanistan's Cities<sup>36</sup>

41. The full potential of Afghan cities as driving forces of social and economic development, state-building and peace-building, has been constrained by the absence of an effective urban policy and regulatory framework, insufficient and poorly coordinated investment, and weak municipal governance and land management.<sup>37</sup>
42. Afghanistan's urbanisation has largely been informal. Cities have expanded rapidly over the past decade without effective spatial plans and limited access to formal land and housing. The result has been informal, low-density sprawl; **increasing socio-spatial inequality; and significant infrastructure deficiencies.**
43. Afghan cities have been a significant source of economic and social development and have significant potential to accommodate urban growth in the coming decades, within existing urban areas by utilising available vacant plots.<sup>38</sup> Urban-based economic activity such as services now account for over 50% of national GDP, with agriculture accounting for 25% (down from 50% in 2002). Urban communities and citizens have demonstrated significant capacity to lead neighbourhood upgrading and local peace-building efforts.
44. Afghanistan has a relatively geographically balanced urban spatial structure, although Kabul dominates with an estimated 41% of the urban population. Kabul and the four regional hubs

<sup>30</sup> DTM Afghanistan defines (i) returnees as Afghan nationals who have returned to Afghanistan after at least 6 months abroad and (ii) IDPs as Afghans who have fled a specific location and currently reside in a different settlement in Afghanistan: *Baseline Mobility Matrix*, January – March 2018

<sup>31</sup> WB, (2016) Project Appraisal Document (PAD), *Citizen Charter Afghanistan Project*

<sup>32</sup> UNHCR, Operations Portal, <https://data2.unhcr.org/en/country/afg>

<sup>33</sup> DTM Afghanistan: *Baseline Mobility Matrix*, January – March 2018

<sup>34</sup> International Organization of Migration (IOM's) Displacement Tracking Matrix (DTM) Baseline Mobility Assessment, 2018

<sup>35</sup> *The Study of NSP's Impact on IDP/refugee reintegration in Afghanistan*, York, University of York 2012

<sup>36</sup> This section is extracted from key messages highlighted in *'The State of Afghan Cities' (SOAC) Vol I* (GoIRA – UN Habitat) 2015.

<sup>37</sup> ibid

<sup>38</sup> ibid

of Herat, Mazar-i-Sharif, Kandahar and Jalalabad are home to 69% of the urban population (in the 34 provincial capitals).

**Table 1: Estimated settled population in EZ Kar cities<sup>39</sup>**

EZ KAR City Districts	Urban		Rural		Total Population
	Female Population	Male Population	Female Population	Male Population	
AsadAbad	7,135	7,472	10,117	10,833	35,557
FirozKoh	3,705	3,734	66,633	69,106	143,178
Herat	253,052	253, 844	-	-	506,896
Jalalabad	118,111	121,857	-	-	239,968
Kabul	1,938,739	2,022,48			3,961487
Kandahar	227,356	234,508	49,351	52,670	563,885
Khost	6,037	6,207	65,150	67,986	145,443
Kunduz	82,347	84,741	80,685	83,744	331,517
Maimana	43,629	44,415	-	-	88,044
Mehtarlam	2,607	2,803	63,663	67,737	136,810
Puli Khumri	56,114	57,356	53,793	57,402	224,665
Taluquan	38,690	38,264	79,336	83,799	240,089

45. Herat, Kabul, Kandahar, Jalalabad and Khost are 5 of 20 provinces in the country identified as hosting the most returnees and IDPs.<sup>40</sup> These provinces are thought to be particularly vulnerable to social instability as a result of the large numbers of returnees and returnees.

**Table 2. At-a-Glance:-Socio-economic data for Herat City District<sup>41</sup>:**

Median Age	16.8
Proportion of population under 15	42.2
Literacy rate	57.3
Female Literacy rate	48.4
Percentage of women above 25 with no schooling	72.6
Percentage of men above 25 with no schooling	42.7
Percentage of men over 15 who worked for at least 6 months of the year ( prior to the survey)	72.0
Percentage of women over 15 who worked for at least 6 months of the year (prior to the survey)	11.4
Percentage of population with functional difficulty <sup>42</sup>	4.1.
Average Household size	5.9
Percentage of households with access to piped water	62.6
Percentage of households owning their own house	61.3
Percentage of households owning agricultural land	17.5

<sup>39</sup> Central Statistics Office (CSO), *Estimated Settled Population by Civil Division:; Urban, Rural and Sex: 2017-2018*

<sup>40</sup>IOM, DTM Afghanistan, *Baseline Mobility Report* , January- March 2018

<sup>41</sup> CSO, UNFPA (2016) *Socio-Demographic and Economic Survey, Herat*

<sup>42</sup> Functional difficulties cover difficulty in seeing, hearing, walking, remembering, communicating and self-caring.

**Table 3. At-a-Glance: Socio-economic data for Kabul District<sup>43</sup>**

Median Age	18.1
Proportion of population under 15	41.8
Male Literacy rate	77.9
Female Literacy rate	50.6
Percentage of women above 25 with no schooling	72.4
Percentage of men above 25 with no schooling	35.8
Percentage of men over 15 who worked for at least 6 months of the year (prior to the survey)	64.4
Percentage of women over 15 who worked for at least 6 months of the year (prior to the survey)	5.7
Percentage of population with functional difficulty <sup>44</sup>	1.5
Average Household size	6.8
Percentage of households with access to piped water	46.7
Percentage of households owning their own house	67.2
Percentage of households owning agricultural land	20.1

46. Afghan cities contain considerable challenges including poverty, inequality, social exclusion, youth unemployment and gender inequality which are a result of weak governance and insufficient focus on shaping an inclusive process of urbanization.<sup>45</sup> The vast majority of urban Afghans live in under-serviced, informal housing with little tenure security and poor access to basic services such as water and sanitation. This results from a lack of viable formal alternatives and under-investment in basic urban services.

**TABLE 4. TYPOLOGY OF EZ KAR PROJECT CITIES<sup>46</sup>**

City Type	Characteristics	Cities	Land Area (Km <sup>2</sup> )
Capital City	Political, administrative, educational and financial centre of the country; at least six times the population size than the next largest cities (Regional Hubs) and under	<b>Kabul</b>	1,049 Km <sup>2</sup>
Regional Hub	Historic cities that dominate the northern, western, and southern regions; connected through trade and sub-culture to neighboring countries. Surrounded by large and fertile agricultural plains. Have strong and relatively diversified economies including robust construction, manufacturing and services sectors.	<b>Herat</b>	182 Km <sup>2</sup>
		<b>Kandahar</b>	273 Km <sup>2</sup>
		<b>Jalalabad</b>	122 Km <sup>2</sup>
Trading and Transit Hub	Smaller provincial capital cities that are strategically located on the ring roads or borders and are commercial transit points, often between districts and the	<b>Kunduz</b>	112 Km <sup>2</sup>
		<b>Taluqan</b>	107 Km <sup>2</sup>

<sup>43</sup> CSO, UNFPA (2013) *Socio-Demographic and Economic Survey, Kabul*

<sup>44</sup> Functional difficulties cover difficulty in seeing, hearing, walking, remembering, communicating and self-caring.

<sup>45</sup> 'The State of Afghan Cities' (SOAC) Vol I. GoIRA – UN Habitat

<sup>46</sup> adapted from Afghanistan's provincial capital city typologies in 'The State of Afghan Cities' (SOAC) Vol I. GoIRA – UN Habitat 'The State of Afghan Cities' (SOAC) Vol I.

	Regional Hubs and/or Capital City. Smaller populations than the Regional Hubs and lower urbanization pressure.	<b>Pul-i-Khumri</b>	181 Km <sup>2</sup>
		<b>Maimana</b>	35 Km <sup>2</sup>
Provincial Centre	Cities that, due to their geography and positioning, mainly serve their surrounding provincial area. They are also important trading and distribution hubs, especially for the agricultural sector. Lower urbanization pressure.	<b>Khost</b>	71 Km <sup>2</sup>
		<b>Asad Abad</b>	92 Km <sup>2</sup>
		<b>Mehterlam</b>	14 Km <sup>2</sup>
		<b>Ferozkoh</b>	26 Km <sup>2</sup>

#### **IV. Potential Environmental and Social Impacts**

##### **4.1. Overall Impacts**

47. The proposed project will not have significant negative environmental or social impacts. Potential adverse impacts will be either reversible or mitigated through relevant measures. The benefits to the targeted beneficiaries are expected to be considerable.

