

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC13375

**Date ISDS Prepared/Updated:** 29-May-2015

**Date ISDS Approved/Disclosed:** 06-Jun-2015

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Zambia	<b>Project ID:</b>	P154683
<b>Project Name:</b>	Zambia - Mining and Environmental Remediation and Improvement Project (P154683)		
<b>Task Team Leader(s):</b>	Sanjay Srivastava		
<b>Estimated Appraisal Date:</b>	19-Feb-2016	<b>Estimated Board Date:</b>	27-May-2016
<b>Managing Unit:</b>	GENDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Health (30%), Other Mining and Extractive Industries (50%), Solid waste management (10%), Law and justice (10%)		
<b>Theme(s):</b>	Pollution management and environmental health (60%), Environmental policies and institutions (20%), Regulation and competition policy (10%), Participation and civic engagement (10%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	60.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			10.00
International Development Association (IDA)			50.00
Total			60.00
<b>Environmental Category:</b>	A - Full Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The PDO is to reduce environmental health risks to the local population associated with the mining sector in critically polluted areas in Kabwe and Copperbelt provinces through improved capacity of the key institutions.

These objectives will be achieved by:

- 1) Optimizing existing financial mechanisms to identify, finance, implement and monitor feasible environmental and social measures for prioritized contaminated areas;
- 2) Strengthening environmental management in the mining sector through improved regulatory and institutional capacity of ZEMA, MSD, RPA and the local government; and
- 3) Improving job opportunities for affected people, particularly women, through collaborative partnership with local government and neighboring communities.

### **C. Project Description**

The project will comprise four components:

Component 1 – Remediation of contaminated sites (US\$40 million): The component will finance specific remediation activities in Kabwe and Kitwe areas that would be prioritized based on a standard set of criteria (social, environment and economic) including assessment of environmental health risks. A number of potential projects have been identified by GRZ, for which ZCCM-IH completed detailed scoping studies and early drafts of environmental assessments; such projects financed as first year investments. This component will also update existing approved Consolidated Environmental Management Plans (CEMPs) for eligible sites to support identification of priority issues based on the established criteria of environmental health and risks to affected population. This component intends to undertake early no-regret investments which can commence in first 2 years of project implementation, in parallel with developing a long time plan for setting up the appropriate implementation systems. A simple and straightforward methodology will be supported under the project for evaluating and comparing sites, assessing environmental health risks and for prioritizing cost-effective interventions. Opportunities to collaborate with the private mining companies in legacy clean-up operations will be explored.

Component 2 - Strengthening environmental governance in the mining sector and improving environmental infrastructure through improved effectiveness of National Environmental Protection Fund (EPF) and Intermediate Environmental Fund (IEF) (US\$10 million). The component will strengthen operational effectiveness of the existing EPF and IEF, which are mechanisms to identify, finance, implement and monitor feasible environmental and social measures for prioritized contaminated hotspots related to past, present and future mining operations. It will be done by helping EPF to delineate roles and accountability for past, current and future environmental health risks from mining operations; accounting for financial resources needed to meet government's obligation to address environmental health risks and liabilities; and clarify the distinction between government-owned liability versus private sector responsibility to regularly and progressively address environmental problems by financing the costs of their mitigation. For IEF funding, the highest priority will be given to measures that address widespread public health problems or damage to ecological functions, including specific medical and nutritional interventions for the purposes of treatment of affected people.

The capacity of Mine Safety Department (MSD) would be strengthened particularly to enable the Department to implement the new Mines and Minerals Development Act that has shifted new responsibilities to MSD including assessment of environment health risks; providing guidance to mining companies on mine closure and progressive maintenance of Tailing Dams (TD) so as to minimize risks to the neighboring communities. The specific assistance may include - strengthening the capacity of MSD and ZEMA to critically review the Environmental Management Plans as well as

techno-economic feasibility of mining projects; and assist the Ministry of Mines to improve negotiation with mining companies with respect to environmental and social provisions contained in subsidiary agreements to the development agreements. The Radiation Protection Agency (RPA) would be assisted to improve identification and mapping of health risks in residential areas where exposure to radioactive material (i.e. Uranium) may be high. This component will also assist the key institutions, such as Ministry of Environment, Ministry of Mines, Ministry of Health, Civic Authority and Local Government, to develop testing and monitoring of environmental quality (air, water, soil quality) and health screening (for lead and copper) in and around known hotspots. The capacity building will include use of modern information tools and GIS based techniques for effective inspection and compliance management.

The city councils would be supported in identifying areas where environmental health risks to residents relate to lack of environmental services, such as solid waste management; access to clean drinking water; lack of medical interventions for children and women exposed to lead contamination; and disposal of hazardous waste material. The outreach and capacity of citizen monitoring at the local level as well as management of public Information, Education and Communication (IEC) would be strengthened through municipal councils in Central and Copperbelt provinces. This will include strengthening the capacity of ZEMA, Health department and the delegated authorizing agencies such as MSD and RPA, to review ESIAs, negotiate (and, when necessary, update) ESMPs with investors and ZCCM-IH, issue pollution permits, monitor compliance, and collect fees and fines. The project will also strengthen relevant training institutions, such as the Copperbelt and Mulungushi Universities, and Kabwe based community-level NGOs to increase national capacity to address environmental (and social) issues associated with the mining sector.

