



AGA KHAN FOUNDATION

**EMPOWERING MICROFINANCE AND ENTERPRISES FOR
RESILIENCE AND GROWTH PROJECT**

(P504220)

**ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK
(ESMF)**

26 March 2025

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List of Abbreviations and Acronyms

ACGF	Afghan Credit Guarantee Foundation
AKCS	Aga Khan Cultural Services
AKF	Aga Khan Foundation
AKF-A	Aga Khan Foundation, Afghanistan
AKF-USA	Aga Khan Foundation, United State of America
AP	Accelerate Prosperity
ARTF	Afghanistan Resilience Trust Fund
CBSGs	Community Based Saving Groups
CDC	Community Development Committee
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CoC	Code of Conduct
CRC	Conventions on the Rights of the Child
CVF	Credit Viability Fund
E&S	Environmental & Social
EHS	Environment, Health and Safety
EHSG	World Bank Group General Environmental, Health and Safety Guidelines
EI	Economic Inclusion
EIA	Environmental Impact Assessment
EMERGe	Empowering Microfinance and Enterprises for Resilience and Growth Project
ESCoP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESDD	environmental and social due diligence
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standard
FIs	Financial Institutions
GBV	Gender-Based Violence
GHG	Greenhouse gases
GRM	Grievance Redress Mechanism
HR	Human Resource
ICSC	International Chemical Safety Cards
ITA	Interim Taliban Administration
LMP	Labor Management Procedures
M&E	Monitoring & Evaluation
MFI	Microfinance institutions
MFPs	Microfinance Providers
MIS	Management Information System
MoIC	Ministry of Industry and Commerce
MSDS	Materials Safety Data Sheets
MSEs	Micro and Small Enterprises

MSMEs	Micro, Small and Medium Enterprises
NEPA	National Environmental Protection Agency
OHS	Occupational Health and Safety
PDO	Project Development Objective
PIE	Project Implementing Entities
PIU	Project Implementation Unit
POM	Project Operations Manual
PPE	Personal Protection Equipment
SAs	Subsidiary Agreements
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SME	Small and Medium Enterprises
SMP	Security Management Plan
SOP	Standards Operating Procedure
SRA	Security Risk Assessment
TPMA	Third-Party Monitoring Agent
USD	United State Dollar
WASH	Water, Sanitation and Hygiene
WB	World Bank
WHO	World Health Organization
WMP	Waste Management Plan

1. Executive Summary

The Empowering Microfinance and Enterprises for Resilience and Growth (EMERGE) project, a collaboration between the World Bank (WB) and the Aga Khan Foundation (AKF), seeks to enhance financial access for micro and small enterprises (MSEs) in Afghanistan, with a strong focus on women's financial inclusion. The project comprises two components:

Reviving Microfinance Providers(MFPs): Conditional Capital Support Grants will be provided to rebuild the capital of MFPs, enhance operational efficiency, and scale up lending to women-led businesses. Technical assistance will also be provided to operationalize the Community and Enterprise Development Organization and strengthen MFP capacity.

Building a Pipeline of Bankable Enterprises: This component supports business viability through technical assistance, training, and the establishment of a Credit Viability Fund (CVF) to facilitate loans for beneficiaries, particularly women-led enterprises, by subsidizing fees and providing collateral support. The project will be implemented in 15 northern and northeastern provinces of Afghanistan, with locations determined through initial assessments.

This ESMF will focus on the component 2 implemented by AKF while ACGF(Afghan Credit Guarantee Foundation) has established an Environmental and Social Management System (ESMS) in line with ESS9 requirements which is being applied for loans that are guaranteed by ACGF under Component 1. The Project ensures that the MFPs commit to a proportionate application of ACGF's ESMS for all activities planned under Component 1 and the ESMF developed by AKF for all activities under Component 2, considering the expected low average loan size. The ESMF and the ESMS contain relevant policies, procedures, organizational capacity, monitoring and reporting mechanism for Environmental & Social (E&S) risks management. The Project has a single Environmental and Social Commitment Plan (ESCP) covering both Component 1 and 2. Both AKF and ACGF already have grievance mechanisms in place for project stakeholders to lodge project related complaints.

