



# SDNRP- Ministry of Mines and Petroleum PMU



## UP TO DATE PROGRESS REPORT

(May , June , July / 2015)

Project & Support	Report
<p data-bbox="235 768 537 800"><b>Mes Aynak Archeology</b></p>	<p data-bbox="656 653 1443 1087">At the beginning of August we started the next season of research work. The excavation works are conducted by the team consisting of a few dozen Afghan and international experts. In terms of subject matter, the archeologists from the Institute of Archeology, Ministry of Information and Culture, are responsible for the conducted work. The main task of the experts from outside of Afghanistan (mostly from other Central Asian countries) is to advise those who conduct the work and to train a new generation of local archeologists and conservators.</p> <p data-bbox="656 1115 1443 1682">The current research focuses on the area of Kuh-e Aynak's eastern slope – the hill which dominates the vicinity. In the previous seasons archeologists revealed the remnants of the architectural complex here. Residential buildings were found as well as places of worship, storages and small, workshops functioning beside the household and dealing with metal procession. However, the area of Kuh-e Aynak is, first of all, the place where copper ores were excavated and melted down. What illustrates the range of the work which used to be performed here is the vast amount of slag located mostly in the lower layers of the hill. In some locations the layers of the accumulated slag are approximately 6 metres deep.</p> <p data-bbox="656 1709 1443 1967">Every day there are 19 young Afghan archeologists present at the site. They participate actively in the research work which is being conducted. Although work conditions are not the most convenient ones, they find strength to take part in the afternoon training which is organized for them and which is concerned with the methodology of the field work.</p>

	<p>Those young people will be the future of archeology in Afghanistan.</p> <p>The research which is being conducted is also a chance for the inhabitants of the surrounding villages. Working as part of the excavation research, in which a few hundred people take part, is often the only chance for them to earn money. Thanks to the understanding and the cooperation with the local elders those people who need work the most receive it.</p>
<p><b>Mes Aynak Compliance Monitoring</b></p>	<p>A team from the Ministry, led by His Excellency, the Deputy Minister of Mines &amp; Petroleum, Eng. Abdul Qodos Hamidi, has commenced a review of the Aynak Mining Contract together with the license holder and developer of the Aynak Copper Project, MJAM. This is in compliance with the provisions of Articles 57 &amp; 58 of the Contract, which was published on the MOMP website in May 2015.</p> <p>The first of a series of meetings took place during July. The process is expected to take several months.</p> <p>The primary objective of MOMP is to agree on a firm schedule with fixed dates for completing the Bankable Feasibility Study (BFS), for the start and finish of construction of the mine and associated infrastructure, and for the commencement of commercial production of copper. In addition, MOMP will seek to further strengthen safeguards in the contract for protection of the environment and of affected communities.</p> <p>The GAF team continues to work closely with MOMP officials, providing technical and strategic advice and support in its discussions with MJAM.</p>
<p><b>Consultancy Services for Cadaster</b></p>	<p>A cadastral management system has been designed and will be fully implemented in July a system focused on basic but robust performance and sufficiently flexible to incorporate and cope with future changes due technical mining regulations and/or organizational structure.</p>

### AGS Capacity Building ( CBAGS)

- CBAGS supported the tenders preparation and technical specifications of AGS laboratory new modular buildings, technical support and training. The tender will be launch by PMU next month.
- GMT Business English Language courses continued as usual.
- Geo-scientific support for the AGS Geo-hazard team continued in land slide risk mapping for greater Kabul area, Takhar and Badakhshan provinces with in cooperation with a team from University of Potsdam.
- Due to the 3 to 6 months engagement of the AGS, technical staff in the field, CBAGS suggested AGS and APA to introduce a new batch of staff for GIS training.
- The AGS spectrometer has been repaired.
- CBAGS is providing 5 days training on Analytical XRF method to Germany for two AGS laboratory staff members.

### Reform of the Afghan Gas State Enterprise

- Workshop conducted during Ramadan time. Technical Department was consulted also about the management issues as Operating Management System and APA/AGE standards and procedures development as well. Contractor Site inspection challenges have been focused.
- Capacity Building material preparation in PowerPoint format. The subject matter proved as **Fundamentals of Onshore Natural Gas Pipeline Systems, Part I – Introduction and Design Issues.**
- Consultation with technical staff during workshops preparation.
- Project Reference Book development began.
- PP presentation **Fundamentals of Onshore Natural Gas Pipeline Systems, Part I – Introduction and Design Issues.**