##### **4.2 Potential Environmental Impacts**

48. No major adverse environmental impacts are envisaged.

49. Typical impacts associated with the maintenance and rehabilitation of existing infrastructure and construction activities under component 2.1 may include (a) increase in noise and dust levels due to increased vehicle movement; (b) construction debris; (c) soil and land degradation and; (d) disruption of utility services. These impacts are expected to be small, localized, short-lived and thus readily reversed or effectively managed with relevant mitigation measures, and are not expected to have lasting effects.

50. Additional potential negative impacts likely to be associated with larger scale infrastructure rehabilitation/construction under components 2.2, 3 and 4 may include (i) degradation of habitat due to extraction of construction materials; (ii) Congested and heavy use of existing road networks due to the frequent movement of heavy construction vehicles on roads during construction and consequent impact on air quality; (iii) generation of construction waste; (iv) health and safety hazards from inadequate disposal of dangerous waste from construction camps as well as construction materials; (v) Occupational Health and Safety issues for labor and communities. These impacts are also expected to be localized and reversible or managed through relevant mitigation measures.

51. Environmental screening as part of sub project development will identify potential impacts which will be mitigated and managed through environmental and social management plans (ESMPs) and Environmental Codes of Practice (ECOP) (annex 5). The ECOP set out guidelines and procedures to either prevent or reduce and mitigate harm to the environment and local communities and will be incorporated into sub project bidding and contract documents. Environmental mitigation measures will be included in the ESMP. Prior to the start of construction, safeguards and technical staff will review the environmental mitigation measures with the contractor to ensure that he is fully aware of his responsibilities in this regard.

52. In compliance with World Bank's Safeguards policies, Afghanistan Environmental Law and Regulations, projects with significant adverse impact should receive Environmental Clearance (EC) from NEPA.

##### **4.3 Potential Social Impacts**

53. No major adverse social impacts are anticipated. Both host and returnee and IDP communities in the 12 project cities are expected to benefit significantly from sub project investments. Employment for vulnerable households under component 2.1 is expected to boost the food security of these households. The larger scale economic opportunities envisaged under components three and four are expected to benefit considerably both host and IDP/returnee communities. This in turn leading to the expansion of existing and the development of new livelihood activities and the generation of new sources of income for households.
54. The ESMF includes screening tools to ensure that the most vulnerable groups and households, including women and people with disabilities, are identified and have the opportunity to take advantage of the job and other economic opportunities presented by the proposed investments. This in turn, it is anticipated, will lead to the expansion of existing and the development of new livelihood activities and the generation of new sources of income for households.
55. Neither the small-scale public works sub projects eligible for grant funding under component 2 nor the larger scale infrastructure investments under components 2.3, 3 and 4 are expected to result in land acquisition or asset loss. In some instances, very small areas of land may be bought outright (willing buyer- willing seller), or acquired against community compensation, to facilitate the construction work. In exceptional cases, minor voluntary land donation may occur in certain subprojects, but only provided that there are no structures or assets on the land, the livelihood impact of the donation on the land owner will be insignificant (less than 10 percent) and the voluntary nature of the donation is fully documented and independently verified.
56. Voluntary land donation should only ever be considered as a last resort if the land is essential for the investment to proceed. Where land is donated, there must be documented evidence that
- The potential donor or donors have been appropriately informed and consulted about the project and the choices available to them;
  - The person donating the land was not subject to pressure to donate and that he/she could have opted not to donate;
  - The donor has clear title over the land and such land is not being used by a third party who could be affected;
  - The livelihood impact of land donation does not exceed 10 percent and is below 100 m<sup>2</sup>;
  - The use of donated land does not disrupt productivity of the remaining land;
  - Potential donors are aware that refusal is an option and have confirmed in writing their willingness to proceed with the donation;
  - For community or collective land, donation can only occur with the consent of individuals using or occupying the land, and the donors are expected to provide all required documentation indicating that the land title transfer is processed through all due government procedures;
57. A standalone Resettlement Policy Framework (RPF) has been developed for this project and sets out procedures for managing land acquisition, including voluntary land donations, asset loss and resettlement.

58. Selection of subprojects under components 2.3, 3 & 4 will also be **screened** for land and water disputes in order to avoid the situation where investments would fuel such disputes. With increasing numbers of returnees and IDPs into the 12 cities disputes over access to employment opportunities and access to services may arise or increase. Community mobilizers and social organizers together with GA and CDC leadership will receive training on dealing with /managing conflict within communities.
59. It is anticipated that labor for most construction activities will be hired mostly from within the local communities. For some investments under components 2.3, 3 & 4, contractor may, however, hire laborers from outside the project. Social impacts linked to a labor influx into communities include community safety risks as a result of labor camps, disruption to local community life and additional pressure on existing stretched public services. Associated labor flux risks includes child labor issues, ESMPs for these investment projects will include a **labor influx** mitigation plan and the application of employees' Code of Conduct (CoC) which would be applicable to each site. The labor influx plans will be prepared by the selected contractor in close liaison with CCAP/KMDP/CIP local safeguards teams/facilitating partners.
60. Some investments may lead to a restriction to livelihood sources and other assets. Such a restriction would be temporary, and the implementing agencies' local social staff would work closely with gozars and CDCs to ensure that any adverse impacts would be minimized.
61. Chance Find Procedures are included as annex 5.
62. The ESMF includes guidelines for identifying and assessing the impacts of potential investments on existing heritage structures and sites (annex 5b). **Systematic involvement of local people, including women and other vulnerable groups, throughout the planning and implementation of projects will underpin the identification and implementation of any mitigation measures to be included in ESMPs and RAPs.** (annex 8a)

#### 4.4 Project Environmental and Social Risk Assessment

63. Overall Environmental and Social risks are rated as Substantial:

<b>Table 5: Description of key risks</b>	<b>Risk Rating</b>
1. Limited Environmental and Social Development Management Capacity within the MoEC, MoFA, IDLG, KM, CCAP, CIP and Facilitating Partners	Substantial
2. Degradation of Natural Habitats, soil erosion, poor waste management, water and air pollution	Moderate
3. Disputes between host and returnee/IDP communities	Substantial
4. Vulnerable groups such as women -especially female-headed households-, landless, people with disabilities and kuchis are not systematically included in the project's planning and implementation and as a result may be further disadvantaged.	Substantial
5. Labor Influx during construction phase leading to (i) conflict arising from increased competition for jobs, (ii) increased demand on services and existing infrastructure, (iii) increase in communicable diseases, (iv) reduction in women's safety/ increase in gender-based violence and (v) use of child labor	Moderate
6. Damage or destruction of cultural heritage resources e.g. shrines, burial grounds, heritage sites	Low

Measures to address these risks are included in Table 6

## **V: Approach, Objectives and Procedures**

### **5.1. Approach to environmental and social management in the EZ KAR**

64. A framework approach is adopted as all the investments **under components 2, 3 and 4** could not be identified at the time of project appraisal. Consistent with existing national legislation and World Bank policies the ESMF sets out policies, guidelines, procedures, and codes of practice to be considered and adopted during project planning and implementation. The framework includes a range of screening tools and procedures to address the risks identified in section 4.4. and assess potential negative environmental and social impacts of site specific sub projects. The framework also includes guidelines for preparing relevant mitigation and enhancement management plans. These tools and guidelines are included as annexes to the main ESMF report. Training for IAs, CCAP, KMDP, CIP and their facilitating partners on the content and application of these tools will take place at the beginning and throughout of the project.
65. IDLG and KM will execute planned investments under components 2, 3, and 4 through the processes established for existing projects – CCAP and KMDP - as well as the CIP which is currently under preparation. As part of the process of preparing this ESMF, the ESMFs from these three projects have been reviewed and will be updated to reflect the implications of expanded geographic coverage under EZ KAR and will be harmonized with the EZ KAR ESMF.
66. Activities under Component 1, implemented by MoFA, will not require specific ESMPs.
67. Citizen Engagement is the linchpin of effective environmental and social management and underpins the development and implementation of all safeguards instruments outlined in the ESMF.
68. This ESMF is a legally binding document to be included in the financial agreement of the EZ-KAR.

