



# SDNRP- Ministry of Mines PMU



## UP TO DATE PROGRESS REPORT (Date: February / 2013)

### Social Issues Progress

#### **Community Development Agreements and benefit Sharing mechanisms**

Held discussions with the World Bank team in Kabul on implementing CDAs in Afghanistan along with benefit sharing mechanisms. CDAs have been included in the new proposed mining legislation. The Resource Corridor strategy of the Ministry of Mines includes the social issues around the mining sector and, more specifically, community benefits sharing. In this context, these discussions includes issues like rationale for a community benefit sharing framework, international positive and negative experiences with community benefit sharing, and options for community benefit sharing, with a focus on Community Development Agreements (CDAs).

#### **Comments on SESIA**

Report of the Strategic Environmental and Social Impact Assessment of the extractive sector prepared by SOFRECO was discussed in detail with the Environmental advisor and others in PMU and its lacunas were pointed out. It was mentioned that this report needed to be substantially modified to make it relevant for the Ministry of Mines. There was also a need to discuss these issues with the stakeholders especially the Ministry before this important report could be written.

#### **Coordination with Civil Society Organizations (CSOs)**

Coordinated with CSOs like Revenue Watch, Global Witness

etc on issues of providing opportunities for CSO capacity-building in mining, oil & gas sector, raising public awareness about the effective and transparent management of oil, gas and mining and identifying priority advocacy issues, including: transparency, social and environmental issues, preservation of cultural and historical heritage, anti conflict prevention, benefit-sharing with communities, and corporate social responsibility.

### **Conducted Social Impact Assessment of the closure of illegal coal mines at Bamiyan**

The overall objective of the Social Impact Assessment (SIA) for closure of illegal coal mines in Bamiyan Province was;

- To determine the impact of closure of the illegal mines over the local community's social and economic condition;
- To understand the environmental and labor issues related to the operation of illegal coal mines; and
- To make suitable recommendations based on the study conducted;

The primary aim of this assessment was to examine the impact of Ministry of Mines' action for closing of about 185 illegal extraction points in Kahmard and Saighan Districts of Bamiyan Province on community's income, livelihood, and social life and on the area's security situation. The assessment also emphasized to understand the community's demands and priorities for alternative livelihood.

The data collected through questionnaires was analyzed and the SIA was prepared. It was discussed in detail with H.E. Minister and relevant departments in the Ministry for taking mitigating measures.

### **Progress of social issues at Aynak**

- GRC Meeting: GRC meeting was held at Aynak to look into the complaints of the local villagers. Representatives from communities i.e. from access road and from other villages attended the meeting.

In the meeting up to date progress of the project and the way forward was discussed. It is decided to conduct regular GRC meetings and in case of urgent issue an emergency meeting could also be held. In the next meeting complaints register will be developed and duties and responsibilities will be segregated among GRC.

- RAP Implementation: Plan for the Ashab Baba town was approved and passed by the MoUDAs and from Council of Ministers. Regarding compensation to landowners of the access road, seven more ownership transfer documents were prepared and finalized by the Aynak Authority.

#### **Preparation of Update on Aynak RAP implementation**

A detailed update was provided to World Bank on the implementation of RAP. This included discussion on Resettlement Process & Payment of Compensation, Grievance Redressal Mechanism (GRM), Social Accountability Model, Community Development Agreements, civil society engagement, construction of tailing s pond at Aynak, employment of local people and challenges in the way of implementation of RAP.

#### **Preliminary Social Impact Assessment at Hajigak**

The ToRs for the preliminary SIA at Hajigak were finalized to determine the magnitude of potential impacts and ensure mainstreaming of social considerations in selection and design of proposed projects. Thus SIA will be conducted under SDNRP through an external agency. It will include social screening and preliminary assessment about nature, magnitude of adverse social impacts. This would also include gathering information on land tenure, livelihood, labor relations, educational levels, occupation, agriculture & livestock production, current mineral extraction if any, gender relations etc, an altogether a thorough profiling of the communities to be affected by Hajigak project.

