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Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 11-Jan-2018 | Report No: PIDISDSA20407

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Afghanistan	P158768	Public-Private Partnerships and Public Investment Advisory Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
SOUTH ASIA	10-Jan-2018	28-Mar-2018	Trade & Competitiveness
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministry of Finance	Central PPP Authority	

Proposed Development Objective(s)

The Project Development Objective is to develop a pipeline of feasible private and publicly funded projects.

Components

Strengthening institutional and technical capacity
Establishing the Infrasructure Preparation Facility
Project Management

Financing (in USD Million)

Financing Source	Amount
Afghanistan Reconstruction Trust Fund	30.00
Borrower	0.00
IDA Grant	20.00
Total Project Cost	**50.00**

Environmental Assessment Category

B - Partial Assessment

Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? (Will not be disclosed)
Yes

Decision

The review did authorize the preparation to continue

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Other Decision (as needed)

B. Introduction and Context

Sectoral and Institutional Context

1. **Private sector investment is crucial to supplement public resources for development but more challenging to achieve in an FCV context.** Globally, the private sector has shown some adaptation to the risks of operating in fragile and conflict affected environments. Private investment has indeed often made important contributions to addressing key development challenges and stimulating economic growth in post-conflict countries[1], where the absorptive capacity of the public sector is typically extremely low.

2. **Given the generally challenging country circumstances, confidence in the Afghan economy is limited**. When comparing the World Bank's 2008 and 2014 Enterprise Surveys, the findings are mostly discouraging: (a) measures of business performance have deteriorated since 2008 (for example, sales growth is at 3.7 percent, down by half); (b) investments declined (for example, one-third fewer firms purchased fixed assets); and (c) exports remained weak in both years. However, the GoIRA recognizes the vital role of the private sector in stimulating growth and creating jobs and is trying to improve the investment climate; to this end, among other efforts, it is aiming to curtail corruption and improve governance.

3. **Still, some investors have expressed interest in PPPs in Afghanistan for commercially viable projects.** PPP options could attract diaspora investors looking to return to Afghanistan, who usually bring finance and expertise and understand the country context. Given this interest, the Afghanistan Chamber of Commerce and Industries has lobbied the Government to strengthen the regulatory framework. Also, the GoIRA received many unsolicited private sector proposals in different areas such as, among others, agriculture and agribusiness, health, aviation, energy, municipalities, economic zones, and commercial hubs. Although they are small, most are economically viable projects that generate revenues from user fees and would also be a learning experience with demonstration effect.

4. **A 2011 World Bank-supported study identified three main roadblocks to PPPs in Afghanistan.**[2] These were gaps in policies/regulations, a lack of GoIRA institutional capacity, and a weak investment climate that discourages private finance. In response to these findings, the World Bank and other donors have been providing technical assistance (TA) to resolve these obstacles. Following a GoIRA request, World Bank TA financed by a Public-Private Infrastructure Advisory Facility (PPIAF) was launched in October 2015, and a second phase was

[1] UNCTAD. 2010. *Best Practices in Investment for Development: How Post-Conflict Countries Can Attract and Benefit from FDI.* Available at http://unctad.org/en/Docs/diaepcb200915_en.pdf.
[2]http://blogs.worldbank.org/ppps/making-ppps-work-fragile-situations.

begun in June 2017. The aim is to support a sustainable PPP program, building on earlier support from the U.K. Department for International Development (DFID). The World Bank's TA is creating a PPP legal and policy framework, strengthening institutions and launching the Central Partnership Authority (CPA), and building capacity and training for the GoIRA. Recent progress on the PPP agenda includes the following:

5. **Building on foundations developed by previous and ongoing interventions, the proposed project** will help develop a PPP and public investment support system and prepare bankable PPP projects that meet development priorities and infrastructure gaps. It will also support better allocation of public finances and maximize private investment. It will address challenges related to institutional and technical capacity in MoF and relevant sponsoring line agencies and establish an Infrastructure Preparation Facility to assure a robust preparation of public infrastructure development projects and PPPs to maximize finance for development (MFD) within the overall budget process.

6. **The Project will benefit from the World Bank's experience** in accessing global knowledge and expertise to support PPPs in fragile environments, introducing tested solutions for private sector efforts, including operating PPP units, trying innovative approaches to structure PPPs and public projects to attract investors in Afghanistan (mobilizing private and donor capital), and developing market infrastructure. The Project will also build on the World Bank's experience of supporting PPPs and public infrastructure investments in Afghanistan and globally.