	<p>Relevant workshops with APA Technical Staff were resulted on June 23,24,27,29.</p>
<p><b>Reform of North Coal Enterprise</b></p>	<p>The project conducted the workshop/seminar, which covered environmental issues in coal mining generally around the world and specifically in Afghanistan. The training was conducted by the team of widely recognized international and national experts who travelled to Puli Khumri to be able to deliver the training materials in the headquarters of the Northern Coal Enterprise; the project continued working along the timeline suggested by the agreed upon project workplan, in accordance with which the “TOR for Independent Audit” deliverable was submitted, which will allow the MoMP stakeholders and NCE management to easily set the tasks for a third-party auditor that they might choose to hire during the commercialization activities related to NCE; UNICON continued its work collecting financial/accounting data from the NCE in order to analyse its various aspects and, further in the project, present the MoMP with a reconciled balance sheet and propose a new chart of accounts. For that, the project national financial management expert undertook a trip to Puli Khumri to spend several days with the NCE colleagues collecting data as well as assisting them with their daily work and reporting;</p> <p>The project has internally discussed the potential measures to improve operational health. UNICON team started drafting the structure and presentation materials for a “Mine Design” training workshop to be conducted at the end of August 2015.</p>
<p><b>Consultancy Services for ASM Mining</b></p>	<p><b>Formalization and Cadaster</b></p> <p>Further progress has been made in understanding constraints on formalization. More examples have been found of ASM gem mines being too deep or too extensive to allow ASM Mining Licenses to be issued. Intensified fieldwork confirmed this for Panjshir emerald mines.</p> <p>Our remote sensing studies had already shown 1,200+ Afghan clay quarries to be too large to be classed as Quarries, preventing Quarry Authorizations being issued.</p>

Renewed study in May and June failed to find a single Afghan clay quarry fits the hectare grid of the national mineral cadaster. In June the study was expanded to cover a combined data-set of more than 7,000 clay quarries in Afghanistan, Pakistan, India and Bangladesh that mine clay for BTK-MCK and FCK brick kilns typical of Afghanistan. None of the clay quarries were small enough to fit inside the 1-hectare to 2-hectare blocks envisioned in the Afghan mineral cadaster for Quarry Authorizations. Instead the clay quarries use a simple field-by-field cadaster system.

#### **Formalization and Price Signals from Cut Gemstones**

In a welcome development, in June the Team Leader identified a simple procedure for estimating the retail price for cut colored gems, taking into account carat, color, clarity, inclusions and quality of cut. In July, training of trainers will take place in this procedure and if successful the monthly price signals will empower Afghan miners, Afghan cutters and international buyers to have confidence in international retail price for a particular cut gem, and so enable deals to be struck in a rational transparent manner. This is expected to become an important step towards transparency and formalization of the value chain, and is expected to start squeezing cross-border trade in which price gouging is a key driver. A Discussion Paper on the subject of Price Signals was submitted as a Deliverable in late June.

#### **Ministry Extension Services**

Further progress has been made in a search for appropriate technologies to offer in MoMP Extension Services as aids towards formalization. Earlier we had identified three promising 'appropriate technologies' (better use of blasting; rock cracking chemicals; and simple methods of 3-D mapping of underground mines). Now have developed several more appropriate technologies for Extension Services, notably automatic safety windlasses.

In June a set of 34 Training Modules in Ministry Extension Services was completed and submitted to the PMU as Deliverables. The Training Modules are adapted from an

authoritative technical manual by the Team Leader on *'Best Available Techniques for Placer Gold Miners'* and will be used in practical office-based training of MoMP officers of the Small Mines Directorate.

Further progress has been made in training women in Virtual Fieldwork via Google Earth Pro (GE-P). The objective is to enable trained women to assist efforts of MoMP and NEPA staff conducting Actual Fieldwork in delivering Extension Services. Initial results are very encouraging and if carefully emulated across the Ministry GE-P may transform Extension Services and enhance the role and status of female staff.

#### **Operationalization of Afghan National Jewelry Centre ("Rock School")**

Further progress has been made to extend the reach of the Afghan National Jewelry Centre (TMI) to Gemstone Training Centers (GTC) in northern Afghanistan. Several northern GTC have responded to invitations to request support from GEM-ASM, and a second Mission to Badakhshan GTCs have helped to clarify the lapis lazuli situation.

May saw security improvements underway in TMI that were complete by the end of June. These measures will enable the GEM-ASM offices to become fully operational in the TMI premises in the first week of the Next Reporting Period (July). Improvements to syllabus, training methods and quality control of the Afghan National Jewelry Centre will resume in July with the second mission of jewelry expert.

During June, the TL held more informal meetings with the National Solidarity Fund to explore the potential of NSF funding for design, construction, equipping and training of community-owned Gemstone Training/Production Centers. Emerald miners (Panjshir) and ruby miners (Sarobi) expressed strong support and will seek support from their local communities.