It will also initiate dialogue with stakeholders on the project, its positive and negative impacts and social

mitigation measures and assess the capacity of institutions and mechanisms for implementing social risk management instruments and recommend capacity building. It will also provide preliminary assessment of the archaeological issues at Hajigak mine site.

It is an important step ahead in terms of preparation for mitigation of likely social impacts of the project.

Government has established a mechanism for community consultation at Hajigak even before the contract for the project has been signed and this SIA will provide further information for designing community development programs at Hajigak and the CSOs working in the area which would be the potential partners with the government and the mining company in these CSR efforts.

#### **Capacity Building of the Ministry officials on Social Issues:**

A detailed note was prepared on the issue outlining the capacity building activities on social issues undertaken under the SDNRP during last 2 years. These included trainings organized with the support of Indian School of Mines at India, training programs for the Ministry officials conducted in house and other capacity building sessions on conducting SIA, implementation of RAP etc.

#### **Resettlement Policy Framework (RPF) for the Extractive Sector**

Coordinated with Professor McAuslan for preparing the RPF for the Ministry of Mines based on the RPF for the Ministry of Energy & Water. Further provided all necessary background material, information and references required for preparing the RPF.

#### **Training of 180 officials on the Ministry of Mines at Indian School of Mines (ISM)**

Coordinated with Indian Embassy and Government of India for early finalization of the 15 different training programs for 180 Ministry of Mines' officials at ISM in mining related areas including mitigation of social and environmental

impacts of mining. These will be 2 week programs each funded by Government of India to support capacity building efforts of the Ministry of Mines. These programs will start from March 2013.

#### **Environmental and Social Advisory Board (ESAB)**

Contributed extensively in the discussions in the Board on the issues related to mechanisms for more proactive engagement with civil society- particularly capacity building of the civil society, involving them in coordination meetings to make them aware of the social and environmental issues and the government constraints. It was suggested that a few credible civil society organizations working in the areas of Aynak, Hajigak and other projects of the Ministry could be invited sometimes to attend the meetings of the Board to make them better understand these issues and to get their opinions and cooperation.

#### **Coordination with Ministry of Women Affairs (MoWA)**

Held meeting with Deputy Minister of MoWA along with Director of Gender department of the Ministry of Mines to discuss issues of need for greater capacity building of the women employees in the Ministry, their career advancement opportunities and better reporting to MoWA on indicators under NAPWA like legal protection and human right and implementing of the procedures and measures related to gender and empowerment of women.

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

Held meetings with the Environmental advisor with regard to content of the ESMF, revision of the earlier draft of 2011 ESMF and dissemination of the revised ESMF within the different departments in the Ministry and with other relevant stakeholders.

**Social Accountability model:**

IRC launched the social accountability model at Aynak. The objective of the proposed pilot is to build awareness and capacity in the mining-affected communities in Aynak by setting up social accountability mechanisms, including grievance redressal mechanisms and social audit.

The outcome of the pilot would be: (a) Community Development Council (CDC) participates in the grievance redressal committee established by the Ministry of Mines (MoM); (b) % of houses in a resettlement township (Asha Baba) built with adequate safety and hygiene standard; and (c) number of women participating in CDC and school management committees.

**Introduction of ESMF in the Environmental and Social Advisory Board (ESAB) Meeting**

Introduced ESMF to the members of ESAB in its second meeting held on 7<sup>th</sup> January in the Ministry of Mines. This included introduction of the safeguard policies of the World Bank and the responsibilities of Ministry of Mines and NEPA for the implementation of ESMF. Copies of ESMF were also circulated to enable the members to give their feedback and suggestions for the ESMF.

**Resettlement Policy Framework (RPF)**

Draft RPF was received from Professor Mc Auslan. It was got translated into Dari and was shared with the relevant departments in the Ministry for their comments and suggestions. These departments included those which will be involved in implementing the RPF like Policy Department, Inspections, Legal, Small Mining, Resource Corridor, Aynak Authority and Amy Darya Authority.

