



Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 04/04/2019 | Report No: ESRSC00308



BASIC INFORMATION

A. Basic Project Data

| | | | |
|---------------------------------|--|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Afghanistan | SOUTH ASIA | P170179 | |
| Project Name | Afghanistan Extractive Sector Development Project (AESD) | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| «PRACTICEAREA» | Investment Project Financing | | |
| Borrower(s) | Implementing Agency(ies) | | |
| Islamic Republic of Afghanistan | Ministry of Mines and Petroleum | | |

Proposed Development Objective(s)

To support the Government of Afghanistan to create the conditions to attract investment in the energy and extractive sectors and to manage and monitor those investments, by building institutional capacity and strengthening its gas infrastructure

| Financing (in USD Million) | Amount |
|----------------------------|--------------|
| Total Project Cost | 65.00 |

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed AESD is a third generation technical assistance project in the extractives sector, and will continue to provide support to the Government of the Islamic Republic of Afghanistan (GoIRA) for advisory services and capacity building, focusing strengthening administrative capacities and developing investment opportunities on the mining and gas sectors. The project will be organized around four components, including Component 1) Supporting Mining Transactions; Component 2) Sustaining Gas Supply; Component 3) Strengthening Policy and Regulatory Institutions; and Component 4) Project Management, Monitoring and Evaluation.

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D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project covers hydrocarbon-rich basins in Northern and Western Afghanistan, in addition to the Mohammed Aga District in Logar Province (the site of Aynak mine). The regions that have the potential extractive projects in the future, have mostly lost their vegetative cover and are prone to soil erosion, degradation and desertification. They suffer from lack of water resources and are mostly overgrazed and non-irrigated hilly and rangeland areas. If improperly managed, extractive activities could potentially exacerbate the degradational trend and put further pressure on water resources. Agriculture and natural resources, livestock, trading, small and family businesses especially in urban as well as in some rural areas are the main sources of people's livelihoods.

D. 2. Borrower's Institutional Capacity

MoMP has the overall responsibility for the administration of the extractive sector, providing policy / laws / regulations, monitoring for regulatory and contractual compliance, and ensuring sector performance is guided by good international industry practice in Afghanistan. The MoMP has lead responsibility to create a predictable, transparent and non-discretionary investment climate for commercial and/or private sector investors to undertake resource development. NEPA is the mandated regulatory agency looking after E and to some extent S issues in all investment projects in the country involving the extractive sector. The MoIC has responsibility for managing the intersection between physical cultural resource protection and mineral resource development. Overall, the Government's capacity for managing E&S issues is weak, awareness among government staff in E&S issues is limited and enforcement of relevant laws and regulations is weak. The Bank has been supporting MoMP and NEPA to strengthen the country's environmental regulatory system and build the necessary capacity to implement it through the early generations of mining TA programs. These programs helped MoMP and NEPA prepare the Strategic Environmental and Social Assessment (SESA) and the Environmental and ESMF for the extractive industry sector in Afghanistan, as well as develop several key E & S safeguard policies and regulations, e.g. the new ESIA regulation, which was enacted in 2017. At the same time, MoMP has implemented some capacity building efforts to deal with safeguards issues. The safeguards unit in the ministry had been trained by the World Bank teams at the time the SESA studies and several other safeguard instruments were prepared and carried out. Retained technical and professional capacity at MoMP has varied over the past decade, a function of varying commitment within the ministry to be guided by good practices on environmental and social performance. From 2009 – 2014, MoMP had established an E & S Unit that was properly staffed and resourced, allowing the Bank to work on strengthening institutional roles, professional capacities and implementation of key safeguard instruments. However, with a change of leadership (2014) followed by more successive administration changes, there was diminished attention to E & S protection good practices, and the E&S Unit was significantly degraded. Key safeguard staff departed MoMP assignments, and consultancies procured under Bank-supported TA were met by rotating government counterparts having little commitment to these issues. Implementation of frameworks and plans slowed within processes that began to drag on for months. The in-country capacity for E&S issues management remains weak, particularly in view of the complex and challenging country conditions. In particular, the Ministry has degraded in terms of E&S Protection capacity, and ownership of maintaining the E&S unit was lost. Currently, there is no functioning E&S Protection unit, and there must be a hard commitment by the MoMP to re-establish and staff this unit and ensure its proper maintenance throughout the life of the project. Within the project implementation team of the on-going TA (Project Preparation Grant), there is a lack of experienced and qualified staff to support the ministry in handling E&S considerations associated with the project. Capacity building remains a key challenge in managing E&S issues in the extractive sector in Afghanistan. At the implementation level, a dedicated E&S Unit within MoMP will be staffed by qualified E&S Experts to oversee the implementation of the ESCP of the project and monitor the chain of responsibility for E&S risk management within