C. Proposed Development Objective(s)

7. The Project Development Objective is to develop a pipeline of feasible private and publicly funded projects.

8. Given the fiscal constraints, the GoIRA must maximize funds available for infrastructure and other development priorities. The Project will enable the GoIRA, through both, advisory and capacity development activities for relevant government and the establishment of a mechanism to assess and prepare a pipeline of feasible public investment and PPP projects. If implemented, both the public and PPP investment pipelines, will stimulate infrastructure and private sector development for higher economic growth and better service delivery. Given that a range of important development investments will be covered by private sector initiative, the GoIRA, will be able to concentrate scarce public resources on other priorities in its development agenda, for example public service delivery to the benefit of the population specifically, the poor.

Project Beneficiaries

9. The Project will benefit two main stakeholders: a) government institutions in the form of technical assistance and capacity-building training, mainly to the MoF CPA and Policy Department, relevant development councils (DCs) and other agencies sponsoring PPPs; and, b) large, medium, and small private investors by helping to identify and prepare infrastructure and other projects, and addressing investor concerns.

PDO Results Indicators

10. Progress in achieving the PDO will be measured by the number of: a) feasibility studies that lead to tendered projects, of which 40 percent have considered gender issues; b) PPP policies and regulations are implemented; and, c) PPP projects tendered.

D. Project Description

11. PPIAP will appraise and prepare PPPs and public infrastructure projects with viable budgets and solid planning processes. It will use standard project appraisal and preparation models, along with sound legal, regulatory, and institutional policies that offer sufficient protection. The Project will provide capacity building support to the CPA and Policy Department in the MoF, line agencies, and relevant DCs to allocate funds for infrastructure and other projects efficiently and to implement the PPP program.

Project Components

12. The Project has three components. Component 1 will strengthen the institutional framework and technical capacity to plan, prioritize, and implement infrastructure projects. Component 2 will capitalize an IPF for project appraisal and preparation. Component 3 will cover project management.

Component 1: Strengthening institutional and technical capacity of MoF and relevant line agencies

13. This component will create a framework to manage public investments and PPPs. It will contribute to maximizing finance for development by strengthening the coordination between infrastructure planning and preparation and the budget process and align the latter with the PPP project cycle. Also, the capacity of institutions and other stakeholders will be strengthened so that they can implement the investment program (through the DCs) to allow for timely, high-quality public investment and PPP projects.

Subcomponent 1A: Improving and integrating the PIM-PPP framework

14. Adopting a PIM-PPP framework can produce more coherent laws and policies. Public investment projects funded by the GoIRA and/or on-budget donor support will proceed under the Budget Circular 2 process being developed. The Project will help with the preparation of these projects (by funding feasibility studies), the tenders, and the implementation with the MoFPD and line ministries' oversight.

15. Applying the PIM-PPP framework may require laws on public finance, expenditures, and procurement to be changed, so that the processes are consistent. This means aligning the budget process with the PPP project cycle so that a project flows smoothly through both. Also, the Project will assess the PIM-PPP framework to identify inconsistencies and recommend modifications to laws that affect it. Further, it will develop operating guidelines and institutional roles, responsibilities, processes, and standard documents for the new framework. This may mean updating some features under the World Bank PPP TA, including PPP laws, regulations, and guidelines.

16. To attract private investment for PPPs, the GoIRA will need to assume fiscal commitments and contingent liabilities (FCCL) from financial obligations in the contracts. Since fiscal commitments to PPPs (through current and capital expenditures and/or guarantee instruments) are not defined in the Public Finance and Expenditure Law, it is unclear how PPPs would be captured and managed in the budget process; also, it is unclear how Government finances would fit in its debt management strategy. This issue is important, given the terms of the IMF's ECF, which limits new debt, including FCCL from PPPs.

17. For the PIM-PPP framework, the Project will develop ways to measure, monitor, and manage the PPP fiscal impact. It will include instructions/guidelines for classifying guarantees, direct and contingent liabilities, and their accounting treatment in the budget process. The debt management strategy, considering the FCCL, will be critical as the GoIRA enters PPPs.

18. The FCCL will be assessed, which will include (a) a preliminary appraisal of proposed infrastructure projects under Budget Cycle 1, (b) a feasibility study of PPP projects, (c) negotiation and award of PPP contracts, and (d) implementing the projects. The Project will develop the FCCL framework to integrate the commitments and so on into the budget and debt management strategies and define entities' roles, responsibilities, processes, and methods for all PPP projects (in the PIM-PPP framework). The entities will receive capacity training.