### **5.2. Objectives**

69. The overall purpose of the ESMF is to ensure that investments to be financed under the EZ-KAR project will not create adverse impacts on either local communities or their environment and that any potential adverse impacts will be adequately mitigated in line with national regulations and the WB's safeguard policies and potential benefits enhanced.
70. Specific objectives of the Framework: to help ensure that activities under the project will:
- Ensure compliance with Afghanistan's laws and regulations and World Bank safeguard policies.
  - Protect human health and safety
  - Improve and/or restore livelihoods of the adversely affected
  - Prevent environmental degradation as a result of either individual sub projects or their cumulative effect
  - Enhance positive environmental and social outcomes

### **5.3. Incorporating Lessons Learned on Safeguard Compliance**



71. Lessons learned from implementing safeguards in KMDP and CCAP, which have informed the development of this ESMF, include, but are not limited to:

- Both projects indicate that trained female staff working at local level enables women CDC members concerns to be taken account of during the development of community development plans and in the survey, design and implementation of sited activities.
- Regular negotiation and communication with male community leaders, mullahs and other influential people within a community is essential in improving women's participation in sub project activities.
- Positive discrimination measures in favour of women helps increase the number of female staff e.g. accepting women with slightly lower than the required educational qualifications and allowing an adult male to accompany women as *maharram* on field visits.
- Strong and sustained commitment at senior management level within implementing agencies is essential to ensure that complaints raised through the GRM are properly addressed.
- The use of score cards to hold authorities to account for provision of services can be an important community empowerment tool.
- Building the public's awareness of a sub project contributes to the sustainability of its outcome.
- Ongoing training of FP's Social Organizers is essential in order to improve community awareness and mobilization.
- CDC members who have participated in community planning processes have greater confidence and legitimacy in promoting concerns and proposals to municipal authorities.
- Non-CDC members are less aware of the projects selected for funding under CC grants.
- The involvement ('interference') of powerful and influential people during sub project implementation needs to be managed carefully.
- Current definition of urban communities as between 200-250 households in a neighbourhood has been difficult to implement at field level. There is a need to finalise the definition of urban communities before CDC and gozar elections are held.
- All land acquisition must be categorised (Voluntary donation, available Government land and involuntary acquisition of land), documented, recorded and available for review.
- The systematic use of social media as well as broadcast media is important in keeping the general public as well as project beneficiaries informed about the projects' work.
- The FPs were critical in the monitoring of sub projects and played a big role in data collection from the communities and reporting to PMUs throughout the project.
- The flow of monitoring information into the CCAP MIS systems has been difficult to manage and requires adequate staffing, training and funding.
- Issues related to quality, processing and analysis of data in MIS require stronger oversight and technical support.
- The levels of community monitoring expected by international donors require literacy levels that exceed the capabilities of the local population. There is also a lack of data on whether acting as a community monitor increases individuals' security risks.
- Voluntary donations of land must be accompanied by a written confirmation that the land being donated is within 10 percent of the donor's overall land ownership.
- Compensation payments must be recorded



## 5.4 Environment and Social Management Measures to manage risks and enhance benefits

**Table 6: Environmental and Social Management Measures by Component**

Components	Sub components	Main activities to be financed by the Project	E&S management measures	Responsibility
<b>Overall Project level</b>		Components 1-5	<p>ESMF &amp; RPF</p> <p>Adequate budget provision to enable MoEC and IAs' to meet their respective responsibilities for ESMF compliance.</p> <p>Overall responsibility for safeguards allocated to the Deputy Minister within MoEc to ensure high level of support for environmental and social issues in the project.</p> <p>Dedicated male and female environmental and social staff appointed within the PMUs in MoEC, CCAP and CIP ( IDLG) and KMDP and (KM). CCAP's FPs and KM and CIP's local outreach teams are required to include female social organizers to ensure systematic outreach to women. MoFA will appoint a gender/safeguards officer within the PMU.</p> <p>Systematic Capacity Building on safeguards for safeguards staff in MoEC, Implementing Agencies, Facilitating Partners, Capacity Building for Communities and contractors.</p> <p>Development of project-wide information and communication strategy</p>	<p>MoEC, Deputy Minister, Director of EZ KAR PMU.</p> <p>Directors KM and IDLG and CIP</p>
	<p>Sub Component 1.1: Enhancement of MoFA's capacity to issue passports.</p> <p>IA.1- MOFA</p>	<p>1.Purchasing equipment</p> <p>2.Increasing numbers of temporary local staff</p> <p>3.Training MoFA staff on passport issuance and operation of related equipment</p>	<p>Efforts will be made to recruit female staff to make services more accessible to female refugees.</p> <p>Upgrade MoFA's existing GRM, which receives inquiries and complaints through emails, phone calls, and online chat systems. The status of inquiries and complaints will be logged and monitored (annex 10b, section 5.81)</p> <p>Citizen Feedback Model</p>	<p>MOFA Gender/Safeguards Officer and Component 1 Manager</p>

			(CFM)	
	<p>Sub Component 1.2: Provision of information to Afghan refugees in Pakistan</p> <p>IA- MoFA</p>	<p>Financing of information services to be provided to Afghan refugees in Pakistan to support their repatriation and reintegration in Afghanistan</p>	<p>Citizen Engagement to include: Work with MoRR to develop and disseminate information and communication strategy (annex 8b) Liaise with contracted communication and advocacy firm on dissemination of information to refugees</p>	<p>MOFA Communications Coordinator in close liaison with ESSO and counterparts in MoRR</p>
<p><b>Component 2: Short-Term Employment Opportunities</b></p>	<p>2.1 Provision of Maintenance Cash and Construction Grants (MCCG) through CDCs.</p> <p>IA – IDLG- CCAP</p>	<p>1.customisation of MCCG for urban communities 2. identification of vulnerable HHs in urban areas with high numbers of returnees/IDPs. 3.disburse grants to implement agreed public works sub projects through CDCs 5.update operations Manual to reflect details of this component</p>	<p>Citizen Engagement to include: - consultations with different community groups in settled and displaced communities especially vulnerable groups including women, people with disabilities, kuchis etc. (annex 8a) -Conducting well being Assessments -Creating awareness of/establishing and maintaining GRMs ( section 5.8.1, annex 10a) -disseminating relevant up-to-date information and receiving feedback through appropriate communication mechanisms ( annex 8b) -Supporting CFMs</p> <p>Environmental and Social screening as part of investment selection process. (annexes 1a ,1b, 2a, 2b)</p> <p>Confirmation that there are no mine-related risks as part of investment selection process. (annex 9)</p> <p>Training on dispute resolution for project staff and communities’ leaders.</p> <p>Develop and monitor mitigation and enhancement measures included in site-specific ESMPs to include a labor influx plan. (annexes 3a, 3b, 7a)</p>	<p>CCAP ‘s FPs safeguards team and ESSOs in central PMU</p> <p>ESSOs in MoEC PMU</p>