the project. In the medium term, this unit is expected to play a role in integrating E&S aspects in the ministry’s performance. The structure and terms of reference of such a unit will be further explored during preparation.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

High

Environmental Risk Rating

High

Environmental Risk Rating

The proposed Environmental Risk Rating is “High” for AESD at this stage.

Whereas the TA part of the project by itself will not have potential environmental impacts, whenever and wherever the future extractive activities are implemented, such as the new investment component of supporting the construction of a pipeline from Sheberghan to Mazar and a gas processing facility, there could potentially be significant and widespread adverse environmental, Occupational Health and Safety impacts and risks. Therefore, the project’s overall Risk Rating is High. ‘

The following are some of the detailed reasons for the high-risk rating :

- o The new Sheberghan to Mazar planned gas pipeline and a gas processing facility component that will require undertaking a full Environmental and Social Impact Assessment (ESIA) study and the preparation of a site-specific ESMP and an Occupational Health and Safety Plan (OHS) taking into consideration the local community safety concerns (during implementation and operation) would all be a challenge in any extractive sector project in Afghanistan. This is because, so far, the Ministry does not have a good record in managing ESIA studies and implementation of Environmental, Health and Safety issues in mining projects e.g., at Mes Aynak and in the rest of the country.
- o While the World Bank project does not support to mining activities (rather technical assistance to the government to manage the sector) such operations, can include open pit or underground mining, excavations and earth moving works which if managed improperly can damage natural landscapes vegetative cover, and top soil and pollute groundwater and surface water, soil and air, create a lot of waste, use chemicals and possible tailing dams containing hazardous materials that could potentially contaminate groundwater used for drinking and pose great hazards to health and safety of laborers and neighboring communities.
- o For example, projects like Mes Aynak, when operationalized, could have potential adverse irreversible impacts on the groundwater quality of Logar River Aquifer which supplies many parts of Kabul City with drinking water. Also, if not mitigated and managed properly, extractive sector projects could have major potential impacts on the local biodiversity, wildlife and natural habitats.
- o In addition, the Occupational Health and Safety (OHS) Management Regulation and its implementation as well as an awareness and culture of OHS in general are very weak among the government, the private sector and the productive and industrial sectors. Tens of laborers have been killed in different government-sponsored and private mining projects, e.g. in Samangan or in Badakhshan, and others have been maimed because of the weakness of the Regulation and the lack of enforcement.
- o Other risks in mining laborer camps include the transmission of communicable diseases (e.g. HIV/AIDS); the lack hygiene and sanitation; the spread of microbial contamination; and poisoning due to exposure to chemicals and other hazardous wastes.
- o Some mining activities involve the use of heavy machinery and transportation vehicles; cause the influx of laborers, traffic accidents and related road safety issues; and deteriorate the local air quality.

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- o Mining activities require water and energy, create surplus waste materials, and use chemicals and thus, if they are not properly and efficiently managed, they would contaminate fresh water resources and waste scarce energy resources.

