



**UP TO DATE PROGRESS REPORT
(December/ 2012)**

Social Issues Progress

Poverty & Social Impact Analysis (PSIA) for Afghanistan-

Had many rounds of discussions with PSIA team from WB Washington office regarding conducting PSIA in mining sector in Afghanistan. PSIA is an approach to analyze the distributional impacts of policy reforms on different social groups, particularly the poor and vulnerable.

The issues related to developing an inclusive mining sector in Afghanistan were discussed at length including the new legislation and policies to facilitate inclusive social and economic development in the mining sector in the country. Details with regard to a perception survey to be organized by the PSIA team in some of mine area like Aynak, Hajigak etc were also worked out. PSIA team was also requested to extend this survey to other projects as well like Nooraba & Samti gold mine, Qara Zaghan Gold Mine and Amu Darya project. The questionnaire for the survey was also reviewed and finalized.

Discussion on Social Accountability Model

Coordination meeting was held with WB, IRC and Aynak Authority to finalize the modalities of implementation of social accountability model at Aynak. This included issues like mobilizing CDCs at Aynak, capacity building of communities regarding grievance redressal mechanism, finalizing work plan of IRC etc. The Social Accountability Model is under implementation at Aynak from November 2012. Review meetings will be held every two weeks with IRC to assess progress of their work.

Coordination meeting regarding Community Development Agreements

Issues related to enhancing capacity of Ministry staff to implement CDAs at mine sites were discussed with WB Kabul office and ASI. It was decided that a year-long training program covering all important departments of the Ministry will be developed by the Social Department to enhance understanding about CDAs. The training will be imparted in house once a week for 2-3 hours and will be of continuous nature to reinforce these issues among Ministry officials.

Review of ESIA of Amu Darya project

Social department held meetings with staff of Amu Darya project to discuss important social issues at Amu Darya project like employment of staff from local communities, compensation to those persons whose agricultural land is getting affected by the machinery etc used in the project. It was decided that a joint team from the social department and Amu Darya project will visit the project site in December to get the first hand feel of these issues. It was also decided that the issues related to employment will be taken up with Ministry of Labor & Social Affairs.

Further ESIA of Amu Darya submitted by the company is under review by the Social Department with regard to social development activities and CSR proposed by the company.

Detailed comments prepared on Global Witness report

Detailed comments were prepared from Ministry's side for Global Witness report on Copper Bottomed. These included progress with respect to resettlement and compensation issues, grievance redressal mechanisms and other issues like CDA's capacity development of the affected communities, civil society outreach to local communities in mining areas etc.

Progress of implementation of RAP-

Many meetings were held with officials of Aynak Authority

	<p>to review the progress of implementation of Resettlement Action Plan prepared by the Ministry for 5 villages in January 2012. Payment of compensation amount is underway at Aynak though it is quite slow due to clearance from local courts which is a time taking process. Land at Asa Baba will be allotted to affected families as soon as the proposal is cleared by the ministry of Urban Development which is expected to come through very soon.</p> <p>In the meanwhile IRC ha started capacity building of local communities on issues like building safe houses, personal hygiene and health issues, need for education. They have also initiated mobilizing them in CDCs.</p> <p>Report of the initial social impact assessment of the closure of illegal coal mines at Bamiyan</p> <p>A team of inspectors from the Ministry visited the site of illegal coal mines which were closed by the Ministry in June 2012. Survey covering 150 respondents has been carried out by the inspections department of the Ministry to assess the impact of closure of illegal mines at Bamiyan. The results are being tabulated by the social department and a complete report will be submitted very soon.</p>
<p>Mes Aynak Archeological Progress</p>	<p>Excavation work continues on a total 17 site, 9 areas are completed and need no further work, 2 areas just await provision of chemicals and materials to remove sculptural and architectural elements.</p> <p>A high percentage of sites in the Lower Town area (see attached image 1) are now nearing completion, from this area large amounts of digital data are being collected and a comprehensive digital plan of all the archaeological remains in the Red Zone is being carried out (see attached image 2).</p> <p>Machine excavation of a second terrace on the mid slopes of the mountain has begun and in a second area on the lower slopes a targeted machine operation is underway, to</p>