			<p>Ensure contractors are made aware of and apply/comply with their responsibilities for (i) ECOP ( annexes 5a and 5b) and Chance Find Procedures ( annexes 4a and 4b)and implement labor influx plan ( annex 11)</p> <p>Close cooperation with NEPA</p> <p>Community Institution Development</p> <p>Adherence to Afghan laws and WB policies (section 2)</p>	
	<p>2.3 . Market infrastructure: Gozar/business gozar grants. Support to Gozars and Business Gozars in project cities (except Kabul)</p> <p>IA- IDLG (CCAP)</p>	<p>Each gozar in selected cities to receive a block grant of \$ 200,000 for projects that will generate economic opportunities.</p> <p>larger scale economic investments at gozar level will be conditional on implementation of regulatory reform in 3d).</p>	<p>Citizen Engagement to include:</p> <ul style="list-style-type: none"> <li>-consultations with different stakeholder groups in settled and displaced communities especially vulnerable groups such as women, people with disabilities, kuchis etc. (annex 8a</li> <li>- creating awareness of/establishing and maintaining GRMs ( section 5.8.1., annex 10)</li> <li>-disseminating relevant up-to-date information and receiving feedback through appropriate communication mechanisms (annex 8b)</li> <li>-supporting CFMs</li> </ul> <p>Environmental and Social screening; environmental and social impact assessments (annexes 1a,1b, 2a, 2b)</p> <p>Confirmation that there are no mine-related risks as part of investment selection process. (annex 9)</p> <p>Development and monitoring of mitigation and enhancement measures included in site-specific ESMPs to include a labor influx plan. (annexes 3a, 3b, 7a)</p>	<p>CCAP facilitating partners and ESSOs in central PMU</p>

			<p>Development of abbreviated RAPs/RAPs/ (standalone RPF) CHMPs (annex 5) as required</p> <p>Ensure contractors are made aware of and comply with (i) ECOP (annex 5) (ii) Chance Find Procedures (annex 4) and implement labor influx plan.(annex 11)</p> <p>Close cooperation with NEPA</p> <p>Adherence to Afghan laws and WB policies (section 2)</p> <p>Reporting on implementation of ESMPs (annex 7b)</p>	<p>ESSOs in MoEC PMU</p>
	<p>3.2. Kabul Municipality Prioritized Investments</p> <p>IA –KM (KMDP)</p>	<p>Economic investments ( e.g.infrastructure, roadsMarkets) at Gozar level – (conditional on regulatory reform in 3d)</p>	<p>Citizen Engagement to include: -consultations with different stakeholder groups in settled and displaced communities especially vulnerable groups such as women, people with disabilities, kuchis etc. (annex 8a) - creating awareness of/establishing and maintaining GRMs (section 5.8.1, annex 11) -disseminating relevant up-to-date information and receiving feedback through appropriate communication mechanisms (annex 8b) -supporting CFMs</p> <p>Environmental and Social screening (annexes 1a &amp; 1b) Environmental and Social Impact Assessments ( Annexes 2a &amp; 2b)</p> <p>Confirmation that there are no mine-related risks as part of investment selection process. (annex 9)</p> <p>Development and monitoring of mitigation and enhancement measures included in ESMPs, (annexes 3a, 3b, 7a)</p>	<p>KMDP central ESSOs together with social and environmental team.</p> <p>ESSOs in MoEC PMU</p>

			<p>Development of abbreviated RAPs/RAPs/ (standalone RPF) CHMPs (annex 4) as required</p> <p>Ensure contractors are made aware of and comply with (i) ECOP (annex 5); (ii) Chance Find Procedures (annex 4); and implement labor influx plan (annex 11)</p> <p>Close cooperation with NEPA</p> <p>Reporting on implementation of ESMPs (Reporting on implementation of ESMPs (annex 7b)</p>	
	<p>32. Regulatory reform to support the implementation of the Municipalities Law</p> <p>IA- MoEC</p>	<p>1.development of red-carpet plan 2.issuance of necessary regulations and guidelines. 3.implementation of regulations and guidelines by municipalities</p>	<p>SESA (as required)</p>	<p>MoEC PMU/Consultants</p>
<p><b>Component 4: Prioritized Urban Investments and Regulatory Reforms in Four Provincial Capital Cities</b></p>	<p>4.1. Prioritized urban investments</p> <p>IA- IDLG</p>	<p>Support for existing priority projects (conditional on improvement in municipalities public financial management)</p>	<p>Citizen Engagement to include: -consultations with different stakeholder groups in settled and displaced communities especially vulnerable groups such as women, people with disabilities, kuchis etc.(annex 8a) - creating awareness of/establishing and maintaining GRMs (section 5.8.1, annex 10) -disseminating relevant up-to-date information and receiving feedback through appropriate communication mechanisms (annex 8b) -supporting CFMs</p> <p>Environmental and Social screening (annexes 1a &amp; 1b) Environmental and Social Impact Assessments ( Annexes 2a &amp; 2b)</p> <p>Confirmation that there are no mine-related risks as part of investment selection process. (annex 9)</p>	<p>CIP facilitating partners and ESSOs in central PMU.</p> <p>ESSOs in MoEC PMU</p>

			<p>Development of mitigation and enhancement measures included in ESMPs (annexes 3a &amp; 3b) to include a labor influx plan</p> <p>Development and monitoring of abbreviated RAPs/RAPs/(standalone RPF) CHMPs, (annex 4) as required</p> <p>Ensure contractors are made aware of and comply with (i) ECOP (annex 5) (ii) Chance Find Procedures (annex 4) and implement labor influx plan and gender based violence. (annex 11)</p> <p>Close cooperation with NEPA</p> <p>Reporting on implementation of ESMPs (annex 7b) ( Abbreviated RAPs/CHMPs/ESIAs as required)</p>	
	<p>4.2. Project Preparation and regulatory reforms</p> <p>IA- IDLG</p>	<p>Support for feasibility studies, engineering designs, construction supervision and M&amp;E</p>	<p>Citizen Engagement to include:</p> <ul style="list-style-type: none"> <li>-consultations with different stakeholder groups (annex 8a)</li> <li>-disseminating relevant up-to-date information and receiving feedback through appropriate communication mechanisms (8b)</li> </ul> <p>ESIA/RAPs ( standalone RPF) as required, SESA as required, ESMPs (annex 3)</p>	<p>ESSOs within CIP's central PMU, and Consultants</p>
<p><b>Component 5: Red carpet program and project management</b></p> <p><b>Ministry of Finance (MOF)</b></p>	<p>National level regulatory reforms includes</p>	<p>2. National Regulatory Reform</p> <p>.Project management and implementation support.</p>	<p>Sectoral and Environment and Social Assessment.</p>	<p>MoEC</p>



## 5.5. Safeguards Screening Procedures

72. Environmental and Social screening of all proposed investments will take place at appraisal stage to scope the issues for determining the level ESIA requirements.

Screening at this stage provides opportunities to establish a dialogue with local communities and other stakeholders and involve them in determining factors to be further assessed.

A review of screening findings will ensure that proposed investments which due to size, type and potential impacts fall into category 'A', do not proceed for financing under the EZ KAR project.<sup>47</sup>

Initial screening will confirm whether some issues require more detailed and rigorous examination through an Environmental and Social Impact Assessment (ESIA) which will generally be conducted in parallel with required technical studies so that ESIA findings can inform final sub project designs and plans. ESIA's will also include an assessment of a proposed investment's compliance with the GoIRA, ESMF, an evaluation of alternatives, a comprehensive environmental and social baseline and appropriate detailed mitigation, management and monitoring plans.

The implementation of regulatory reforms, envisaged under component 3c, may require Strategic Environmental and Social Assessments to be conducted to input into sectoral or regional plans prior to selection of some proposed investments in EZ KAR.