Social Risk Rating

High

The proposed Social Risk Rating is “High” for AESD at this stage. Key factors considered are the following:

- o There are complex land acquisition issues related to Mes Aynak resettlement, a legacy activity from the previous SDNRP II project. Implementation of the Mes Aynak RAP (land acquisition of 7 villages, affecting around 312 families who need to be moved) has experienced significant delays resulting from a lack of leadership and inadequate attention to this matter on the part of the counterpart agency. The new activities are also expected to involve land acquisition impacts associated with Component 2. This component will support construction of the new gas pipeline from Sheberghan to Mazar-e-Sharif and installation of a new gas processing facility.
- o Cultural Heritage impacts are also expected to occur, as the project covers the Mes Aynak archaeological site, for which the Government, with technical inputs from UNESCO, has already prepared a Cultural Heritage Management Plan (CHMP).
- o Labor influx risk, labor management issues and Gender-Based Violence (GBV) risks are also expected to happen, as some of the mining sites to be supported under Component 1 are likely to involve a large number of laborers from outside the project impact areas.

In addition, weak capacity of the implementing agency to manage social issues remains a key challenge. In particular, the lengthy process for land acquisition and compensation to the project-affected families is a key concern among local communities. Apart from this, this Project has a high profile and has the potential to garner considerable media attention. Some of the sites are in conflict zones which are under insurgents’ influence.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Overview of the relevance of the Standard for the Project: ESS1 is applicable to the entire project where social environmental impacts are expected. Specifically, Project Components 1 and 2 will provide direct financing support the construction of gas infrastructure and technical assistance in targeted transactions of mining or gas related investments in the near and mid-term. Construction of gas infrastructure will have various social and environmental impacts and risks. Earlier sector experiences and initial screening in the project areas indicate that these investments will require acquisition of land acquisition, trees and structures. The scale of such impacts is expected to be relatively limited given the sparse population density. However, managing these issues could be challenging due to disputed titles and weak capacity of relevant government agencies to manage the process. These investments could also have potential impacts on the natural landscape, land vegetative cover, wildlife and biodiversity. These impacts will be identified, assessed, and required mitigation interventions will be developed as part of the investment preparation. Required safeguard instruments will be prepared such as an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP) for the gas pipeline and a separate ESMP for the gas processing facility, a Resettlement Policy Framework (RPF) and Resettlement Action Plans (RAPs). Their development will follow

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the requirements of ESF and will be scheduled along the investment design process. Also, the project construction and operation would need a functional Occupational Health and Safety System (OHSS) at the project construction sites as well as in the labor camps. The government needs to assess and identify the gaps with the ESF and propose measures to fill the gaps in the country regulatory system related to the health and safety of laborers and communities. In preparing the OHSS, the Ministry through qualified consultants would use the WBG EHS Guidelines, both general and sector specific ones that apply, i.e. the General EHS, the EHSs for Construction Material Extraction, Mining, Onshore Oil and Gas Development and Gas Distribution Systems and potentially others depending on the future activities. Capacity building in the application of the ESF and EHSs is essential; [WBG EHS Guidelines are available on the internet at the following web address:

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines] The proposed project would also support various TA components. Some of the TA supported activities will vary depending on the nature and needs of the scheme designs. The component-specific TA operation itself will have no direct social and environmental impacts, but the potential downstream investments or commercial operation of these investments in the future could have significant environmental and social impacts, as well as health and safety risks. The ESF will apply to the TA components, and where relevant to its future downstream investments and investment operations. For this purpose, the project will first of all ensure that all the advisory support provided under the project will be consistent with ESF requirements, and second develop necessary environmental and social instruments under the project, such as an Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and make sure these environmental and social requirements are incorporated in the Bidding Documents, contract documents for Contractors and Supervising Engineers and adequately implemented in the downstream investments. The country has weak capacity on safeguards management, and as such strengthening the project team and relevant ministries, particularly on E&S and OHS management, will be a key priority. Apart from the Sheberghan-Mazer Gas Pipeline and the gas processing facility, the nature, type and physical locations of the mining sites to be supported under Components 1 and 2 are not known, and a framework approach will be adopted. Prior to appraisal, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) will be prepared and disclosed in-country and on the World Bank website. The ESMF and a stand-alone RPF will be prepared and subject to the review and no-objection of the Bank. Site specific ESAs, ESMPs and Resettlement Action Plans (RAPs) will be prepared during implementation, on the basis of the specificity of the activities and proposed designs. For preparation of ESAs and ESMPs, the World Bank ESF, EHSs and relevant national laws and regulations will apply. The Environmental and Social Commitment Plan (ESCP) will be prepared and disclosed before appraisal and will be updated as needed during project implementation. For the Sheberghan-Mazer Gas Pipeline and Amine Plant (gas processing facility), an ESIA including an ESMP for the gas pipeline, an ESMP for the Amine Plant and a Resettlement Action Plan (RAP) will be prepared and disclosed before project appraisal. A project grievance redress mechanism (GRM) will also be designed and set up for the communities and general public in addition to the GRM to be set up specifically for project workers as required under ESS2. The client will prepare comprehensive Terms of Reference (ToRs) for the preparation of ESAs, ESMPs, RAPs and other required plans. These will be subject to review and approval by the government and only the relevant ones will be approved by the World Bank for any specific site where the Bank is providing support (i.e. transaction advice). The ESIA will screen and identify disadvantaged and vulnerable communities and individuals, assess their vulnerability, and propose interventions in the project to ensure not only that they are not impacted disproportionately, but also that they can share in project benefits. These measures will be reflected in various ESS instruments. The draft ESMF, RPF for the AESD Project plus ToRs for the ESIA's and RAP(s) will be subject to meaningful and participatory stakeholder consultations both in Kabul and in the affected areas of the project. These