**Coordination for conducting Poverty & Social Impact Analysis (PSIA):**

Coordinated with PSIA team to extend the survey from 2 mine sites (Aynak and Hajigak) to cover five sites: Hajigak in Bamyan, Aynak in Logar, Qarazaghan in Baghlan, Nooraba

and Samti in Takhar, and Amu Darya in Jawzjan. The World Bank is getting this survey conducted through the consulting firm Samuel Hall. The firm submitted the updated proposal that includes all the five sites. Concurrently, the questionnaire for the survey is also being reviewed in consultation with PSIA team. The data collection will start sometimes in March and the first results available will be in late April/early May. These results will feed into the draft of the policy paper.

### **Follow Up on capacity building program on Community Development Agreements**

Moved forward in the discussions with WB on the issue and the following course of action was proposed:

- Develop a framework and comprehensive training program on Community Development Agreements (CDAs) for Ministry officials, CSOs, local government, and communities;

- Provide guidance on the process for establishing foundations, trusts and funds for community benefits sharing, and how these might be integrated with Community Development Councils and remain consistent with relevant legislation;

- Design and implement a training program on grievance and dispute resolution mechanisms, which, ideally, are an important part of community benefits sharing agreements. Training could be provided for stakeholders regarding locally appropriate conflict mediation and grievance resolution:

- Evaluate and draft potential regulatory frameworks for negotiation and implementation of community development agreements;

- Production of a detailed and locally relevant step-by-step guide on identification of affected and qualified communities, negotiation, implementation and monitoring of CDAs. This would take our present, more general, work on community benefits sharing to a second and much more detailed phase, and would allow us to provide further detailed guidance on community benefits sharing in the local context.

-A focused program on community responses to natural resource development and community benefits sharing, which could include: (a) Trainings with the government regarding how to approach and develop relationships with communities and CSOs; (b) Field Training (if possible given safety considerations) with government representatives to a mine-affected community, to better understand the needs and concerns of community stakeholders; (c) Facilitation of responses and input on community benefits sharing policy from CSOs.

#### **Revision of ESMF-SDNRP**

Participated in various discussions on the revision of the ESMF-SDNRP. Also revised and updated the social part of the ESMF and submitted it for review. This included substantial revisions/additions like chapter on stakeholder consultation, institutional arrangements, capacity building to implement ESMF, monitoring & evaluation, grievance handling, budget to implement ESMF, communication and disclosure etc to name the few. Likely social and environmental impacts of mining were also added in the ESMF. These additions were mainly meant to strengthen the social part of ESMF and to put in place its implementation and monitoring mechanisms.

#### **Monitoring of the activities of IRC**

A joint site visit to Aynak was made by the IRC team, ministry officials and WB officials to assess the work done by IRC in mobilizing the local communities for organizing them in CDCs, their capacity building in alternate means of livelihood, safe construction techniques, health and hygiene etc. The team also interacted with the local people during their visit to better understand their concerns. Based on the visit, various suggestions were made to IRC to improve their outreach to the communities. With the help of IRC, the current addresses of all the 42 families who have been moved out of Wali Killai village have been ascertained.

### **Aynak Resettlement Site Inaugurated**

His Excellency Minister of Mines, Mr. Wahidullah Shahrani on 9<sup>th</sup> February 2013 inaugurated a number of infrastructural facilities developed by the Government at Aynak resettlement site close to Ashab Baba in Logar province including a big Mosque with a capacity of 1800 people, schools, and bridges. Governor of Logar Province, Mr. Mohammad Iqbal Azizi and other relevant Provincial and District authorities and local villagers were also present. District Governor in coordination with Ministry of Mines will now start allocation of piece of land to families likely to be affected by mining at Aynak.

This resettlement township has been developed by the Government to rehabilitate those families which are likely to be relocated due to mining operations in Aynak. This township has been developed very close to the main Kabul-Logar road, only a few kilometers away from Aynak to enable these villagers to get employment at Aynak once mining starts.

This resettlement site has 512 plots of land with modern infrastructural facilities. It has been planned in a manner to enable these villagers to live together and maintain the same sense of community as before. A free of cost residential plot of land of the size 450 square meters will be allocated to each family being relocated from Aynak. In addition, Government is providing huge infrastructure including Mosque, two schools for boys and girls, bridges, health centre, drinking water, access road and a shopping area. In contrast, the communities at Aynak currently have no access to school, medical facilities, clean drinking water and sewage facilities.