- a) **Component 1: Reviving Micro-Finance Providers** which aims to provide Conditional Capital Support Grants to MFPs to rebuild their capital and improve operational efficiencies, particularly for lending to women-led businesses. This is complemented by offering technical assistance for the operationalization of the Community and Enterprise Development Organization and enhance the capacity of MFPs.
- b) **Component 2: Building a Pipeline of Bankable Enterprise** which seeks to support business viability through technical assistance and training for small and medium enterprises and micro enterprises, including those led by women. This will be done through establishing a CVF to facilitate access to loans for beneficiaries, including fee subsidies and collateral support. This component will be implemented with collaboration from AKF's Accelerate Prosperity (AP) program, Economic Inclusion (EI) and the Aga Khan Cultural Services (AKCS).

The project will be implemented in 15 northern, northeastern and central provinces, with specific locations determined during initial assessments. The project aims to directly benefit 3,500 individuals across the specified locations at the output level. At the intermediate level, it is projected to impact approximately 44,500 individuals, including the households of direct beneficiaries and employees of the associated businesses. At the community level, the project is expected to influence more people, encompassing community members, suppliers, and other stakeholders who will benefit from the project's broader impact.

This ESMF is prepared according to the WB ESF and relevant national laws and regulations. The project will follow all the laws and policies, where they do not contradict the WB's ESF. Where contradictions exist or where the Afghan legislation contradicts the WB standards, the ESF will be applied.

Environmental and Social Risk Classification: The project has been classified as moderate risk category for both E&S risks. The WB will review the risk classification on a regular basis during implementation, and can change the classification, if necessary, to ensure that it continues to be appropriate. This project will not finance those activities which have **high** or **substantial** negative impacts on the environment or community. However, some of the risks including Occupational Health and Safety (OHS) risks, minor environmental pollution, and waste generation might have their low or moderate impacts, which will be mitigated through implementation of OHS measures, including regular training, provision of Personal Protective Equipment (PPE), and strict adherence to safety protocols. Environmental pollutions and wastes generation will be managed through Environmental and Social Management Plan (ESMP) **Annex 5**, waste management plan (WMP) **Annex 3**, proper waste segregation, storage, and disposal practices. The project will ensure that hazardous materials are handled and disposed of safely, and that waste management practices comply with relevant ESF standards and relevant regulations. Additionally, measures will be integrated to the ESMP and relevant instruments to minimize pollution, such as controlling dust and noise, and preventing contamination of water sources. The project also associated with labor risks and impacts, given the different types of workers it will deploy for Micro Small and Medium Enterprises (MSMEs). These include OHS risk, child and forced labor, labor disputes, discrimination and exclusion of vulnerable/marginalized groups and GBV related issues. In order to mitigate these risks, specific labor management procedures (LMP) have been developed **Annex 2**. The purpose of the LMP is to establish clear labor procedures for all project workers, namely direct project workers hired by MSMEs, in line with the requirements of the local legislation and the WB's ESS 2.

The GRM is a vital part of the project, providing a platform for affected individuals or communities to voice concerns, offer feedback, or submit complaints. AKF prepared GRM to be easily accessible to all stakeholders, including vulnerable groups such as women and marginalized populations. It ensures confidentiality, especially for sensitive issues like Gender-Based Violence (GBV) or Sexual Exploitation and Abuse (SEA), protecting the complainants throughout the process. Multiple channels for submitting grievances are available, including in-person submissions, dedicated hotlines, emails, and online portals. Grievances are acknowledged within 3 working days, investigated within 30 days, and a resolution is communicated to the complainant. The process is monitored for transparency, and grievances can be escalated if necessary. The Stakeholder Engagement Plan (SEP) outlines the GRM, which allows any project-affected person, worker, or stakeholder to file complaints and concerns. The GRM complies with WB standards, especially for addressing SEA/Sexual Harassment (SH) cases as detailed in the SEA/SH Action Plan. It is widely disseminated in all project areas, ensuring that it is accessible, culturally appropriate, and capable of addressing the concerns of all project-affected parties without limiting access to judicial or administrative remedies.