### **Development of Lapis Storyboard**

The Lapis Storyboard was strengthened in June by preparing a Discussion Paper recommending the small ancient part of the Sar-e Sang lapis mines to be safeguarded by excluding it from any license proposals, and recommend nominated as a World Heritage Site by the Government.

Selection of lapsed patents to allow wider uses of Afghan lapis lazuli was completed in the Reporting Period (June) ready for possible testing in July.

### **Development of Silver Storyboard**

Activity resumed in June on further enhancing the storyboard for Afghan silver, spearheaded by archives on ancient Panjshir silver mines.

### **Development of Curricula**

In June we obtained copies of the State-approved Curricula for gemstone training, as used at TMI. English translations are being reviewed by Gemstone Expert.

Training methods are being perfected on:

- a) how to conduct market research using on-line Kompass trade directories for worldwide outlets for rough and polished lapis lazuli, rough emeralds and rough rubies;
- b) how to use internet to determine world wholesale prices for cut colored gems; and
- c) how to check UK and US company registrations and records on-line free of charge

### **Design and Production of Jewelry with Special Emphasis on Women Employment**

Progress in the design and production of jewelry in TMI will resume in July after return of the international jewelry expert. Meanwhile upgrading security arrangements at TMI will allow GEM-ASM to operate fully in TMI for the first time during the first week of July.

**Consultancy Services for Building  
Regulatory Capacity in the NEPA  
“National Environmental  
Protection Agency”**

**Task 1– Undertake a legal and policy view.**

The policy and legal review included the review of the existing policies and legislations as well as the policies and regulations currently under the approval process. These documents are divided into three categories- policies/strategies/plans; legal and regulatory frameworks; and multilateral environmental agreements.

Under the policies/strategies/plan categories, the main documents briefly reviewed included Afghanistan’s National Development Strategy (ANDS), National Environmental Strategy, National Waste Management Policy, National Environmental Impact Assessment (EIA) Policy, National Environmental Action Plan (NEAP), and National Biodiversity Strategy and Action Plan (NBSAP).

Under the legal and regulatory frameworks categories, the main prevailing legal documents reviewed included the Environment Law 2007, EIA Regulation 2008, Air Pollution Control and Mitigation Regulation 2009, and Regulation on Controlling Materials Destructive to the Ozone Layer, 2007. In addition to these, the documents developed by NEPA and currently under the approval process included Waste Management (Municipal Waste) Regulation, Waste Management (Bio-Medical Waste) Regulation, Noise Pollution Prevention and Control Regulation, and Environmental and Social Impact Assessment (ESIA) Regulation (amendment to the EIA Regulation 2008). Environmental standards already approved and in the approval process are identified.

Afghanistan is now party to around thirteen Multilateral Environmental Agreements and need of policy and regulatory obligations under those MEAs are assessed.

In 2013, a report on Strategic Environmental and Social Assessment of Extractive Industries (SESA-EI) was produced which provided a separate chapter on review of the environmental and mining related legislations and made many recommendations for NEPA and MOMP. A detailed review of those recommendations against proposed new ESIA Regulation is carried out to further assess the need of immediate amendment to the Environment Law 2007.

**Task 2** – Identify legal, policy and administrative instrument available to the NEPA to enable it to fulfill its mandate.

All the prevailing as well as under the approval process policy and legal instruments are identified, the details are provided above under the Task I. After critical review of all those documents and recommendations made by previous studies, a road map for an efficient regulatory framework and permitting system is being drafted. Completed 100%

**Task 3** – Assess current systems and procedures.

**Current ESIA Systems and Procedures followed in NEPA:**

Tasks: Assessment of Environmental and Social Impact Assessment (EIA, SIA, ESIA) of project proposals; Environmental Protection Plans (EPPs) and Environmental and Social Monitoring Plans (ESMPs); Capacity in detection, selection, designation, monitoring and awareness raising of areas posing natural risks to populations and mines; Capacity in public consultation, and public participation in environmental decision making; Capacity in monitoring dust in air, particularly those parameters most relevant to extractive industries are in progress

**Environmental Policy and Legislation System and Procedures followed in NEPA:**

Tasks: Assessment of current system and procedures on the compliance with and enforcement of permits; and the degree of integration of sustainable development principles in policy and regulatory frameworks of Afghanistan has been initiated.