	<p>quickly reveals the extent of buildings in this area.</p> <p>Excavation of Peripheral Monastic Sites except for Site 045 (Image 3) is now complete, awaiting arrival of chemicals needed for removal of statuary and stupas.</p> <p>Aerial photograph programme completed.</p> <p>Unfortunately due to the lack of chemicals removal of statues has been delayed.</p>
<p>Policy Support to Ministry of Mines</p>	<p>The Policy and Promotion Department at the Ministry of Mines has developed different policies, laws and regulations. The policies and procedures are the strategic link between the Ministry's Vision and its day-to day operations. The ministry has comprehensive policies which allow employees to understand their roles and responsibilities.</p> <p>National Mining Policy covers all the different policies such as Social Policy for Mining Sector, Environmental Protection Policy, Industrial Minerals Policy and many others. The international Advisors plus National Advisors have been working together to work more on the policies, laws and regulations. Mining law has been amended but has not been approved by the Parliament yet.</p> <p>More work is needed to have more coherent policies for better understanding of job responsibilities and establishing boundaries for the job holders within the Ministry of Mines.</p>
<p>Aynak Compliance Monitoring Project</p>	<p>The Bankable Feasibility Study (BFS) is reported by MJAM to be complete and at the end of December was awaiting Board approval before being submitted to the Ministry of Mines (MOM), with the Environmental & Social Impact Assessment (ESIA) to follow. A MOM delegation visited Beijing in December for discussions with MJAM and with the company preparing the feasibility study. The delegation was shown some of the data contained in the FS. MJAM continues to express concern over security conditions at site. Both parties tabled their issues of primary concern for frank discussion.</p> <p>The Compliance Monitoring team continues to work with Ministry officials and other consultants to prepare for the</p>

	<p>BFS & ESIA evaluation and approval process. The World Bank has also committed resources to assist in assembling a team for this exercise.</p> <p>MJAM personnel are on site and archaeological excavations, landmine clearing and resettlement activities continue despite the onset of colder weather.</p> <p>Capacity building in the National Environmental Protection Agency (NEPA) continues with technical training of officials, primarily in topics relevant to evaluation of the feasibility study. In December a large group of NEPA officials made their first visit to the site and they were shown all aspects of the project.</p> <p>The Compliance Monitoring team continues to supply the Ministry of Mines with support and advice on all aspects of the Aynak Copper Project. In December, focus was on review of compliance with MJAM's social obligations in terms of the contract and on environmental issues.</p>
<p>Social and Environmental Issues Support to NEPA</p>	<p>Coordinated with Project Management Unit in the organization of the field observation visit of the members of the EIA Board of Experts and the officials of the EIA and Sustainable Division of NEPA to the Aynak Copper Mine site on December 11, 2012. International and national advisors under the SDNRP working at NEPA and MOM, and concerned officials of MOM also participated in the field visit. The visit provided opportunity to understand the surrounding environment of the project site, observe alternative locations identified for waste rock disposal and tailing dams, archeological sites and the ongoing works, and opportunity to evaluate the response of the project proponent on some key environmental and social issues of the project identified in the screening report and TOR for the ESIA study. This visit will greatly facilitate the timely evaluation of the ESIA report expected to be submitted by the end of 2012.</p> <p>Advisers at NEPA continued to provide technical support to EIA Board of Experts and EIA and SD division of NEPA in the evaluation of the submitted ESIA reports for NEPA's approval. The technical support in the month of December was mainly on the review of screening report of the Shatoot Dam and Water Supply to Kabul Project and drafting of the TOR for the detailed ESIA study of the project, and the initiation of work on the review of the</p>

screening report on Bamiyan thermal power plant and power transmission line to Aynak and Kabul.