Work related to construction of Mosque, schools, bridges, drinking water reservoir, and septic tank, access road, levelling of ground etc has been completed and rest is under way. This work is being monitored by the office of Governor Logar in coordination with the Ministry of Mines. The villagers have been regularly consulted during the

process of development of these facilities. Over 3 million USD has already been spent by the Government in developing this infrastructure at resettlement site.

**Proposal for the Second Round of Social Impact Assessment of the Closure of Illegal Coal Mines at Ashupushta, Bamiyan**

The issue of the impact of closure of illegal coal mines at Bamiyan was discussed at length with various departments in the Ministry and a mitigation plan has been worked out. As part of this plan, a proposal was prepared for the visit of a team of four Inspectors to Tala wa Barfaq area in Baghlan province to conduct the second round of social impact assessment (SIA) due to closure of illegal coal mines at Ashupushta area in Bamiyan, by the Ministry of Mines in June 2012. Many of the displaced workers have got employment in the nearby area of Tala wa Barfaq coal mines being run by the Northern Coal Enterprise. The purpose of this SIA is to talk to these workers and find out about their living conditions, level of wages, environmental, social and occupational safety safeguards etc. The team will also interview officials of the Northern Coal enterprise in this regard as well as regarding possibility of opening two or more caves to accommodate some more unemployed workers from closed illegal coal mines at Ashupushta area. The team will also meet members of the local Community Development Councils, Provincial Council and the Civil Society organizations working in the area to explore possibilities of vocational training of these workers in mining and related activities to increase their marketability and enhance income generation capacity.

The team of the four inspectors has also been trained by the Social team to conduct this survey and a questionnaire for the purpose has also been developed.

**Consultation with Hajigak Resident Council:**

H.E. Minister of Mines met with the Hajigak residents' council on 18<sup>th</sup> February, 2013 at the Ministry of Mines and discussed with them issues related to the welfare of the communities living around the Hajigak iron ore mines.

The Council requested that the local people be hired for the construction work of check posts and other security related jobs in order to create employment in the area. They also wanted to discuss about the process of land acquisition in Hajigak due to of mine development and the compensation to be paid to the affected families. Ministry assured them that this process will take place in close consultation and agreement with the local communities and all efforts will be made for the maximum benefit of the people living in the area. He also mentioned that under the Hajigak Project, Geology department of the Bamiyan University will be strengthened to provide quality education in the mining and related disciplines.

Ministry of Mines will support setting up Shura of local residents once the Hajigak contract is signed. This shura can then actively engage in consultation with Government as well as the mining company for mitigation of negative social impacts of mining and for establishing community development programs in the area.

#### **Dissemination of Resettlement Policy framework (RPF)**

RPF was presented in detail to the members of the ESAB in its third meeting. Their queries were responded to and they were requested to send their written comments in two weeks time.

RPF was also discussed in a brain storming session with various departments in the Ministry like Policy, legal, Inspections, Artisanal mining, Aynak Authority, Amu Darya Authority and PMU. RPF was presented through a power point presentation to the participants. Their suggestions have been noted and will be sent to the consultant who has prepared the RPF. The departments were also requested to send their written comments in two weeks time.

### **Terms of reference for Community Council at Aynak**

Following H.E. Minister's meeting with local residents of Aynak, terms of reference for a local shura at Aynak was prepared and shared with the local residents for forming the shura.

Based on Government of Afghanistan's Policy of Local Sub National Governance, Ministry of Mines will facilitate setting up a Shura or a community council at Asab Baba consisting of the villagers who have been relocated from these five villages at Aynak. There are 62 families which will be relocated in the first phase from 5 villages of Wali Killai, Bar Chinarai and Kooz Chinarai, Siso Tangi and Adam Killai. There are 42 families from Wali Killai and 20 from Kooz Chinarai. Other three villages were abandoned long ago but people who own land there will be given free plots in the resettlement site if they want to come and live there.