E&S Risks and Mitigation Strategies for Small and Medium Enterprises (SME) Operations

Potential Negative E&S Risks: Key risks include waste generation, where SME operations may produce harmful waste, including plastics and hazardous materials and polluting potential water resources especially water courses and streams and can have health impacts. Biodiversity impacts may occur as operations in ecological areas could disturb habitats and harm ecosystems including channel and ponds ecosystems. Greenhouse Gas (GHG) emissions from increased carbon emissions due to transportation and industrial activities could contribute to climate change, some of the activities may contribute to air and water pollution. Labor and workplace safety risks arise from poor compliance with labor standards and unsafe work environments, potentially harming workers, especially in high-risk industries, and security threat to human security including both staff and beneficiaries. Social risks may affect marginalized groups,

particularly women and rural communities, who might face barriers in accessing project benefits. Gender-based violence and SEA/SH risks involve the potential for sexual exploitation, abuse, and harassment during project activities. Lastly, community resource strain may occur as SME activities could strain local resources such as water, energy, and land, creating potential conflicts.

Mitigation Measures: To address these risks, several mitigation measures will be implemented. WMP under this ESMF will ensure responsible disposal practices, reducing pollution risks. Projects will avoid protected zones and adopt biodiversity protection measures to minimize ecological damage. Energy-efficient practices and technologies will be encouraged among supported SMEs to reduce carbon footprints. Compliance with Environmental, Health and Safety Guidelines (EHSGs)¹, labor management procedures and Afghanistan labor law will be enforced, with regular training and emphasis on proper safety measures to ensure workplace safety. Active stakeholder engagement will be ensured, prioritizing projects that include and empower vulnerable groups, especially women. A comprehensive SEA/SH action plan will be implemented, including awareness training, grievance mechanisms, and strict enforcement of codes of conduct. Additionally, an exclusion list is prepared and added in **Annex 1-Part A** which will be maintained and strictly applied to exclude SMEs engaging in harmful practices or failing to meet E&S standards. E&S Screening Checklist is also added to **Annex 1-Part B** to identify and assess relevant E&S risks specific to the MSMEs activities and identify the appropriate mitigation measures. The Project Implementation Entities (PIEs) (AP, EI and AKCS) E&S focal Points with support of Project Implementation Unit (PIU) E&S Specialist will use the exclusion list & E&S screening form. The ESMF will serve as the guiding document for risk identification, mitigation, and monitoring throughout the project. Labor Management Procedures (LMP) will protect workers' rights and ensure safe working environments. The SEP will promote transparency, community involvement, and inclusion of marginalized groups. Biodiversity and Resource Management measures will protect sensitive ecosystems and ensure the sustainable use of community resources. The SEA/SH Action Plan will prevent and address gender-based risks through training, policies, and grievance mechanisms. AKF developed a SEP to ensure structured and culturally appropriate engagement with affected communities and key stakeholders. It promotes active consultation throughout the project lifecycle, gathering input on E&S risks, involving stakeholders in decision-making, and ensuring transparency—especially for vulnerable groups like women, ethnic minorities, and displaced persons.

To the extent possible, training on E&S risk management will be integrated into the project cycle and operational procedures. Given the need to raise awareness among project workers and stakeholders at many levels.

¹ <https://www.ifc.org/content/dam/ifc/doc/2000/2007-general-ehs-guidelines-en.pdf>

2. Introduction and Overview

2.1. Introduction

This Environmental and Social Management Framework (ESMF) is developed to support the E&S due diligence provisions for activities financed by the WB in the EMERGE hereinafter referred to as “the Project”. The project will support the demand for and supply of finance for MSEs in Afghanistan, focusing on women's financial inclusion. The Project Development Objective (PDO) outcome indicators include the i) number of Micro Finance Providers with non-negative capital, ii) number of loans to MSEs, including the percentage of such loans made to women or women-owned enterprises iii) number of enterprises made credit-ready through business training and mentorship, including the percentage of which are women or women-owned in eight provinces of northeastern and northern of Afghanistan AKF will be implementing the Project activities.