Subcomponent 1B: Support for development councils and the CPA's PPP secretariat functions

19. Once the PPP law is revised to include DC-level oversight (see above), the Project will support the preparation of Rules of Procedure (RoPs), or operating guidelines, which will be included in the PPP Law and describe the roles/responsibilities of the DCs, CPA, line ministries/entities, and other stakeholders. These RoPs will mirror similar operating guidelines in the Public Procurement Law (PL) and guide the NPC operations and its Secretariat (the National Procurement Authority [NPA]) with respect to public investment projects.

20. The Project will also provide short-term consultant expertise to ensure the DCs and CPA function smoothly when overseeing the PPPs. The consultants will be experts in technical PPP support, institutional and administrative support. This assistance will phase out over the life of the Project, as the DCs and CPA build experience and capability.

Subcomponent 1C: Strengthening institutional and technical PPP-PIM capacity and awareness

21. As the GoIRA has less experience with PPPs than with public investments, it needs support to prepare, procure, and implement such projects. To date, the World Bank PPP TA program and other donors have supported capacity building, but more support is needed for the CPA and line ministries/entities. Under the World Bank TA, the CPA skill-level was assessed to determine how well it could function and serve as the main voice for the PPPs. Also, the line ministries/entities' abilities were assessed and it was recommended that classroom and on-the-job training be provided to cover all aspects of the PPP project cycle. Thus, the Project will add upstream training to plan/prioritize infrastructure needs and identify suitable projects.

22. The Project will finance related and follow-up activities to build capacity in the CPA and line ministries/entities. A communication and awareness-building campaign is needed to ensure that the various stakeholders - the GoIRA, public, investors, the domestic private sector, affected communities, and development partners - understand and buy into the program. Leveraging the private sector is a new concept in Afghanistan and not well understood. In sensitive sectors, such as anchor infrastructure sites, frequent communication and outreach with residents and enterprises could determine success or failure; this could be a public-private dialogue (PPD) - an instrument frequently used in World Bank projects - originally launched by a consultant and turned over to GoIRA/MoF officials by the Project's third year. The Project will also support the forming of a PPP donor consultative group that will meet regularly to discuss issues and donor projects.

Component 2: Establishing the Infrastructure Preparation Facility

23. Successful PPP projects must be financially viable and bankable. The proposed project will finance a robust appraisal/preparation of public projects and PPPs in the budget process. It includes a US$15 million contribution from the Australian Department for Foreign Affairs and Trade (DFAT) through the ARTF.

Subcomponent 2A: Design and creation of the IPF

24. Afghanistan's infrastructure investments have lacked up-front planning and funding to prepare projects. Thus, the Project will create an umbrella IPF (a central funding pool with two separate windows), to cover the

appraisal and preparation of infrastructure projects. This will help the GoIRA move from an individual project approach to a systematized program to ensure that projects are prioritized and well designed. The IPF will involve (a) an appraisal window to fund initial appraisals and a feasibility study of infrastructure projects and (b) a PPP PDF window to finance line ministries preparing tender documents.

25. The Appraisal Window will support initial appraisal and pre-feasibilities for all projects coming up for consideration by GoIRA to determine whether each project fits with national development priorities and whether the procurement will be private or public. The Appraisal Window will support detailed feasibility studies for projects that are approved for public procurement under the Budget Cycle 2 process. The MoFPD will manage the appraisal window. The PPP PDF Window will will be managed by the CPA. It will support detailed feasibility studies for projects approved for financing under PPP arrangements and the technical, financial and legal advisory services for structuring and negotiating PPP transactions.

Subcomponent 2B: Seed capitalization of the IPF

26. The IPF will need seed capital to begin funding the appraisal/preparation of public investment projects and PPPs; the Project will provide it through the ARTF and DFAT funding. The Project will not independently identify/develop infrastructure projects; rather, the IPF will be created as a GoIRA-managed funding facility. This reflects the importance of the integrated PIM-PPP framework and technical capacity described in Component 1. Infrastructure projects will be selected for their fit with overall priorities, and the decision about whether they are procured under public or PPP projects will be based on each project’s suitability and bankability.