The Shura will be a community organization which will provide them with a platform to communicate their views about their needs such as employment, local development and other community concerns. This would mean closer involvement and participation of villagers in their development. Villagers will be represented by elders who will meet periodically to express their concerns, contribute ideas and take part in decisions that affect them. The Council will involve officials of district and provincial administration in their discussions when ever required. The council will work in a democratic manner with everyone having an equal right to give their views. Different tribes within the local communities will be represented in the Council to make it more inclusive and broad-based.

**Mes Aynak Archeological Progress**

- A detailed work plan has been submitted covering the area of the Red Zone for the next 4 months. This will be incorporated into the MoIC broader framework for the whole mining zone.
- Work is about to begin removing the road between sites 032/043 and 055. This will allow the completion of a significant area to the south of the

	<p>Lower Town</p> <ul style="list-style-type: none"> <li>▪ Progress is being made on 2 new excavation areas on the mid slopes of the mountain which will form part of site 041.</li> <li>▪ The removal of accumulated spoil heaps by machinery is making inroads into this task. At present this is focusing on an extensive 5m high spoil heap to the southeast of site 005 which will allow the excavation of the northern end of 041, where a number of copper smelting furnaces have already been discovered.</li> <li>▪ Over the last month the hand drawn plans and contexting has been completed for the large site 005 at the north end of the mountain. Context descriptions will form the next stage of this task.</li> <li>▪ 3D scanning tender process has been completed and contract is now awarded to? This will greatly increase the speed at which a number of excavated sites can be recorded.</li> <li>▪ Regular update of comprehensive digital plan of all the archaeological remains in the Red Zone complete.</li> <li>▪ The digitization of individual site plans (028, 029, 031, 033, 043, 044, and 046) is well underway. <ul style="list-style-type: none"> <li>○ The phasing of Site 043 is now finished allowing the production of phased plans showing the development of the site over its period of occupation for the illustration of a final report.</li> </ul> </li> </ul>
<p><b>Legal Support to Ministry of Mines</b></p>	<p>The Hajigak negotiations are currently on hold as the preferred bidders await a decision on the new Minerals Law. Once a decision is made on the Minerals law, the Ministry of Mines and the preferred bidders intend to determine how to proceed to a positive conclusion.</p>
<p><b>Policy Support to Ministry of Mines</b></p>	<p>Capacity building programs, which is a conceptual approach to development, has been one of the key programs of the Ministry of Mines. Many programs i.e. trainings have been carried out by international advisors and other international organizations to develop the capacity of local staff in different areas within the MoM.</p>

	<p>During Feb. term, along with the technical international advisor reviewed the Draft of Hydrocarbon Development Strategy. Further, we reviewed and summarized the contract of 1970 in order to see the methods and procedure used during 1970 and see whether those methods of forming contract can be used now.</p> <p>Moreover, in order to focus on capacity building process, I along with the technical international advisor, we have prepared different presentation to build the capacity of internal staffs.</p>
<p><b>Aynak Compliance Monitoring Project</b></p>	<p>The Ministry of Mines and the mining company are preparing for formal meetings to be held in March to resolve the issues delaying progress of the project and preventing the completion of the Bankable Feasibility Study (BFS) and Environmental &amp; Social Impact Assessment (ESIA).</p> <p>There are two main technical issues. The first concerns the adequacy of coal resources to supply the power plant required to meet the mine's energy requirements, as laid down in the Aynak Mining Contract. MJAM has submitted its exploration report on the coal resources of the area made available to them in Bamiyan Province, and the Compliance Monitoring Project team has reviewed the report and made recommendations to the Ministry.</p> <p>The second technical issue concerns the handling &amp; disposal in an environmentally acceptable manner of SO<sub>2</sub> gas which would be generated by the smelter, which is a major challenge. The two parties are discussing potential solutions to this challenge in line with sound principles of sustainable development.</p> <p>The MOM and the mining company have a clear understanding of each other's position on these issues, and both parties remain confident that the technical issues will be resolved so that the BFS can be completed and that the project may proceed.</p> <p>The Compliance Monitoring team continues to work closely with MOM officials and is providing advice on the technical</p>