This ESMF follows the WB Environmental and Social Framework (ESF) as well as the national laws of Afghanistan. The objective of the ESMF is to provide a framework for E&S risks and impacts of the Project consistent with the Environmental and Social Standards (ESSs) of the WB ESF and national requirements. More specifically, the ESMF aims to (a) assess the potential E&S risks and impacts of the proposed Project activities and propose mitigation measures; (b) establish procedures and methodologies for the E&S screening, review, approval, and implementation of activities; (c) specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring E&S mitigation measures to be financed under EMERGE Project ; (d) describe the appropriate roles and responsibilities of EMERGE, Implementing Partners (IPs) and other stakeholders; (e) identify the staffing requirements, as well as the training and capacity building needed to successfully implement the provisions of the ESMF; (f) address mechanisms for public consultation and disclosure of project documents as well as redress of possible grievances; and (g) establish the budget requirements for implementation of the ESMF.

This ESMF should be used together with other plans prepared for the project, including the SEP, the ESCP, Labor Management Procedures (LMP) and SEA/SH Action Plan.

The ESMF ensures that timely measures are in place in order to:

- Avoid or minimize any harm to human health and security
- Avoid, reduce, mitigate, and or compensate any loss of livelihood
- Avoid, minimize, mitigate, or compensate for any environmental degradation as a result of the interventions by projects
- Enhance positive environmental and social outcomes
- Ensure compliance with Afghanistan's legislations as well as with the WB's E&S Framework (ESF) and the WB Group General EHS2

2.2. Project Overview

Project Components: This ESMF will focus on the component 2 implemented by AKF while ACGF has established an ESMS in line with ESS9 requirements which is being applied for loans that are guaranteed by ACGF under Component 1. The Project ensures that the MFPs commit to a proportionate application of ACGF's ESMS for all activities planned under Component 1 and the ESMF developed by AKF for all activities under Component 2, considering the expected low average loan size. The ESMF and the ESMS contain relevant policies, procedures, organizational capacity, monitoring and reporting mechanism for E&S risks management. The Project has a single ESCP covering both Component 1 and 2. Both AKF and ACGF already have grievance mechanisms in place for project stakeholders to lodge project-related complaints.

² <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

Component 1: Reviving Micro-Finance Providers: Strengthening the supply of finance to MSEs in Selected Provinces through the provision of: (a) Conditional Capital Support Grants to MFPs to support them in building back their capital and cleaning their balance sheets; (b) technical assistance and advisory support to, inter alia, operationalize the Community and Enterprise Development Authority and to enhance the MFPs’ operational efficiencies, strengthen their capacity to support lending to women and women-led businesses, and diversify their products; and (c) supporting the institutional capacity of ACGF to carry out ACGF’s Respective Part of the Project, including direct Project management and supervision costs required to support implementation of the ACGF’s Respective Part of the Project, Project monitoring, evaluation, and coordination, and general management support and ACGF’s Indirect Costs. The project ensures that MFPs apply ACGF’s ESMS proportionately to all activities under Component 1. The ESMS includes policies, procedures, organizational capacity, and a monitoring and reporting framework for effective E&S risk management.

Component 2: Building a Pipeline of Bankable MSEs: Activities under Component 2 of EMERGE will support the demand for credit among MSEs by developing a pipeline of bankable enterprises and connecting them to the formal financial system. The activities will include (i) support to improve bankability of businesses through the provision of technical assistance and business development training to entrepreneurs and micro-enterprises, and (ii) capitalizing a CVF to support beneficiaries’ access to loans provided by MFPs through fee subsidies collateral support, and loan insurance.

The project is financed by an Afghanistan Resilience Trust Fund (ARTF) recipient-executed grant of US\$16 million. The project has a 15-month implementation period.

2.3. Beneficiaries and geographical location

The project’s primary beneficiaries will be the MFPs and their borrowers (both existing and future), as well as MSEs. The geographic focus of the project will be 15 provinces under both components 1 and 2. However Component 2 will specifically target 08 provinces across Afghanistan as outlined in the table below

Table 1: Target Provinces and Districts for Project Implementation Under component 2.

Province	Districts
Badakhshan	Faizabad, Baharak, Iskashim, Wakhan and Shughnan districts
Baghlan	Baghlan, Doshi, Pule Khomri, Baghlan Jadid, and Khinjan
Balkh	Mazar-e-Sharif
Bamyan	Waras, Panjab, Shiber, Yakawlang 1 and 2
Kabul	Kabul City
Kunduz	Kunduz City, Ali Abad, Chardara
Samangan	Aybak City
Takhar	Dashti Qala, Farkhar, Kalafghan and Baharak).