Consultations with various stakeholders, especially different community groups, will be a central plank of these assessments. (Guidelines for all screenings are included in annexes 1a -1f and generic ToR for ESIA and SESA are included as annexes 2a and 2b)

**Table 7: Overview of Screening and Assessment process and responsibilities**

Investment Appraisal Process	Steps	Corresponding Safeguards requirements	Responsibilities
Application for investment by community/IAs	Step 1: Investment Screening (Refer Annex 1a,1b, 1c) 2b)	Reject requests with activities identified in the list of non-eligible for funding	IAs through PMUs in CCAP, KMDP and CIP
Investment Appraisal	Step 2: Impact Assessment (Refer Annex 2a and 2b)	Application of environmental and social checklists;  Conduct ESIA's and SESAs (if required)  Preparation of site-specific investment ESMPs) and application of ECOP  Preparation of Abbreviated RAP or RAP (if required)  Preparation of CHMP(if required)	IAs through CCAP, KMDP and CIP safeguards teams and facilitating partners and consultants as required.
Investment Approval	Step 3: (refer Annex 3, 4) Environmental and Social Review  ESMP clearance and disclosure (RAPs/CHMPs)	Investment specific ESMPs and Citizen Engagement	IAs through PMUs in CCAP, KMDP and CIP

<sup>47</sup> The GoIRA may choose to continue with feasibility studies of category A projects with a different funding stream.

	cleared and disclosed if required)		
Investment Implementation	Step 4: ESMP implementation	Implement mitigation measures under the ESMP Training of IA staff, facilitating partners and communities in ESMP implementation	IAs through KMDP, CCAP and CIP contractors
Investment Monitoring and Reporting	Step5: (Refer Annex 7) ESMP monitoring	Monitor ESMP implementation for safeguards compliance	IA's Project supervisors, safeguards staff WB TPM

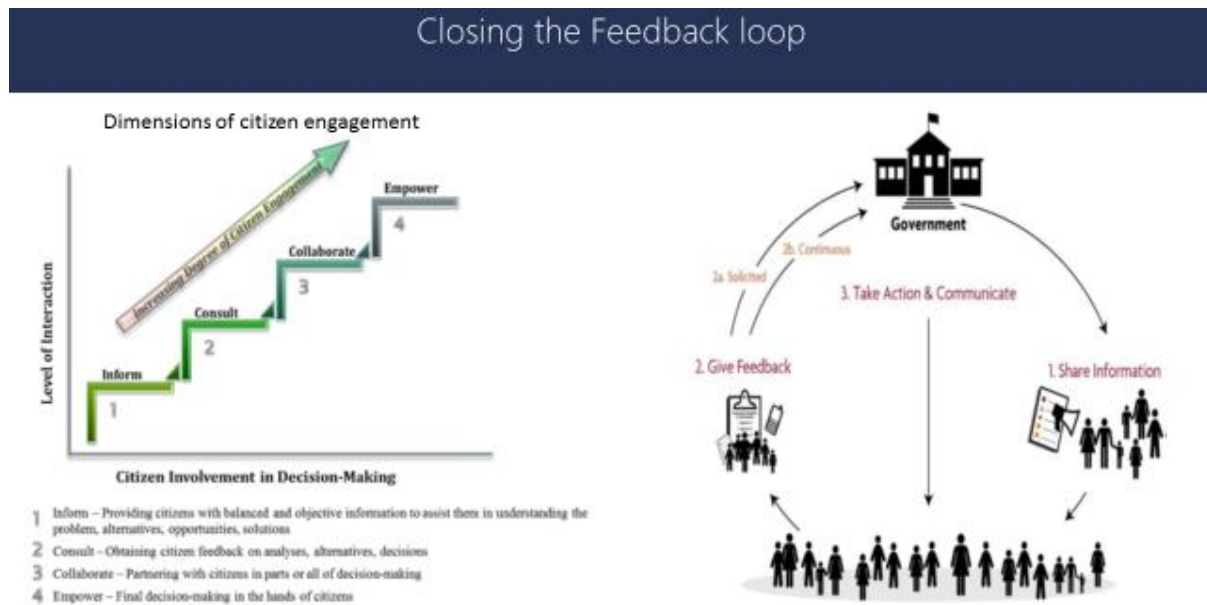
## 5.6. ESMP Development

73. The primary purpose of an ESMP is to identify relevant environmental and social mitigation, enhancement and management measures required to implement site specific investments in accordance with Afghan law and World Bank policies.
74. An ESMP is required for sub projects developed under EZ KAR components 2,3 and4. An ESMP sets out feasible and cost effective measures to a) address all identified potential negative environmental and social impacts and b) enhance the positive benefits arising from the project. The ESMP should include a brief description of: (i) potential adverse impacts of sub project activities (ii) appropriate mitigation measures to either avoid or reduce these (iii) measures to enhance potential benefits (iv) monitoring plans (v) institutional responsibilities (vi) capacity building and (vii) associated costs. The costs of mitigation and enhancement measures need to be well defined and included in the project implementation costs. The ESMP will also include a labor influx mitigation plan (annex 11) and the employee code of conduct (COC).
75. KMDP and CCAP safeguards teams and their facilitating partners are familiar with the ESMP development process and have gained experience in ensuring that the concerns of vulnerable groups are not overlooked in this process. ESMPs will be developed by CCAP's facilitating partners and by CIP and KMDP's social and environmental team through local CDCs and GAs. ESMPs will be reviewed by the senior safeguards officer within the respective PMUs and shared with the ESSOs in the MoEC PMU prior to submission to NEPA. (Annexes 3a and 3b))

## 5.7. Abbreviated RAP/RAP Development

76. An abbreviated RAP, where fewer than 200 people will be affected by a proposed project, is designed to ensure that impacts arising from land acquisition, displacement and relocation are avoided, minimized or mitigation at least to restore the livelihoods of affected people to pre-project level. In addition, the pre-feasibility studies may identify areas where there may be restrictions to natural resources and livelihoods. The abbreviated RAP, informed by policies and procedures detailed in the Resettlement Policy Framework (RPF), included as a standalone annex to this ESMF, focuses on people affected by land acquisition, asset loss, relocation and restriction of access and defines a strategy for formalizing arrangements and mitigating negative impacts. As with ESMPs, abbreviated RAPs will be developed by CCAP and CIP's facilitating partners and KMDP's social safeguards team. If required, the IAs will be responsible for recruiting additional expertise to help with the development of the Abbreviated RAP which will be reviewed by ESSOs in the central PMUs of the projects as well as by the WB safeguards team. (Annex 4b)
77. A full RAP is required when project activities displace more than 200 people from land or productive resources, and which result in the loss of shelter, the loss of assets or access to assets, and the loss of income sources or means of livelihood whether or not the affected persons must move to another location. Should a full RAP be required for any investment under the EZ KAR the responsible IA will recruit an experienced consultant to develop it (Annex 4).

## 5.8. Citizen Engagement



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78. Citizen Engagement values the right of citizens to have an informed say in the decisions that affect their lives. It is based on a two way interaction and dialogue between citizens and their Governments and emphasizes the importance of sharing of power and information and building mutual respect. Involving the different stakeholders from the beginning of a sub project development helps avert problems and costly delays and can create important support for an investment. Citizen Engagement is a prerequisite for an effective Transparency and Accountability Framework and is a central plank of the existing work of KMDP and CCAP. Key elements of citizen engagement under the EZ KAR ESMF include:

- *Stakeholder Consultations*; It is anticipated that initial stakeholder consultations during the planning of EZ KAR investments will be enhanced throughout their implementation in order to facilitate learning and feedback and smooth adjustments to those investments, if necessary. Particular emphasis will be placed on seeking the views of vulnerable groups, especially women, landless and disabled. The ESMF and RPF include detailed mechanisms for consultation and feedback which will reinforce the existing emphasis on consultations within the CCAP and KMDP. Community representatives will have an opportunity to discuss key findings from environmental and social screenings and assessments as well as appropriate mitigation measures to be included in ESMPs. Their feedback will inform final plans and design of potential investments ( annex 8a);
- *Access to Information and Communication Strategy* enables the timely provision of relevant and up-to-date information and the receipt of feedback through appropriate communication channels for different groups of stakeholders. This will build on

<sup>48</sup> 'Strategic Framework for Mainstreaming Citizen Engagement, World Bank

existing information and communication approaches in KMDP<sup>49</sup> and CCAP; (annex 8b)

- *Citizen Feedback Model (CFM)* which enables beneficiaries to provide prompt feedback on services provided may be developed as a stand-alone mechanism or included within a broader access to information and communication strategy.
- *Grievance Redress Mechanisms (GRMs)*; the establishment/maintenance of functional GRMs by IAs ( see section 5.4.1 below)
- *Third Party Monitoring (TPM)*; systematic involvement of communities in the process.