documents will be disclosed to all stakeholders in relevant project-specific sites in the country, in formats and languages understandable by the local population. It will also be disclosed on the WB external website prior to appraisal. As the borrower has limited capacity, all activities to be supported under the AESD will be subject to prior review and approval by the Bank until it is established that adequate capacity exists within the Government.

Areas where reliance on the Borrower’s E&S Framework may be considered:

The AESD is rated as a high risk project. Key factors considered include high project E&S and OHS risks, low regulatory and institutional capacity, and low technical capacity. The project will comply with the Bank’s new Environmental and Social Framework and its Environmental and Social Standards. The Government has issued the Land Acquisition Law 2018 and Law on managing Land Affairs 2018. As part of the project preparation, the provisions of these laws will be assessed in relation to ESS 5 requirements and additional measures will be proposed where required. The Project, however, is also subject to the national and local permits and clearances as per the existing legal-institutional framework. The exact requirements to obtain such permits and clearances will be recorded in the ESCP.

ESS10 Stakeholder Engagement and Information Disclosure

As set out in ESS10, the client will conduct stakeholder analysis and identify different stakeholders under the project, i.e. project-affected parties and other interested parties, including vulnerable and disadvantaged groups. The project will assess the project impacts and stakeholder interests. The client will engage with, and provide sufficient information to, stakeholders throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project. The client will disclose documentation, as agreed with the Bank, relating to the environmental and social risks and impacts of the project prior to project appraisal. The documentation will address, in an adequate manner, the key risks and impacts of the project, and will provide sufficient detail to inform stakeholder engagement and Bank decision making. The Borrower will provide to the Bank and disclose final or updated documentation as specified in the ESCP. If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the client will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The client will disclose an updated ESCP, and will identify the tools, guidelines and safeguards instruments to be used to manage and mitigate the impacts and risks. Apart from this, the ministry will prepare a Stakeholder Engagement Plan (SEP) for AESD. The Project includes a sub-component related specifically to stakeholder engagement, which can be used to finance activities for these specific purposes and to build longer-term sustained capacity within the relevant organizations to engage with stakeholders on extractives related issues, even after the close of the project. The stakeholder analysis and mapping carried out during project preparation will form the basis for the development of the SEP. The SEP will ultimately be disclosed in-country on the MoMP website and in other relevant places. Given this is a high-risk project in terms of safeguards, the client will organize adequate expert support, including independent expert if necessary to ensure adequate and expert assistance in the stakeholder identification and analysis process, to support the design of an inclusive engagement process. . The client should ensure that there is no prejudice or discrimination toward project-affected individuals or communities. Particular consideration will be given to the disadvantaged or vulnerable, especially where adverse impacts may arise, or development benefits are to be shared.

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B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.