Component 3: Project Management

27. A Project Management Unit (PMU) in the CPA will implement the Project and this subcomponent will finance the PMU until it is mainstreamed into the Afghan civil service (the Tashkeel). Also, it will fund the technical expertise needed in other project components. A Project Preparation Grant has been made available to the CPA/MoF which has been used, since January 2017, to recruit short-term experts, fund PPP training courses, raise awareness of the new PPP framework, further develop the PPP legal and institutional framework, and build practical capacity across line ministries through pilot projects. This facility will be terminated when PPIAP is approved by the Board.

Project Cost and Financing

28. The lending instrument will be Investment Project Financing with a 5-year implementation period. In addition to the IDA Grant of US$20 million, a grant of US$30 million will be provided from the Afghanistan Reconstruction Trust Fund, for a total of US$50 million.

E. Implementation

29. The MoF will manage the governance and implementation arrangements. The CPA will be the Project Implementation Unit. However, given the MoFPD’s role in the budget process and downstream preparation of publicly funded and PPP projects, it will be added as a Project beneficiary and will manage the IPF appraisal window. PPIAP will be managed by a PMU in the CPA under the Director General of the CPA who will be the project coordinator and focal point. Tasks will include handling implementation, procurement and FM, environmental and social safeguards, and monitoring and evaluation (M&E). PPIAP will finance the PMU until it is mainstreamed into the *Tashkeel*. The CPA will handle financial management for the project working with the MoF Finance and Administration Directorate. Procurement will be managed by the CPA and the MoF Procurement Directorate.

30. The line ministries will sponsor projects supported under PPIAP. The MoFPD, in coordination with the Ministry of Economy (MoE), will oversee preliminary appraisals and pre-feasibility studies for all proposed projects under the appraisal window. For those approved as PPPs, the CPA will oversee the preparation of detailed feasibility studies and tender documents financed under the PPP PDF window. For projects approved for public funding, the MoFPD/ MoE will oversee the detailed feasibility studies and further processing together with the MoF Budget Department.

31. In the new budget process, the MoFPD and CPA will work closely and coordinate to oversee the public and private investments across line ministries. The CPA and MoFPD will work with each ministry/ agency that sponsors projects to coordinate appraisal, feasibility studies and implementation. The focal point teams in line ministries will consist of technical experts and advisers who have primary responsibility for implementing the public and PPP projects. If needed, PPIAP can support the development of project proposals, ensuring that the proper documents are produced, and the launch of implementation. However, this will be interim support to provide flexibility and minimize administrative delays until the line ministry appoints civil servants as PPP focal points to undertake these functions.

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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

32. The PPP sub-projects may be funded nationwide. As all sub-projects under sub component 2b and/or expected environmental and social (E&S) footprint of the sub-projects are not fully known at this stage (and will not be known until PPP proposals are received by the CPA and participating GoIRA sponsoring entities), a framework approach will be adopted. The approach takes account of lessons learned from other projects, sets out a range of screening and review tools for use at both pre-feasibility and feasibility levels to identify and assess potential negative environmental and social impacts of projects and includes guidelines for preparing relevant mitigation management plans. The approach takes account of lessons learned in other projects, highlights the importance of citizen engagement and access to information and communication in underpinning effective environmental and social management and describes screening procedures. 33. The nature and magnitude of E&S risks and impacts of sub-projects is not yet known and will be assessed separately for each sub-project, as and when financing proposals are considered by the GoIRA and sponsoring entities. The project investments under sub component 2b will be directed mainly to sub-projects where E&S risks and impacts are expected to be Submental. This approach to project implementation will allow for the necessary time to strengthen private sector companies' capacity to prepare the sub-project level E&S instruments as per requirements of the GoIRA and the World Bank. 34. More specifically, with regard to identification of risks and impacts, social & environmental screening and scoping, EIA/SIA, site-specific Environmental and Social Management Plans (ESMPs) and Resettlement Action Plans (where needed) will be prepared for all sub-projects and would be subject to local disclosure and consultation as per the national law and WB safeguards policies.

G. Environmental and Social Safeguards Specialists on the Team

Mohammad Arif Rasuli, Environmental Safeguards Specialist
Mohammad Yasin Noori, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered because the proposed project will finance preparatory TA activities, including full feasibility studies for PPP sub-projects. Whereas the TA project will in and by itself not finance these investments, the actual investments themselves, if and whenever and wherever they are implemented could potentially lead to adverse downstream environmental and social impacts. For these reasons, the proposed project is assigned an EA Category B. The nature, type and physical locations of the investment projects will be determined by feasibility studies to be carried out during implementation of the proposed project, the Borrower will prepare an Environmental and Social Management Framework (ESMF) for the proposed project as a whole, to ensure a process is put in place that would ensure the required environmental and social studies and plans are prepared when these investments are identified, in compliance with Afghanistan's own requirements and with OP4.01 and other triggered Bank safeguards policies. Therefore, the ESMF will mandate the preparation of limited Environmental and Social Impact Assessments (ESIAs) that will commence concurrently but independently with the Feasibility Studies for each investment. The ESMF will also contain the requisite comprehensive Terms of Reference (TORs) for the ESIAs and if ESIA is not needed only an ESMP or a management plans would be needed and prepared.