### **5.8.1. Grievance Redress Mechanism (GRM)**

79. The PMU in MoEC will monitor GRMs in all implementing agencies to ensure that they are: (i) promoting public awareness among communities and beneficiaries of the role and structure of a GRM and how to access it; (ii) establishing multiple channels and locations for submitting grievances; and (iii) ensuring proper registration of all grievances to enable tracking and review to ensure the decision made is communicated back to the complainant.

#### **GRM - Component 1.**

80. MoFA's Directorate of Consular Affairs has a GRM in place, which receives inquiries and complaints through emails, phone calls, and online chat systems. The Project will upgrade the online GRM system that enables logging of inquiries and complaints and monitoring of their resolution status. The system will also enable analysis of the trends of inquiries and grievances, including by gender. The system will come with an online feedback functionality, where the grievance registrar will be able to rate the quality of response and service. The inquiries and complaints are responded by experts pertaining to each topic, and each response is monitored by the administrator of the system. A consular guideline/manual is used to address the complaints and queries. In addition, as part of the citizen feedback mechanism, an SMS messaging system that reaches out to passport applicants on their mobile phones to collect their feedback on (a) the time required in receiving the passport; (b) the fees paid for the service; and (c) general satisfaction with the service, will be piloted.

81. Besides the GRM for passport applicants, information centres will be set-up at four MoFA missions (Islamabad, Karachi, Peshawar, Quetta) in Pakistan to receive and respond to specific questions by refugees/prospective returnees related to passport issuance, legal issues, business registration, asset transfers, transaction of assets (real estates, business investments), education certificates, protection services, among others. The Information Centres will be complemented by a helpline (call center) and a website, which will respond to similar queries. A response manual will be developed for the help-desk personnel, who will be trained with the manual. The Gender/Safeguards Officer will work closely with the communications coordinator to ensure that refugees are aware of the hotline and how to access it.

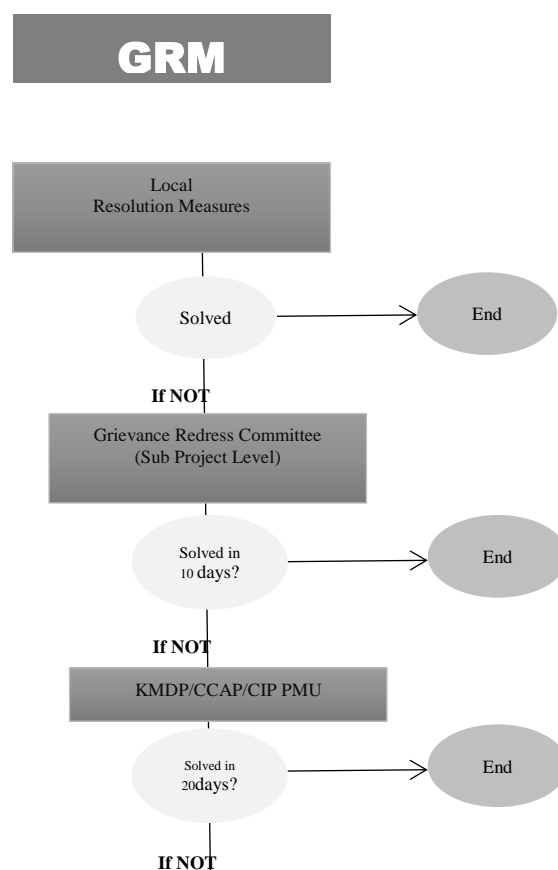
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<sup>49</sup> Between 2014 and 2016 KMDP prepared and distributed a monthly or bimonthly newsletter in 10 districts of Kabul Municipality, 10 departments of KM, upgrading department of MoUDA, and 22 different Gozars. The newsletter informed the stakeholders about KMDP development objectives, plans and progress, and invites the communities to attend community information sessions/meetings. Written comments and feedback were invited on the KMDP's performance in order to improve the output and outcome of program services.

**GRM- Components 2-4<sup>50</sup>**

- 82. Functioning GRMs have been established by KMDP and CCAP for their existing investments. In close cooperation with MoEC IDLG and KM will be responsible for ensuring that CCAP, KMDP and CIP establish effective GRMs for their respective new investments under components 2-4. Monthly reports on the functioning of the GRM in all implementing projects will be submitted to MoEC PMU. For all three projects the GRM applied to EZ KAR sub projects will be an extension of the GRM in place in the existing projects.
- 83. The PMU to be established in the MoEC will have oversight responsibility for ensuring functional multi-level GRMs to handle all grievances related to project activities in components 2and4 of the EZ KAR.
- 84. IDLG will be responsible for ensuring the establishment/maintenance of effective GRMs for sub projects implemented under components 2, 3.1, of EZ KAR through the existing PMU of CCAP and its FPs and for sub projects implemented under components 4a the project through the newly established PMU in the CIP and its safeguards team.
- 85. KM will be responsible for the establishment/maintenance of effective GRMs for subproject implemented under component 3.2 of EZ KAR through the PMU of KMDP.
- 86. In KMDP, CCAP and CIP the GRM will function at 3 levels : at community level where every effort will be made to resolve the issue; at sub project level where Grievance Redress Committee will be established and as an appeal mechanism at National Level.

**Figure 1**



<sup>50</sup> The GRM process set out in this section is similar to that included in the CCAP and KMDP ESMFs. If still unresolved, APs may refer their grievance to MoEC As a last resort the AP may refer the matter to a court of law.

87. Where an individual has a grievance with regard to a specific investment activities she or he should, in the first instance, be encouraged to make use of existing local-level structures (e.g. CDCs, *gozar* associations or other neighborhood level structures) to try to resolve quickly any concerns or grievances related to project development and implementation.
88. If intermediation at local level is unsuccessful, the individual or Affected Person (AP) can take his or her complaint to a formal Grievance Redress Committee (GRC) at sub project level which will record the grievance and try and resolve issues relating specifically to the implementation of a sub project. (Annex 10). A GRC will include the Affected Person (AP), a representative from the Facilitating Partner, a representative from municipal government, a representative from the AP's community CDC/which may be a representative from a women's CDC, a local NGO representative and the contractor.
89. The AP (or his/her representative) may submit his/her complaint in a number of ways e.g. by written letter, phone, sms messages and email to the GRC or, raise his/her voice in a public or individual meeting with project staff. A very simple grievance form in local language will also be available at each sub project site to be filled in by the complainant.
90. The GRC will meet to try and resolve the matter at community level and make a recommendation usually within 7-10 working days from receipt of complaint. If there is no decision after 10 days the AP can refer the complaint to the IDLG and KM's PIUs in Kabul. The Project Director of each PIU will chair an Appeals Committee, which will then examine and provide feedback to the AP on the outcome of her/his complaint within 20 days. It is recognized that some complaints may take longer to resolve due to their complexity. For example, those related to land disputes.
91. If the National level PMUs are unable to resolve a grievance, the AP may choose to refer the grievance to the EZ KAR project director in the MoEC, to be discussed in the steering committee of the EZ-K project. .
92. All submitted complaints and grievances will be registered at project level (annex10) and added to a database within the respective IA's PMU which will be updated regularly by designated staff. Each complaint and grievance should be ranked, analysed and monitored according to type, accessibility and degree of priority. The status of grievances submitted and grievance redress will be reported to the Project Manager of the respective IA's PIU through the monthly report. The Project Directors of PMUs in CCAP, KMDP and CIP will submit quarterly reports on GRM status to the EZ KAR project director.
93. All environmental and social staff within KMDP, CCAP and CIP assigned to EZ KAR investments will receive training on the development and effective functioning of GRMs.
94. Key indicators for monitoring the implementation of a GRM include:
- Number of grievance recorded, responded/resolved within the stipulated service standard for response time: 80%
  - beneficiaries reporting satisfaction with key aspects of consultation process (pre-feasibility and feasibility studies): 80%

- Percentage of project beneficiaries that have access to a GRM. 100%
- Percentage of grievances from women

95. The MoFC will engage a consulting firm or individual to conduct a survey to measure beneficiaries' satisfaction in relation to these CE indicators at regular intervals.