A half day interaction meeting of NEPA officials on the provisions of environmental law on the development of environmental standards, guidelines, best environmental practices and regulations with environmental requirements was organized. The discussion concluded that NEPA will introduce environmental guidelines, best practices and environmental requirements as per the provision of Environmental Law, and facilitate ANSA in bringing national environmental quality standards.

Prepared draft comments for NEPA on the final draft report on Strategic Environmental and Social Impact Assessment of Mineral and Hydrocarbon Sector in Afghanistan. The drafted comments are being evaluated by NEPA.

The first meeting of NEPA-MOM Coordination Advisory Panel was organized on December 24, 2012 at MOM under the co-chairmanship of Deputy Minister MoM and DDG NEPA making important decisions on the TOR of the Advisory Board, Structure of the Board, and some priority issues including the involvement of civil society in the process. The next meeting is scheduled for 9th January 2013.

Study on the previous studies on mining standards and international best practices continued with detailed discussion amongst the international and national advisors and consultants working under SDNRP. Environmental best practices for mining sector will be presented in the forthcoming meeting of the Environmental and Social Advisory Board to make recommendation to NEPA for their approval.

A concept paper on the training of NEPA's provincial officials on the environmental and social issues with particular focus on mining sector developed to facilitate the PMU to plan and implement the training programs in near future utilizing the available expertise in SDNRP.

Provided technical support to NEPA on finalizing the concept paper on SOE (state of environment) development, and technical support to NEPA and ANSA on finalizing the Drinking Water Quality Standard.

	<p>Organized two half day session for NEPA officials and presented the outline on Air Quality Management Framework for Afghanistan including the evaluated results obtained from the Ambient Air Quality Monitory System at NEPA.</p> <p>Initiated work on preparing information for NEPA on different brick-kiln technology in use in the region and their environmental performances to facilitate NEPA to make decisions on prevention and control of pollution from the sector known to be one of the major sources for air pollution in Kabul and other big cities of Afghanistan.</p>
<p>Legal Issues Support to the Ministry of Mines</p>	<p>The Hajigak legal and commercial advisors continue to provide daily support to the Ministry of Mines on all issues related to the Hajigak Iron Ore Deposit. Positive negotiations continue with both winning bidders and are scheduled to continue in early January. We expect to conclude at least one of the contracts for the four tendered blocks before the end of January. After which, the MoM looks forward to signing the finalized contract following the amendment to the current Mining Law.</p>
<p>NRRCP “National and Regional Resource Corridor Program”</p>	<p>Classified the requested data per training the feasibility study into relevant categories. Sent official letters with attachment showing railway routes to the relevant governmental ministries/organizations requesting them to provide NRRCP with data. The data was initially requested by FSDI (First Survey and Design Institute Group Co., LTD.) of China. This company is responsible to conduct and complete the feasibility study of Torkham - Hairatan railway, which is part of the Aynak Project.</p> <p>Found out the relevant stakeholders in different government ministries/organizations to assist with the data collection as requested through official letters mentioned above.</p> <p>Have been exploring the statistical data for FSDI in the internet.</p>

Travelled to China. Stayed in Beijing and Xi'an provinces. In Beijing attended meetings and discussions regarding Aynak Copper and the issue of huge volume of Sulfuric Acid, which may be an obstacle to establishment of copper smelter inside Afghanistan. The methods of decomposing sulfuric acid and ways to deal with the problem were discussed.

FSDI is located In Xi'an, another province of China. We discussed the questions, comments, routes and other technical topics about the Pre-feasibility study, which was carried out by FSDI.

Looking for domestic consumption market for north gas reserves.

Worked on industrial use of gas.

Studying gas consumptions options: comparing IPP and direct gas consumption through either Gas Grid or LNG qualitatively and quantitatively and Prepared information about the Independent Power Plant (IPP) in Developing countries also Prepared presentation about the IPP (its advantages, disadvantages) in context of Afghanistan.

Prepared Merits& Demerits and final modeling of IPP in Afghanistan Versus Gas Grid.