	<p>issues of concern. MOM and its consultants, with World Bank assistance, are prepared for the process of evaluation and ultimate approval of the BFS and ESIA once they are submitted. Archaeological excavations, landmine clearing and resettlement activities continue, taking advantage of the delay in commencement of construction of the mine. Once the mining company starts construction-related activities, sufficient areas will have been cleared to allow these activities to continue in parallel with construction, without detriment to either.</p>
<p><b>Environmental Issues Support to NEPA</b></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 Screening Reports and ESIA reports for NEPA’s approval. Supported NEPA in developing a paper on Environmental Standards and also made presentation in the workshop organized at ANSA on the Environmental Standards.</p> <p>Technical support to Division directors of NEPA in generating and organizing the information most relevant for the preparation of the State of Environmental Report of Afghanistan. The SOE report preparation will continue in the coming months as well.</p> <p>Technical support to NEPA in the preparation of Country Progress status on the implementation of the regional “Plan of Action on Environmental Cooperation and Global Warming for Eco Member States”. Afghanistan and nine other countries of the region are the member of this Eco Cooperation Organization.</p> <p>Coordinated with NEPA and International Expert at PMU (Mr. Stefan Simon) to design and organize a three half-day training workshop on the Environmental Management System (ISO 14001) for NEPA staffs in the last week of this month.</p> <p>In the process of completing the Air Quality Management Strategy for Afghanistan, visit to key institutions- Kabul Municipality, Ministry of Urban Development, and Ministry of Education was done and consultation with senior officials made on potential role for the implementation of the future strategy.</p>

	<p>In the process of strengthening the inspection and monitoring role of NEPA, evaluation of the existing database is carried out to develop new format for generation of information for different pollution prone facilities. Environmental Best Management Practices for Service Stations is developed and work on two other small businesses is initiated.</p> <p>Consultation with different divisions of NEPA is made to prioritize the capacity needs of the divisions and possibilities of support from SDNRP II.</p> <p>Technical support to NEPA in the organization of the third meeting of MOM-NEPA Environmental and Social Advisory Board meeting at NEPA on 16<sup>th</sup> February.</p>
<p><b>NRRCP “National and Regional Resource Corridor Program”</b></p>	<ul style="list-style-type: none"> <li>▪ Studying gas consumption options, namely; power generation and gas transmission and distribution to Kabul &amp; Mazar, for gas available in the North;</li> <li>▪ The second collection data was sent to First Survey &amp; Design Company of China Railway Limited (FSDI). The process of data collection is continuing;</li> <li>▪ The approved routes of different segments between Torkham - Jalalabad was sent to FSDI. By now FSDI can continue the final feasibility study and proceed with the design of the railway route;</li> <li>▪ Attended Afghanistan National Railway Plan (ANRP) workshop held in Washington D.C. on 5-6 Feb 2013;</li> <li>▪ Visited the dispatch and operation centers of Washington D.C. bus and metro, Amtrack (America's fastest passenger trains) and CSX (American one of the two largest freight companies);</li> <li>▪ Reported the outcome of the workshop and lessons learnt from the study tours to H.E. the Minister of Mines;</li> <li>▪ Take part in the discussions on Turkmenistan-Afghanistan-Pakistan-India (TAPI) and Afghanistan-Tajikistan Gas Pipeline (ATGP),</li> <li>▪ Discuss the issues related to local content and cooperation committee with Amu Darya Authority International Advisors.</li> <li>▪ Prepared a detailed and comprehensive</li> </ul>

Procurement Guideline for CNPCIW (with flow chart)for considering and involving the local businesses in their procurement opportunities process.

- Work and collecting of information on the alternative analysis for Composition of Phosphate Rock and Sulfuric Acid for production of Fertilizers.
- Field visit with the WB mission conducted to Aynak Resettlement Site (Ashab Baba Mena). Further, a meeting with representatives of 'Wali Kalai' has also been held.
- Monitored the IRC Social Accountability Pilot project;
- Visit to Amu-Darya is being planned to conduct preliminary social studies;
- Resettlement Policy Framework of the Ministry of Mines (Dari Version) has been disseminated to MoM relevant departments and the meeting is held to discuss this.

Archeological support for the four mines under tender: data collected and sent to DAFA/ WB, coordination and capacity building of NRRCP staff