ESS2 Labor and Working Conditions

The ESMF and the site-specific studies, i.e. ESIA will include a review of relevant Afghan workplace and labor legislation/policies and as well as the MoMP policies and procedures. Based on the assessment and recommendations of the ESIA and the relevant requirements of both Afghanistan laws and World Bank ESS2, the borrower will prepare and propose specific requirements and interventions for management of labor, labor influx and Gender Based Violence (GBV) issues, and these will be documented in a Labor Management Procedure to be included in the ESMP, as well as a Code of Conduct to be signed by all workers prior to starting work. The ESMP will include appropriate recommendations consistent with Afghan standards and World Bank ESS2. The ESMP will also include a grievance redress mechanism for workers to raise workplace concerns. The contractor and other parties to be supported under TA activities will inform the workers of the grievance mechanism at the time of recruitment and make it easily acceptable to them. Extractive industry activities have various types of health and safety risks and impacts during their implementation and operation; as well as the safety issues related to tailing dams. In addition, the occupational health and safety management regulation and its implementation capacity as well as the safety culture in the relevant authorities and in the private sector as well as in the whole country is very weak and thus these activities will have high potential occupational health and safety risks. These risks should be managed properly by preparing the right OHSS, training the relevant staff, labor and developing the right regulation and judicially implementing it. The relevant clauses related to occupational health and safety concerns should be part of bidding and contract documents. For preparation of the OHSS the WBG EHS Guidelines, both General and Sector (see above) should be used. These ESHGs are available on the internet under the following web address: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines.

ESS3 Resource Efficiency and Pollution Prevention and Management

Water and electricity is scarce in many parts of Afghanistan. The extractive sector, and more specifically mining (e.g. Mes Aynak mining activities) require important volumes of water and could further deplete and contaminate surface and ground water. Moreover, the extraction activities may require significant energy and hence competing with other users of energy. . The activities will create surplus waste materials and use chemicals that could contaminate precious resources, e.g., fresh water and damage natural landscapes, land vegetative cover, top soil and pollute groundwater and surface water, soil and air, with potential for GHG emissions. The site specific ESMPs should provide specific pollution prevention and control measures. The ESIA for each mining, oil or gas project will also prepare a detailed water balance analysis and measure to maximize water efficiency, as well as their implementation mechanisms.

ESS4 Community Health and Safety

The ESS4 is applicable as the Project activities are expected to pose potential health and safety risks and impacts to local communities. Extractive industry projects use heavy machinery and transportation vehicles, thus prone to traffic accidents and other road safety issues. Due consideration should be to the safe construction and maintenance of future tailing dams, which could be part of the new mining concessions. The likely influx of labor with the mining project could also expose local communities to public health risks and communicable diseases, such as HIV/AIDS. These projects and the possible chemicals could also pollute the drinking water sources of the relevant communities and can pollute the air the communities inhale. For the activities associated with the construction of the Sheberghan-Mazar pipeline and gas processing facility, the client will conduct ESIA to evaluate the risk and impact of the project