AKF through AKF-USA will be responsible for overall project implementation as the grant recipient for the project. AKF-USA has established PIU based in Kabul, Afghanistan and all staffing have been completed by Dec 2024 to fulfill its obligations for project implementation. AKF-USA will engage AKF-Afghanistan and Afghanistan Credit Guarantee Fund (ACGF) as PIEs to deliver project activities through the signing of Subsidiary Agreement (SAs). The SAs will specify the activities to be implemented by each co-signatory of the SA (AKF-Afghanistan and ACGF), as well as overall implementation and coordination arrangements, and the obligations of signatories to the agreements.

AKF will coordinate project activities, including day-to-day implementation, coordination, supervision, and overall management of project activities which includes community engagement for awareness raising, financial literacy, management, and entrepreneurship training for CBSGs (Community Based Saving Groups), vocational trainings in traditional crafts and business development services offered to SMEs. While the proposed microfinance project activities could have direct impacts on the environment, it is essential to integrate and implement E&S risk mitigation measures into the E&S instruments to ensure sustainable outcomes and compliance with project ESCP, ESMF, WB’s ESF standards, national and international law and regulations. Adhering to E&S guidelines it will help mitigate any indirect or unforeseen risks associated with the project activities and align with broader sustainability goals.

3. Legal and Regulatory Framework

3.1. National Requirements

Most of the applicable laws and policies in Afghanistan still reflect old Afghan laws, as well as many new laws and policies, which were prepared and passed in the last 20 years, based on international assistance. This ESMF was prepared according to the laws and regulations as of July 2023. The project will follow all the laws and policies, where they do not contradict the WB’s ESF. Where contradictions exist or where the Afghan legislation contradicts the WB standards, the ESF will be applied.

The following laws (see table-2) are relevant to if they remained valid:

Table 2: Afghanistan Relevant Legal Framework

Law	Description and Relevance to Project Activities
Environmental Law (2007):³	This Law is based on international standards that recognize the current state of Afghanistan’s environment, while developing a framework for effective environmental management. It lays out sustainable use, rehabilitation and conservation of biological diversity, forests, land, and other natural resources; the prevention and control of pollution; conservation and rehabilitation of the environment; and the active involvement of local communities in decision-making processes on the environment, including a clearly stated opportunity for affected persons to participate in each phase of a project.
Labor Law (2007):⁴	The law consists of numerous articles relevant to the private sector. Article 30 states that an organization can increase or decrease the hours of work during the week provided that the total working hours during a week do not exceed 40 hours. Articles 107–119 in Chapter 10 of the Law set out a range of specific requirements to ensure health and occupational safety conditions in a workplace. For example, Article 112 requires that when working in ‘conditions harmful to health’, special clothing/footwear should be put at the disposal of employees free of cost. Article 114 requires that First Aid Medical kits should be available, and the treatment of an employee’s illness should be at the employer’s expense.
Law on Limited Liability	The Law on Limited Liability Companies was enacted pursuant to Article 10 of the Constitution to regulate the affairs related to the establishment of limited liability companies and to facilities investment, economic development, and trade development.

³ https://upr-info.org/sites/default/files/documents/2013-07/unep_afg_upr_s5_2009anx_environmentlawafghanistanfinal2007english.pdf

⁴ <https://natlex.ilo.org/dyn/natlex2/natlex2/files/download/78309/AFG78309%20English%202.pdf>