## **VI. Monitoring and Evaluation**

96. The MoEC PMU will be responsible for ensuring that a Monitoring and Evaluation system, which includes both internal monitoring and reporting and external monitoring and evaluation, is in place in KMDP, CCAP and CIP. The PMU will recruit a Monitoring and Evaluation Specialist to oversee the monitoring and coordination of all the reporting activities across the project, including environmental and social issues. S/he will seek to build on and enhance KMDP and CCAP's considerable monitoring experience date. Both projects will review and update their established systems to take account of the additional responsibilities under the EZ KAR. The CIP is adopting a similar monitoring and evaluation system to that of KMDP. The project will ensure that its M&E system takes account take account of its responsibilities under the EZKAR.

97. MoEC's monitoring and evaluation specialist, in close liaison with the ESSOs in CCAP, KMDP and CIP's PMUs, will be responsible for monitoring and reporting on the risks identified in section 4.4. of this ESMF.

### **6.1. Internal monitoring and reporting**

98. **KMDP:** Currently a team of two (one male and one female) Community Mobilizers are allocated to each sub project and are responsible for monitoring and reporting on implementation of mitigation measures in ESMPs , using indicators agreed with communities, to the senior social and safeguards specialist in the central PMU on a monthly basis. Community Mobilizers make regular observation visits to construction sites and actively monitor implementation of agreed mitigation measures assisted by Gozar members. Issues are also raised through: (a) fortnightly sub project coordination meetings attended by Community Mobilizers, their KMDP technical counterparts, Gozar representatives as well as representatives from the construction company . The Senior Social Organizer also makes regular monitoring visits to project sites.

99. **CIP:** the CIP team will adopt a similar internal monitoring and reporting system to that of KMDP with the community mobilizers in the environmental and social team allocated primary responsibility for monitoring and reporting on project activities.

100. **CCAP:** The project's Community Participatory Monitoring system has evolved through the its predecessor's (NSP) extensive experience of working with local communities. Teams of 4 non-CDC members ( 2 men and 2 women) are trained to monitor and report on key aspects of block grant utilization and sub project implementation to ensure quality and accountability. In addition the project has developed/is in the process of developing simple citizen score cards to be completed by CDCs every 6 months to report upon minimum service standards. These scorecards would then be discussed with FPs and sub project supervisor and contractor and reported back to the ESSOs in the central PMU. The scorecards may also be used to track more closely the participation of returnees/IDPs , women, people with disabilities and other vulnerable groups during EZ KAR sub projects cycle. CDCs complete the score cards every 6 months. Environmental and social monitoring information together with observations of a project's activities is reported monthly by FPs to the ESSO in the CCAP's PMU in Kabul.

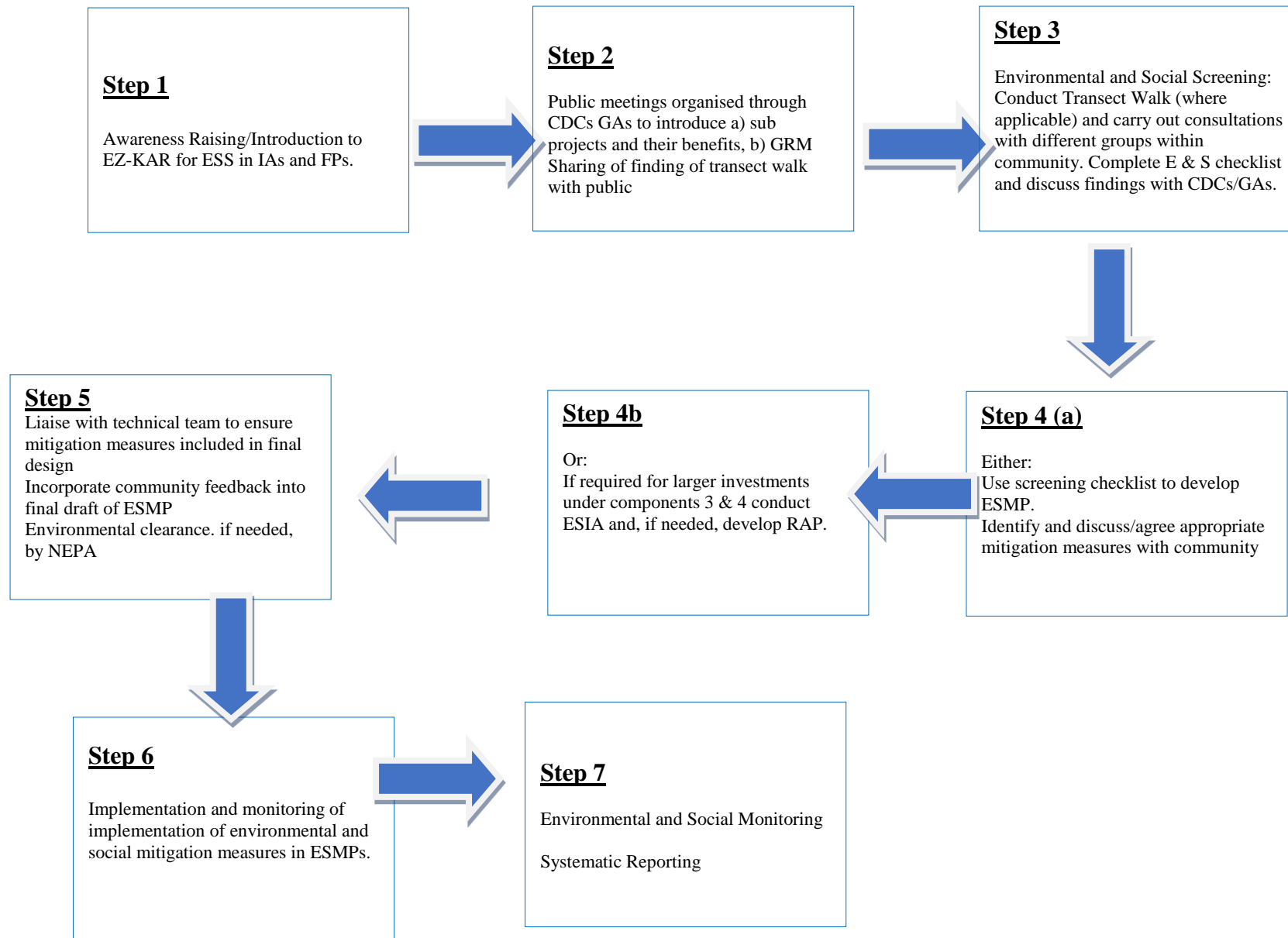
101. Environmental and Social staff in central PMUs in KMDP, CCAP and CIP will continue to receive monthly report from community mobilizers and environmental and social staff within facilitating partners.
102. Safeguards staff within the PMUs of CCAP, KMDP and CIP will prepare and share quarterly monitoring reports on their respective EZ KAR investments with MoEC's M&E specialist and the ESSOs within MoEC's PMU.
103. MoEC's M&E officer will prepare a quarterly EZ KAR safeguards report consolidating those received from the three projects and will submit to WB and NEPA.
104. Relevant practical indicators to enable effective monitoring will be identified by safeguards staff in close liaison with community representatives during consultations on possible impacts of sub project activities during project preparation and included in ESMPs. Representative indicators are included in the generic ESMP included as annex 3b.

### ***External Monitoring***

105. An independent third party monitor (TPM) will be appointed to assess implementing agencies' performance including compliance with ESMF. A TPM will produce quarterly reports on selected investments to be implemented under components 2,3 and 4 and will assess safeguards compliance using indicators included in site specific ESMPs (and RAPs/ if prepared.) The TPM will provide critical data and a level of additional evidence from the field to complement the projects' monitoring systems. The TPM will share with this with the PMUs in MoEC, CCAP, KMDP and CIP. Safeguards staff from the MoEC and the Implementing Agencies will meet the ThirdParty Monitor to review safeguards findings and recommendations contained in the quarterly report. The TPM's reports will be informed by field observation visits and, crucially, discussions with community representatives and various members of the IA and FP's project team, including project supervisors. The role of the Third Party Monitor is increasingly important as security considerations make it difficult for World Bank staff to visit most sub projects.