Component 3: Grassroots Initiative Program (US\$6 million). The component is aimed to introduce income generation opportunities in contaminated areas that would enhance community involvement in addressing environmental health risks. The Grassroots Initiatives Program (GIP) will use a pre-agreed set of selection criteria to identify and implement sub-projects, working closely with the private sector, particularly the mining companies in the project area to identify locally relevant livelihood activities that would enhance income generation opportunities. The GIP will support the efforts of intermediaries and pollution affected people in Kabwe and Copperbelt Province in community-based project implementation and management by providing financial and supervisory support to enhance their managerial and technical capacities. Specific attention will be given to women and vulnerable community groups in the target areas. The GIP will provide support to community groups in a form of small grants to organize themselves around productive activities identified in partnership with the private sector in the area, the nature of which will be determined by the beneficiaries based on their demand. Given the nature of the Program mandate, all activities will be relatively small, technically simple, and cost effective. Collaboration with the private sector on outreach, consultations and community stakeholder engagement will also be explored

Component 4: Project Management, Monitoring and Evaluation (US\$4 million): The project is expected to be coordinated by three key Ministries – Mining; Environment and Finance. The project will be implemented through the unified Project Coordination Unit (PCU) to be established in Ministry of Mines. The PCU will work under a Project Steering Committee (PSC) that would be responsible for reviewing; appraising and approving proposals for financing subprojects in Kabwe and Copperbelt provinces. The PSC will be chaired by the Permanent Secretary, Ministry of Mines, while Environment; Finance and Mining Ministries will be represented in the Steering Committee.

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

The proposed project will be implemented in Kabwe, Central Province and in selected municipalities of Copperbelt Province.

Based on the preliminary screening and lessons learned from the Bank supported Copperbelt Environment Project, the proposed project is anticipated to have high environmental and social risks, with some large scale and irreversible impacts and therefore it is proposed that the project be assigned Environmental Assessment Category A.

As majority of the project activities will be identified during implementation, the project will take a framework approach to safeguards management and prepare a comprehensive Environmental and Social Management Framework (ESMF) that would provide procedures for site specific Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs). During project preparation it will be determined if OP 4.04 – Natural Habitats and OP 4.11 – Physical Cultural Resources are triggered, and based on this decision, the ESMF will include relevant provisions and mitigation measures.

To address potential risks related to involuntary resettlement and compensation under OP 4.12, it is proposed that a Resettlement Policy Framework (RPF) is developed prior to project appraisal to account for any possibility of temporary or permanent relocation during investment works and small-scale land acquisition.

For those investments that will be undertaken in year one, which will have their designs finalized during preparation, site-specific ESIAs and Resettlement Action Plans (RAPs) will be prepared, consulted and disclosed before project appraisal. The RAPs and all relevant compensation will be completed before beginning of civil works on the project sites. Additionally, the project will conduct a Social Assessment, which will include a comprehensive gender analysis, to identify livelihood enhancement opportunities and support the community based jobs initiatives.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The target implementing agencies, including the Ministry of Mines, Ministry of Environment and Ministry of Local Government are familiar with the World Bank safeguards policies, based on their experience of implementing other World Bank supported projects, including Copperbelt Environment Project closed in 2011. The proposed project will utilize the safeguards capacity developed under CEP, including the involvement of environmental and social experts who previously worked on the CEP project (MISENGE Consulting Company based in Kitwe). In addition, MERIP will further enhance capacity for safeguards implementation as part of its capacity building and technical assistance interventions.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Knut Opsal (GSURR)

Svetlana Khvostova (GENDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Kabwe displays significant effects on health due to lead contamination, primarily in soil and possibly

		food. In Copperbelt primary risks include exposure to sulphur dioxide and particulate emissions in the towns of Mufulira, Kitwe and Chambishi. Sulphur dioxide emissions from Mufulira, Nkana, Chambishi and Luanshya smelters. Lack of management of contaminated sites leads to stream siltation, leading to pollution of Kafue river basin. The screening identified increases in deforestation, vandalism of mine sites and mine site accidents, with decline in mine security and localized accidents from residential access of mine sites. Increased levels of solid waste being disposed within neighborhoods causing increased air pollution from burning waste and breeding grounds for vector diseases.
Natural Habitats OP/BP 4.04	TBD	Application of the Natural Habitats policy will be determined during project preparation.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	TBD	Application of the Physical Cultural Resources policy will be determined during project preparation.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The policy is triggered due to possible resettlement of people currently in potentially unsafe areas near or at the mining sites.</p> <p>Loss of income generating opportunities based on using the sites (scavenging or fishing) versus remedial measures to ensure long-term stability of these sites and to protect users from potential hazards. The types of losses could include: loss of income generating opportunities based on using the sites (scavenging or fishing) versus remedial measures to ensure long-term stability of these sites and to protect users from potential hazards. Some of the potential resettlement will be temporary whilst other types may be permanent. The project will also develop a Social Assessment to identify livelihood enhancement opportunities and support the community based jobs initiatives.</p>
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 22-Jan-2016

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The ESMF, RPF and site specific ESIA and/or RAP for year one investments will be prepared, consulted upon and disclosed in the Bank Infoshop and in Zambia before project appraisal.

Tentative time for completion of safeguards studies is January 2016.

### IV. APPROVALS

Task Team Leader(s):	Name: Sanjay Srivastava	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 01-Jun-2015
Practice Manager/ Manager:	Name: Magda Lovei (PMGR)	Date: 06-Jun-2015

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