Law	Description and Relevance to Project Activities
Companies (2019)⁵	
Small Claims Procedure (2020)⁶	This law aims to resolve commercial cases with a disputed amount of less than AFN 100,000. These cases will be decided by a single judge with no stage of appeal. This law aims at speeding up court procedure and to solve matters in a less bureaucratic manner and to attract entrepreneurs and traders to file lawsuits and courts rather than solving them through traditional means.
Law of Electronic Signature and Transactions (2020)⁷	This law came into force to provide a legal framework for the electronic transaction and signature validation of electronic transactions and correspondence, provision of the grounds for the development and promotion of digital ecosystem.
Environmental Impact Assessment Regulation 2017⁸	The objective of these regulations is to provide for a high level of protection of the environment and of human health, to contribute to the effective integration of environmental considerations into the permitting procedure for public and private projects, and to ensure that public and private projects which are likely to have significant effects on the environment are adequately assessed before any development consent is granted.
National Labour Policy 2017⁹	The National Labour Policy 2017 emphasizes the importance of creating equitable employment opportunities, particularly through the development of skills and vocational training programs that align with market needs. It promotes access to employment for all, including vulnerable groups such as women and youth, by enhancing skills development, improving workplace conditions, and fostering partnerships with private and public sectors. Additionally, the policy underscores the need for gender equality in labor markets, the establishment of decent work conditions, and the integration of marginalized communities into the workforce

3.1.1. *National E&S Assessment and Permitting:*

The National Environment Law 2007 requires any development project, plan, policy, or activity to apply for an environmental permit (Certificate of Compliance) prior to implementation. For that, an Environmental Impact Assessment (EIA) needs to be submitted to the National Environmental Protection Agency (NEPA) to determine the associated potential adverse effects and possible impacts.

However, it is expected that the size of sub-projects is too small and does not fall under these requirements. The law also establishes a Board of Experts that reviews, assesses, and considers the applications and documents before NEPA could issue or not issue the permit. The EIA Board has been appointed by the General Director of the NEPA and is composed of not more than 8 members. The EIA Board of Expert's decision can be appealed.

⁵ <https://kakaradvocates.com/uploads/laws/original-Law%20on%20Limited%20Liability%20Companies%20-%20Dari-Pashto.pdf>

⁶ <https://kakaradvocates.com/uploads/laws/original-Commercial-Procedure-Code-Small-Claims-Procedure.pdf>

⁷ <https://kakaradvocates.com/uploads/laws/original-Law-of-Electronic-Signature-and-Transactions.pdf>

⁸ <https://faolex.fao.org/docs/pdf/afg192499.pdf>

⁹ <https://molsa.gov.af/sites/default/files/2019-04/%D9%BE%D8%A7%D9%84%DB%8C%D8%B3%DB%8C%20%D9%85%D9%84%DB%8C%20%DA%A9%D8%A7%D8%B1.pdf>

3.1.2. International Conventions and Agreements:

Afghanistan has signed and ratified the following relevant international conventions and agreements. While the current government is not recognized and is under sanctions, it is still held accountable for the continuation of international conventions and agreements. However, the capacities for implementation are extremely limited:

- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1983.
- Conventions on the Rights of the Child (CRC), 1989
- Worst Forms of Child Labor Convention, 1999
- Equal Remuneration Convention, 1951
- Abolition of Forced Labor convention, 1963
- Minimum Age Convention, 2010
- Convention on Biological Diversity, 1993
- Convention on Climate Change, 1992 (and Kyoto Protocol in 1997, and Paris Agreement in 2015)
- Convention to Combat Desertification, 1994.
- Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1973.
- Vienna Convention for the Protection of the Ozone Layer, 1988.
- Basel Convention on the Control of Trans boundary Movements of Hazardous Wastes and Their Disposal (1992).

3.2. WB Standards

WB ESSs: The WB ESF sets out the WB’s Commitment to sustainable development. It includes a set of ten ESS that establish mandatory requirements that the projects must meet through the project life cycle. The following ESSs are relevant to the EMERGE.

Table 3: Relevant ESS Standards

WB ESS standards	Relevant to EMERGE Project? (Y/N)	Rationale
ESS 1: Assessment and Management of E&S Risks and Impacts	Yes	Sets out the borrower’s responsibilities for assessing, managing and monitoring E&S risks and impacts associated at each stage through Investment Project Financing, in order to achieve E&S outcomes consistent with the ESS. The E&S assessment will be based on current information, including a description and delineation of the project and any associated aspects, and environmental and social baseline data at an appropriate level of detail sufficient to inform characterization and identification of risks and impacts and mitigation measures. The assessment will evaluate the project’s potential E&S risks and impacts, with particular attention to those that may disproportionately affect disadvantaged and/or vulnerable social groups; examine project alternatives; identify ways of improving project selection, siting, planning, design and implementation in order to apply the mitigation hierarchy for adverse E&S