**Current Institutional Capacity System and Procedures followed in NEPA:**

Tasks: The NEPA staff recruitment and promotion procedures; a compilation of updated NEPA staff CVs; a compilation and testing of the computer competence of the NEPA staff; a qualitative assessment of language skills amongst the NEPA staff; the NEPA website proposals, publications, training facilities and office equipment; the procedure for the designation of Protected Areas and Buffer Zones, and consultation with the MoMP, AGS and mining companies regarding the potential sterilization of mineral assets; the NEPA office equipment, PCs and internet connections; the availability of local training in

practical skills central to the NEPA's environmental protection role (such as GIS, remote sensing, ecological surveying, species recording, site assessment, hydrology, soil science, geochemistry, etc.) through academic institutions, discussions with NEPA in-house staff, a review of the AGS laboratories, etc.; NEPA organization and management, including financial and budgetary management; and NEPA information management and dissemination.

At middle of November 2014, task 2 (Deliverable 2a) has been submitted to the NEPA & PMU for comments and approval. The NEPA has given comments & suggestions on 5<sup>th</sup> January 2015 for further improvements. Accordingly, the consultant team has been incorporated / updated the NEPA comments/suggestions in the revision 1 report and submitted to the NEPA and PMU on 7<sup>th</sup> February 2015 for approval.

**Task 4 – Delivery of training to the ESIA Board of the NEPA**

The SIMSpa Consultants and the National Environmental Protection Agency (NEPA) jointly organized an ESIA training workshop entitled "Training to the ESIA Board of the NEPA: ESIA Procedures and Evaluating ESIA in Mining Sector" at the NEPA Head office in Kabul on 14<sup>th</sup> December 2014.

The main objectives of the workshop were to (i) ESIA procedures in the Mining Sector; (ii) Evaluating ESIA; and (iii) Evaluating Potential and Predicted Environmental Impact; (iv) Evaluation Proposed Mitigation Measures and Contingency Plans; (v) Evaluating Environmental Monitoring Plan; (vi) Evaluating the Reclamation and Closure Plan.

**Task 5 – Design and delivery of a programme of awareness raising seminars.**

The SIM S.p.A Consultants and the National Environmental Protection Agency (NEPA) jointly organized 08 (eight) seminars entitled "Mining and the Environment" according to the task 6: design and delivery of a programme of awareness raising seminars at Kabul & Parwan.

**Task 6 – Enhancement and maintenance of the NEPA website.**

In the month of June, the Website Designer along with NEPA IT-General Manager reviewed the NEPA Website

supported by National Communication Expert. The NEPA Website has been enhanced at a wider magnitude and integrated with NEPA Information Management System in a sophisticated fashion. Further, necessary training on maintenance of the system has been provided to relevant staff to ensure its uninterrupted functionality.

Therefore, NEPA currently owns a fully operational corporate website satisfying a basic standard. Currently this enhanced website is a resource based source which provides access to all relevant engineering, environmental and social project information and data for in-house and external users. The Website is under trial operation.

**Task 7** - Twin tracking EHS standards between world class mining and infrastructure projects and small projects.

Started at middle of September 2014 in reviewing the previous studies carried out by SDNRP II and Ministry of Mines, the expert compared those studies with IFC/WBG EHS Guidelines and EU BAT Reference Materials. Legal and Institutional mandate of NEPA and ANSA analysed and current Standards Development/Adoption mechanism evaluated. Also the regional initiative of ECO on harmonization on environmental standards is reviewed.

A consolidated report of the standards development and adoption is prepared and submitted to NEPA and PMU in April 2015. The report is currently being evaluated by NEPA and PMU.

**Task 8** – Plan and facilitate study tours to India

The study tour will be organized in order to get benefit from the experience of other countries to establish latest environmental and social management practices. Thus the study tour is to familiarize them with the latest tools and techniques available for major mining project to manage environmental and social impacts. As we know that the extractives industries have several environmental and social impacts that have to be managed very carefully. As a result practical experience of this impact assessment process will help the NEPA to become more skilful. Moreover, the study tour will increase the NEPA's staff capacity as well as it will increase the capacity of NEPA to become as effective

organization. Task ongoing.

**Task 9** – Design a one year training program and training materials on the environmental and social management of mining operation and associated infrastructure.

The objective of the present task is to design and deliver a demand based one year training program and training materials for the NEPA staffs. The consultants were working for the training programs, training contents, location of training and the duration of training for the NEPA based on the prioritization of training needs of the NEPA. The training needs assessment to design a one year training program has been prepared and submitted to the NEPA, WB and PMU on 9<sup>th</sup> June 2015 for comments and suggestions. The training materials for the each training module will prepare accordingly. Task ongoing.

**Task 10** – Develop a concise technical glossary of environmental and social terms in English, Dari and Pashtu.

All experts are engaged in developing a concise technical glossary of environmental and social terms in English, which will subsequently be translated to Dari and Pashtu with the help of local translator/experts. Task ongoing.