on the health and safety of the affected communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable. The client will identify risks and impacts and propose mitigation measures in accordance with the mitigation hierarchy. These measures will be broadly announced and disclosed among local stakeholders, particularly local communities, to raise their awareness. Emergency Response Plans will need to be prepared and the potentially affected communities will need to be made aware of them, including the risks associated with the new gas-pipe-line from Sheberghan to Mazar-e-Sharif, amine plant and as well as other sites to be supported under Component 1 - Supporting Mining Transactions and Component 2 – Sustaining Gas Supply. The client should engage an experienced expert to develop a robust safety awareness program which will be implemented during construction period in the villages along the gas pipeline route. The project planning and implementation will require deployment of security personnel for the protection of project workers and equipment. The risks associated with the use of security personnel will be assessed and necessary prevention and mitigation mechanisms and measures will be planned and put in place under the project.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The ESS 5 is applicable because the proposed activities under Component 2 – Sustaining Gas Supply may result in land acquisition and resettlement impacts. This component will support construction of the new gas pipeline from Sheberghan to Mazar-e-Sharif and installation of an amine plant. This pipeline has been under construction since 2015 and is partially completed. The project will screen the impacts and prepare a resettlement action plan for this pipeline. The resettlement planning efforts will review retroactively the practice of the already excavated sections of the gas pipeline, including impacts already happened and people already affected, policies followed and their implementation. These efforts will assess the adequacy, determine any gaps and develop necessary measures to bring the resettlement practice into compliance with World Bank ESF ESS5 requirements. The project will carry out the normal resettlement planning process for the remaining sections of the pipeline that are yet to start. These efforts will produce one combined resettlement action plan for the gas pipeline. The updating of the ESMF a stand-alone RPF from the previous SDNRP II project are being carried out which will be subject to review and clearance by the Bank. These documents will be disclosed in-country in the relevant places and on the Bank’s website prior to appraisal. The activities for construction of the Sheberghan-to-Mazar-e-Sharif gas pipeline are expected to require temporary use of private lands or structures. The updated RPF should include detailed mechanism to be followed for temporary land acquisition. There should also be the land entry and exit protocols developed in consultation and agreement with local communities. In addition to mitigating possible impacts of land acquisition and resettlement, the ESMF and RPF will also provide guidance on developing necessary measures to respond to community requests and needs along the gas pipelines. These will be assessed and identified during the planning and design of the gas pipeline process. The ministry, in consultation with local communities living along gas-pipeline, should design community development schemes. This program will help to build strong relationship with local communities and support for the project. In case of Transaction Advisory services, it is important to note that the updated RPF should include how the land acquisition and resettlement readiness should be factored during different stages of transaction advisory services should be developed. The proposed project will also assume responsibility to complete implementation of Aynak’s Resettlement Action Plan (RAP). This is a legacy issue from the previous SDNRP II project associated with the Mes Aynak resettlement site. The Mes Aynak RAP involves land acquisition from seven villages, affecting around 312 families who need to be moved). The RAP implementation experiences various technical and institutional challenges, leading to its delay. The original RAP (2012) for Mes Aynak site has been updated and the new RAP (“Supplementary RAP”, or “S-RAP”) is awaiting the Bank approval. The key reasons for preparation of the S-



RAP were some key differences between the entitlements under the RAP and the Cabinet approvals for legal and non-legal title holders and resident and absentee PAFs. There were also differences in the number of PAFs. The approved RAP (2012) did not cover all potential project affected villages, concentrating on those impacted by the mine area.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Extractive industry activities may lead to earth moving, excavation, transportation of materials, labors, machinery and etc. and thus might cause soil erosion, downstream sedimentation, and could damage land vegetative cover, wild life, forests, natural habitats, terrestrial and aquatic life. Right now, the exact location of future projects is not known, but whenever those projects associated with Bank support are implemented, then project site specific ESAs/ ESMPs which ensure that natural critical habitats and protected areas are outside of the project area of intervention or influence, or properly managed in a way consistent with the ESF and with national regulations. The ESMF will include stringent procedures to ascertain each mining/oil/gas project will not be located within natural critical habitats and protected areas. Significant conversion of natural habitat needs to be compensated.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This is not relevant as no groups that meet the definition of indigenous peoples in ESS7 have been identified in the project area.

ESS8 Cultural Heritage

The ESS 8 is applicable because the activities under Component (1b) will support archeological preservation at the Mes Aynak Site. Building on the achievements of SDNRP2 and the Project Preparation Grant (PPG) this component will sustain support to integrating the protection of physical cultural resources into ongoing resource development, particularly related to the Mes Aynak Archeological Project. Specific activities supported through this subcomponent include: (i) continued assistance to the MoMP and MoIC on the preservation and management of PCR associated with the Mes Aynak Archeological Site; (ii) support on the implementation of the Cultural Heritage Management Plan (CHMP) and associated Environmental and Social Management Plan (ESMP) for archeological preservation at Aynak, capacity building at the MoIC; and (iii) preparation of a plan and its implementation for downstream PCR conversation, archive management, education and presentation of cultural artifacts from Mes Aynak. The Government of Afghanistan with technical inputs from UNESCO has already prepared a Cultural Heritage Management Plan (CHMP) and a site-specific Environmental and Social Management Plan (ESMP) for Mes Aynak archeological site. These safeguards documents require to be updated to comply with the ESS8 requirements. Also, the CHMP & ESMP for archeological site will be subject to meaningful and participatory stakeholder consultations. It is also important to highlight that the government of Afghanistan has an integrated approach that supports the coexistence of mining and physical cultural resources. A 2017 MOU between the Ministry of Information and Culture (MoIC) and MoMP includes archeological measures that range from salvage archaeology of smaller physical cultural resources to in situ preservation of larger physical cultural resources – all of which is elaborated in a Cultural Heritage Management Plan (CHMP). Design and adoption of this integrated approach marks a major milestone, and once agreed by all parties, could lead to extensive changes to the Cultural Heritage Management Plan. The updated ESMF