WB ESS standards	Relevant to EMERGe Project? (Y/N)	Rationale
		impacts and seek opportunities to enhance the positive impacts of the project. The E&S assessment will include stakeholder engagement as an integral part of the assessment, in accordance with ESS10.
ESS 2: Labour and Working Conditions	Yes	<p>ESS2 is relevant as the Project involves direct workers and contracted workers. Labor management procedures (LMP) (see annex 2) have been developed to guide the mitigation of labor-related risks and impacts of the project.</p> <p>The EMERGe project applies the WB ESF Standards, and as well as the Afghanistan national E&S regulatory framework. Afghanistan is in transition, and it is not clear which national laws and policies remain valid. The following laws (see table 1) are relevant if they remain valid:</p> <p>In accordance with the requirements of ESS2, this Labor Management Procedure (LMP) has been developed for the EMERGe project. This LMP sets out the ways in which AKF-PIU will manage all project workers in relation to the work and associated risks and impacts.</p> <p>The objectives of the LMP are to: identify the different types of project workers that are likely to be involved in the project; identify, analyze and evaluate the labor-related risks and impacts for project activities; provide procedures to meet the requirements of ESS2, ESS4 and applicable Afghan legislation.</p> <p>The LMP will be applied with due consideration to the requirements of national laws, the interrelatedness of ESS2 with other E&S Standards in general and ESS4 in particular. Provisions from the LMP will be included in site-specific ESMPs if required for any small and medium enterprise which has received CVF from the EMERGe project.</p>
ESS 3: Recourse Efficiency and Pollution Prevention and Management.	Yes	recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local and regional levels. This ESS sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life-cycle.
ESS 4 – Community Health and Safety.	Yes	ESS4 is relevant, as the proposed activities can pose community health and safety risks and impacts arising from SMEs. While not explicitly mentioned, prevention and mitigation of different forms of gender-based violence (GBV), specifically SEA, is being covered by ESS4. Community health and safety aspects are included in this

WB ESS standards	Relevant to EMERGE Project? (Y/N)	Rationale
		ESMF, and a separate SEA/SH Action Plan has been prepared to assess and manage the risks of SEA/SH.
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement -	No	This standard is not relevant as the project activities are restricted to the premises of the existing facilities.
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	NO	
ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	No	This standard is not relevant as there are no Indigenous People that meet the criteria of ESS7 in the country that could potentially benefit or be adversely affected by the Project's activities.
ESS8: Cultural Heritage	No	The Scope of civil works and activities may result in impacts on the traditions and cultural heritage of the people - an important economic and social asset for development. The implementing agency will follow a chance-find procedure during sub-project implementation
ESS9: Financial Intermediaries	Yes	Recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. Financial Institutions (FIs) are required to monitor and manage the E&S risks and impacts of their portfolio and FI subprojects, and monitor portfolio risk, as appropriate to the nature of intermediated financing. The way in which the FI will manage its portfolio will take various forms, depending on a number of considerations, including the capacity of the FI and the nature and scope of the funding to be provided by the FI.
ESS10: Stakeholder Engagement and Information Disclosure	Yes	This ESS recognizes the importance of open and transparent engagement between the Recipient and project stakeholders as an essential element of good international practice. The Recipient will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate

WB ESS standards	Relevant to EMERGE Project? (Y/N)	Rationale
		to the nature and scale of the project and its potential risks and impacts. A separate SEP has been prepared that will be applicable the project component.

3.3. Key Gaps with the National Requirements

The WB’s E&S standards applicable to project activities are summarized below.