Furthermore, the ESMF will have the relevant principles, check lists, Negative lists, guidelines, and other procedures to be applied for each investment and set forth the principles and procedures/directives to be followed by the Borrower once the physical locations of the proposed activities will be known.

The ESMF will also comply with the WBG EHS Guidelines as well with the country relevant laws and regulations.

The ESMF will also contain specific guidelines to determine linked and/or associated facilities. If existing investments are included, the ESMF will include provisions for carrying out environment and social due diligence; and the RPF will include due diligence procedures for land acquisition and resettlement of existing investments.

Finally, as it is proposed that laboratory equipment might be supplied in universities, schools and other institutions as part of Sub-component 2a, the ESMF will have provisions for simple ESMPs to ensure the potential environmental impacts such as chemicals and waste management, wastewater generation, and minor civil works related to the supply of laboratory equipment are also properly addressed.

The draft ESMF and the TORs for the ESIAs and RAP(s) will be subjected to meaningful and participatory stakeholder consultations both in Kabul and in the relevant subproject areas.

The client has prepared an ESMF that was reviewed and cleared by the Bank and is disclosed both in relevant places, and in the format and languages understandable for the local people in the country and at the WB InfoShop prior to appraisal.

Furthermore, the country has major issues and capacity constraints in Environmental management of investment projects and for managing Occupational Health and Safety issues in the construction industries and should be taken care of by the ESMF tools and to be properly applied.

Natural Habitats OP/BP 4.04	No	Projects should not be selected close to Natural Habitats and therefore this WB Policy is not triggered. Also, during the application of the ESMF tools on the subprojects and preparing ESMPs or undertaking environmental assessment we will again be ensuring the subproject is not damaging any natural habitat.
Forests OP/BP 4.36	No	This Policy is not triggered as none of the potential subprojects will not be in areas having forests. In addition, the ESMF includes screening measures to ensure there is no land degradation happening and in rare cases extreme care, mitigation measures would be plan during the feasibility planning and ESIA process (in case it is needed) and properly implemented.
Pest Management OP 4.09	No	This Policy is not triggered. However, the ESMF will provide the necessary screening measures to determine if this policy is to be triggered by specific investments when they are identified.
Physical Cultural Resources OP/BP 4.11	No	This Policy is not triggered. However, the updated ESMF comprises guidelines for Chance Find Procedures according to national law.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered as there are no Indigenous Peoples that meet the criteria of OP/BP 4.10 in the project areas that could potentially benefit or be adversely affected by the Project's activities.
Involuntary Resettlement OP/BP 4.12	Yes	Under component 2b, the PPPPI will finance preparatory Technical Assistance (TA) activities for PPP projects including pre-feasibility and feasibility studies. The project will not finance these investments and will, therefore, not itself have any major direct social impacts or land acquisition impact, but there may be potential indirect impacts from anticipated infrastructure projects in these areas. A framework approach is adopted as all project investments under sub component 2b could not be identified at the time of project appraisal. The Borrower has prepared a standalone Resettlement

		Policy Framework (RPF) for the proposed project to guide preparation of RAP(s) (where needed). Consultations on the first draft SMF and RPF took place on January 25, 2017 which were attended by the line-ministries, private sector companies, academia and NGOs. MoF conducted a second round of consultation with all these stakeholders on December 17, 2017. The updated SMF and RPF was shared with stakeholders for their feedback and comments. “The updated ESMF and RPF were cleared by the Bank on January 09, 2018 and re-disclosed in-country on MoF website and on the WB’s external website on January 10, 2018”. The ESMF includes provisions for conducting social safeguards due diligence. The RPF also includes due diligence procedures for land acquisition and resettlement of the affected people.
Safety of Dams OP/BP 4.37	No	This policy not triggered as the project will not be involved in any dam building, rehabilitation or any mining activities which could have tilling dam.
Projects on International Waterways OP/BP 7.50	No	The proposed project is not expected to affect international water. The reason is that the subprojects will not be diverting water from the water course. In case there are small scale industries proper mechanism and systems, tools and guidelines created by the ESMF and applied during the implementation will mitigate the quality deterioration of the water.
Projects in Disputed Areas OP/BP 7.60	No	There is no disputed area as defined under this policy.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The proposed project will finance preparatory TA activities, including full feasibility studies for PPP sub-projects in agribusiness, logistic and other opportunities with strong value chain and growth potential. The current project will by itself not finance these investments, the actual investments themselves, and therefore, will not have any major impacts. However, these projects could have potential adverse downstream impacts that could be mitigated with preparation and implementation of ESMPs and if needed by undertaking further assessments. For these reasons, the proposed project is assigned an EA Category B.