**VII: ESMF Process Flowchart at subproject level for components 2-4:**



## VII ESMF IMPLEMENTATION ARRANGEMENTS

### 8.1 Institutional Responsibilities

106. The Ministry of Economy is the lead Ministry for EZ KAR. The Ministry of Economy (MoEC), as lead Ministry responsible for interagency coordination, oversight and management, has overall responsibility for ensuring the project's safeguards compliance. MoEC will also be responsible for coordinating the regulatory reform under component 3c. The project will be executed by 3 Implementing Agencies. Component 1 will be implemented by the Ministry of Foreign Affairs (MoFA); Components 2 and 3.1 will be implemented by the IDLG through the existing CCAP and newly contracted Facilitating Partners; Component 3.2 will be implemented by the Kabul Municipality (KM) through the Kabul Municipality Development Program (KMDP); Component 4 will be implemented by IDLG through the City Investment Program (CIP) and its Facilitating Partners (FPs).
107. Two safeguards staff – one male whose responsibilities will include social development and environment and one female whose focus will be social development and gender- will be included within the Project Management Unit (PMU) to be established within the MoEC. They will liaise closely with the ESSO(s) and safeguards teams within the Implementing Agencies (MoFA, IDLG and KM) as well as the safeguards staff within PMUs in CCAP, KMPD and CIP to ensure that all investments funded under EZKAR comply with the GoIRA and World Bank's relevant legal regulatory and policy framework. ESSOs in MoEC and IAs will be responsible for reviewing environmental and social assessments and overseeing compliance with ESMF provisions during preparation, implementation, monitoring and evaluation of EZ KAR sub projects. They will support designated safeguards staff within CCAP, CIP and KMDP and their Facilitating Partners to carry out their responsibilities which will include conducting community-level environmental and social screening, enabling consultations with stakeholders on all aspects of an investment as well as the development and monitoring the implementation of ESMPs. Specific responsibilities of MoEC and Implementation Agencies' safeguards staff and Facilitating Partners at Municipal and local level are included as Annex 12.

### 8.2. Capacity Building

108. The overall objective is to build and strengthen the institutional capacity of:
- MoEc to provide support to the PMU in MoFA and the PMUs in the IAs' projects (CCAP, KMDP and CIP)) and their facilitating partners.
  - Existing PMUs within the CCAP and KMDP and a new core PMU within CIP and their facilitating partners to apply effectively ESMF guidelines to the preparation, management and monitoring of EZ KAR investments.

#### *Approach to capacity development*

109. Capacity building should be viewed as human resource development and includes the process of equipping individuals with the understanding, skills, and knowledge that enables them to carry out their responsibilities effectively. Capacity building will mostly be in the form of workshops, seminars and on the job training. The first step will be to identify the capacity gaps within each agency. MoEC in close liaison with IAs may recruit a capacity building specialist to conduct a skills analysis and prepare a safeguards capacity building plan.

110. A cascade approach to capacity development will be employed across the project. PMUs in MoEc, MoFA, CCAP, KMDP and CIP will priorities strengthening/ building the capacity of their designated safeguards staff to carry out the requirements of this ESMF. They in turn will work to build the capacity of safeguards staff within their facilitating partners and safeguards teams to increase awareness, knowledge of environmental and social issues and enhance their confidence to develop, implement and monitor safeguards tools.

**Table 8: Key Trainings/ Awareness Raising on safeguards**

	Project Coordinator	Implementing Agencies and Projects			Local Communities	Contractors
	MoEC	MoFA	IDLG: CCAP, &FPs; CIP	KM: KMDP		
ESMF and RPF in EZ KAR	A	A	A	A	A	A
Policy and Regulatory Environment – GoIRA and WB	A	A	A	A		
Use, application, of ESMF, RPF tools set out in annexes (Screening checklists, ESIA, limited environmental and social assessments ,RPF, (RAP), SESA	T	T	T	T	A	A
Development, implementation and monitoring of ESMPs including Labor Influx plans	T	T	T	T	T	A/T
Environmental safeguards to include: - Transect Walk - Environmental Codes of Practice (ECOP) - Occupational Health and Safety	T		T	T	T	T
Social Safeguards to include: Stakeholder Identification Citizen Engagement Processes: - Conducting consultations with and providing feedback to local communities and other stakeholder groups _ developing and maintaining functional GRMs -developing relevant citizen feedback mechanisms Land Acquisition/Land Management – role of ARAZI Gender Conflict management	T	T	T	T	A/T	A
Collecting baseline information and conducting environmental and social scoping/assessments	T		T	T	A	
Identification of environmental and social Impacts – determining negative and positive impacts of investment projects	T		T	T	T	A

key elements of Transparency and Accountability Framework Reporting	T	T	T	T	A	A
Participatory Monitoring	T	T	T	T	T	

\* T=Training, A=Awareness Building

### Estimated ESMF budget

No.	Activities	Cost (us\$)
1	Capacity Building/Trainings for MoEC and IAs'safeguards staff and facilitating partners and related government agencies (e.g. NEPA) on ESMFsafeguards instruments and tools at national and regional levels.	30,000
2	Awareness raising/ trainings for community and local govt representatives on ESMFand related issues	Internalized in FP contract costs
3	Support to preparation of project Access to Information and Communication Strategy	Internalized in TAF costs
4	Preparation of Environmental & Social Safeguards Training Manual and Operational Manual	20,000
5	Translation of ESMF documentation	10,000
6	Production and Publication of Safeguards information materials	10,000
	<b>Total</b>	<b>70,000</b>

111. Trainings will take into consideration during their development, the integration and fulfilment of the requirements of the GoIRA and the World Bank's legal, regulatory and policies related to social and environmental policies. Where institutional capacity is currently inadequate, the project will ensure qualified support for this through hiring of appropriately qualified staff to provide necessary expertise.

112. *Local communities and local authorities:* Safeguard staff from implementing agencies and facilitating partners will work through Community Development Councils (CDCs) and Gozar Associations (GAs) to organize practical training to build the knowledge and awareness of local host and returnee communities, including women, landless and disabled, on social and environmental issues related to proposed project activities. Training will also be provided to build the skills of local people to participate actively in identifying appropriate mitigation measures to avoid or reduce potential negative impacts of sub project activities as well as participatory monitoring

113. *Contractors and supervision consultants* as part of best practice, and in order to comply with international standards for Occupational, Health and Safety (OHS), will be provided with awareness raising and environmental and OHS training on site. Contractual bidding documents will also indicate a requirement for ESMF compliance.

### IX: CORE ELEMENTS OF AN ESMF BUDGET

The total cost of ESMF implementation cannot be estimated because the number of investment sub projects to be funded under component 2-4 is unknown. The table below indicates key safeguards activities that require a costed budget. The ESMF assumes that the costs of preparing and implementing ESMPs, RAPs and CHMPs and conducting ESIA and SESAs would be included in relevant EZ KAR investment budgets.

**Table 9: Core elements of an ESMF budget**

<b>No.</b>	<b>Activities</b>	<b>Cost (us\$)</b>
1	Capacity Building/Trainings for MoEC and IAs'safeguards staff and facilitating partners and related government agencies (e.g. NEPA) on ESMFsafeguards instruments and tools at national and regional levels.	30,000
2	Awareness raising/ trainings for community and local govt representatives on ESMF and related issues	Internalized in FP contract costs
3	Support to preparation of project Access to Information and Communication Strategy	Internalized in TAF costs
4	Preparation of Environmental & Social Safeguards Training Manual and Operational Manual	20,000
5	Translation of ESMF documentation	10,000
6	Production and Publication of Safeguards information materials	10,000
	<b>Total</b>	<b>70,000</b>

## **X. Disclosure**

This Environmental and Social Management Framework (ESMF) was developed by the MoEC and disclosed in country on the website of MoEC and implementing partners, on October 29, 2018. This document will also be disclosed at the World Bank's External site on October 29, 2018.