for AESD will also include guidelines for Chance Find Procedures according to national law. Also, all Contractor contracts will include a Chance Find Procedure.

ESS9 Financial Intermediaries

Not applicable

B.3 Other Relevant Project Risks

The security and political risks as well as some of the proposed sites are under insurgents influence, which make the risk to be considered.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

No, as no other financing partners are considered at this point of time.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Actions to be completed prior to Bank Board Approval:

These studies should be completed by the Borrower prior to Bank Board Approval:

- Environmental and Social Management Framework (ESMF);
- Stand-Alone Resettlement Policy Framework (RPF);
- Environmental & Social Commitment Plan (ESCP);
- Cultural Heritage Management Plan (CHMP) and SS-ESMP for the Mes Aynak archeological site.
- ESIA for Sheberghan- Mazar Gas Pipeline and gas processing plant
- ESMP for the Sheberghan- Mazar gas pipeline
- ESMP for the gas processing plant
- Resettlement Action Plan (RAP) for Sheberghan- Mazar gas pipeline
- Stakeholder Engagement Plan (SEP)
- Labor management procedures (LMP).

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Note: The S-RAP for Mes Aynak site and the ESIA for alternative relocation site will be deferred to implementation stage, as the exact location of the new relocation site is not expected to be determined by appraisal.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Mes Aynak RAP preparation and implementation
- ESIA of the alternative resettlement site
- Capacity Building Plan on Environmental and Social Standards
- The incorporation of references to E&S and OHS Standards in all the bidding documents for contractors and subcontractors, as well as Supervising Engineers
- The preparation and disclosure of the ESIA/ESMPs prior to the commencement of any works, including an Environmental, Health and Safety Plan
- The obligation for contractors/subcontractors to prepare Labor Management Plans and a Code of Conduct to be signed by all workers prior to start working
- ESMPs should be attached to the bidding documents and contract documents for Contractor and Supervising Engineer requirements should be included in their contracts
- Contractors should be obliged by contractual arrangement to prepare and implement a site specific Construction ESMP (CESMP) and a Health & Safety Plan in compliance with OHSAS 18001:2007, NEBOSH or similar and recruit qualified and experienced E&S and H&S staff.
- Supervising Engineer or International E&S and H&S Consultants should supervise the preparation and adequate implementation of the CESMPs and H&S Plans and for this purpose recruit qualified and experienced E&S and H&S staff. H&S staff should be OHSAS 18001:2007 certified
- The establishment of a grievance redress mechanism for workers.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

09-Apr-2019

IV. CONTACT POINTS

World Bank

| | | | |
|---------------|----------------------|--------|--------------------------------------|
| Contact: | Mohammad Arif Rasuli | Title: | Senior Environmental Specialist |
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| Contact: | Mohammad Yasin Noori | Title: | Senior Social Development Specialist |
| Telephone No: | 5232+3388 / | Email: | mnoori@worldbank.org |

Borrower/Client/Recipient

Borrower: Islamic Republic of Afghanistan

Public Disclosure



Implementing Agency(ies)

Implementing Agency: Ministry of Mines and Petroleum

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

VI. APPROVAL

| | |
|-------------------------|---|
| Task Team Leader(s): | Michael C. Stanley |
| Safeguards Advisor ESSA | Maged Mahmoud Hamed (SAESSA) Cleared on 14-Mar-2019 at 17:24:2 |
| Practice Manager | Christopher Gilbert Sheldon (PMGR) Concurred on 04-Apr-2019 at 16:12:28 |