Social impacts and risks- the TA activities will not itself have any major direct social impacts and risks, but there may be potential indirect impacts from anticipated sub- projects to be supported under subcomponent 2b of the Project. The overall social risks ratings are likely to be Substantial (S) at this stage. The key drivers of social risks for PPPPI may include; (i) potential indirect land acquisition impacts from anticipated infrastructure subprojects that will be included for feasibility studies; (ii) workers safety/labor influx risk and community safety risks associated with labor camp and workers coming into area which are expected to occur during implementation of PPPPI sub-projects; and (iii) low capacity of local companies to conduct social safeguards studies.

The MoF CPA (through consultants) will conduct social screening and scoping of all proposed PPP sub-projects that will take place at pre-feasibility stage. Consulting firms will be engaged to collect information and assess/identify key social risks and identify issues for consideration in more detailed assessments at the feasibility stage. More specifically, with regard to identification of risks and impacts, preliminary social screening and scoping at pre-feasibility stage and SIA, site-specific Social Management Plans (SMPs) and Resettlement Action Plans (where needed) during feasibility-stage will be prepared for all sub-projects and would be subject to local disclosure and consultation as per the national law and WB safeguards policies.
The project is expected to generate overall positive social impacts.

The borrower has prepared an Environmental and Social Management Framework (ESMF) and a stand-alone Resettlement Policy Framework (RPF) to address potential impacts. These safeguards documents were re-disclosed in-country on January 10, 2018) on MoF website.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The anticipated future subprojects included in PPPL will not have big indirect or long terms environmental impacts that could not be mitigated by applying the relevant mitigation tools provided in the ESMF. The potential environmental impacts would be caused by generation of chemicals, hazardous wastes, wastewater generation, earth moving, transportation, and minor civil works. Occupational, Health and Safety issues the relevant projects and due to the weak regulatory and enforcement system in the country would also be another important area that should be properly addressed and there is an urgent need to build the needed capacity in the relevant agencies.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N.A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The responsible regency for this project is Ministry of Finance (MoF), which has got some experiences with implementation of the Bank funded projects, preparation of ESMFs for the SCRTFP and Public Finance Management in the past. However, MoF still lacks proper capacity to handle all the relevant Environmental and Social Safeguards issues and needs assistance from the Bank side.

Borrower has prepare an Environmental and Social Management Framework (ESMF) for the proposed project as a whole, to ensure a process is put in place that would ensure the required environmental and social studies and plans are prepared when these investments are identified, in compliance with Afghanistan's own requirements and with OP4.01 and other triggered Bank safeguards policies.

Therefore, the ESMF and RPF will mandate the preparation of limited Environmental and Social Impact Assessments (ESIA and RAP that will commence concurrently but independently with the Feasibility Studies for each investment. The ESMF will also contain the requisite comprehensive Terms of Reference (TORs) for the ESIAs and management plans.

Furthermore, the ESMF will have the relevant principles, checklists, negative lists, guidelines, and other procedures to be applied for each investment and set forth the principles and procedures/directives to be followed by the Borrower once the physical locations of the proposed activities will be known.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include Government institutions to which it will provide TA and capacity-building training- these include MoF, CPA and policy departments, state-owned enterprises and companies, municipalities and government commissions or other groups established under government order or other entities sponsoring PPPs. Other stakeholders include large, medium, and small private investors.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
09-Jan-2018	10-Jan-2018	

"In country" Disclosure

Afghanistan
10-Jan-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
09-Jan-2018	10-Jan-2018

"In country" Disclosure

Afghanistan
10-Jan-2018

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
No

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
No

Is physical displacement/relocation expected?
TBD

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)
TBD

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
No

Have costs related to safeguard policy measures been included in the project cost?
No

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
No

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
No

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APPROVAL

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Country Director:		

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