Table 4: Relevant WB ESS and Key Gaps with the National Framework

E&S Standard	Relevance	Gaps
1. Assessment and Management of E&S Risks and Impacts	ESS1 is relevant for the project because project activities are expected to pose low E&S risks such as SMEs engage in activities which creates environmental waste including plastic pollution etc. The relevant national regulation doesn’t necessarily address these issues.	The WB’s E&S covers broader and more comprehensive standards under its 10 ESSs, address issues under labor and working conditions (ESS2), community health and safety (ESS4) and biodiversity conservation (ESS6). However, Afghanistan’s regulatory framework does not fully encompass the social and labor-related safeguards that the WB mandates, such as labor rights, community engagement, gender-based violence prevention.
2. Labor and Working Conditions	ESS2 is relevant for the project because there are certain labor risks for project workers. Labor-related risks include (i) security risks to project workers, (ii) traffic and road safety issues, (iii) inadequate terms and conditions of employment, and (iv) occupational health and safety risks.	
ESS 3: Recourse Efficiency and Pollution Prevention and Management	ESS3 is particularly relevant to this project, as we will engage with various businesses involved in material production. It is crucial to ensure that these businesses are fully aware of the applicable policies and regulations.	
ESS 4 – Community Health and Safety	ESS4 is relevant to this project, which often involves various groups and individuals, particularly in	

	communities that may face vulnerabilities. Microfinance initiatives can impact on the health, safety, and security of project-affected communities, making it essential for borrowers to identify, avoid, or minimize any risks and negative effects.	
ESS9 – Financial Intermediaries	ESS9 – Financial Intermediaries relevant to microfinance projects as it recognizes the critical role of FIs in fostering economic development, growth, and poverty reduction, particularly by increasing access to finance for underserved populations. In microfinance, Financial Intermediaries such as microfinance institutions (MFIs) play a key role in providing funding to small businesses, entrepreneurs, and individuals who often lack access to traditional banking services.	
ESS10 Stakeholder Engagement and Information Disclosure	ESS10 is relevant for all projects given the need to engage with beneficiaries and stakeholders on development activities that affect their lives.	Afghanistan’s regulatory framework for stakeholder engagement and public disclosure lacks implementation and enforcement of the regulation to ensure that vulnerable or marginalized groups, especially women and minorities are consulted

3.4.Environmental and Social Risk Classification:

The project has been classified as moderate risk category for both E&S risks. The WB will review the risk classification on a regular basis during implementation, and can change the classification, if necessary, to ensure that it continues to be appropriate.

For this project, the Environmental Health and Safety (EHS) General Guidelines is applicable containing specific environmental, health and safety measures for any industrial activities within the project. The General Guidelines will provide measures on environment, occupational health and safety, community health and safety, and waste management

4. Assessment of Potential E&S Risks, Impacts and Mitigation Measures

E&S Risk Assessment:

The E&S risks of the EMERGe project are considered moderate due to the nature of the interventions, which focus on providing loans to MSEs, in sectors such as agriculture, handicrafts, and small-scale manufacturing.

Key environmental risks include waste management, resource management, pollution control, and OHS, all of which are expected to be moderate in nature and manageable through proper mitigation measures.

Social risks also include potential issues related to inequality, discrimination, and gender vulnerability in loan provision, along with risks of sexual exploitation, abuse, and harassment. However, these risks are not expected to cause irreversible negative impacts.

To address these risks, the project has developed an **Environmental and Social Management Framework (ESMF)** and an **Environmental and Social Management System (ESMS)**. These frameworks ensure:

- Conduct E&S screening for all sub-project activities.
- Implementation of risk mitigation measures for identified risks.
- Application of ESMS by Microfinance Providers (MFPs), with specific E&S provisions included in contractual agreements.
- Use of an Exclusion List/Negative List by PIEs to prevent high-risk activities
- Training of PIEs staff to conduct E&S screening.
- Establishment of grievance mechanisms to allow stakeholders to report concerns.

4.1. Potential E&S Risk Impacts and Mitigation Measures

Conducting environmental and social due diligence (ESDD) on the award of CVF will be a critical component of AKF’s E&S risk management system. The outcome of this exercise will be factored into the decision-making process for proceeding with the award of CVF particularly to SMEs.

In the microenterprise and CBSG category, the only required due diligence will be screening against the Exclusion List. However, if a microenterprise transaction involves the following critical activities, then a CVF application will be subject to E&S screening and due diligence even if loan amount is less than the threshold defined in Project Operational Manual (POM) for micro enterprises.

A critical aspect of the project's E&S risk management system is conducting Environmental and Social Due Diligence (ESDD) before awarding CVF. The results of this due diligence will be incorporated into the decision-making process, particularly for Small and Medium Enterprises (SMEs) receiving CVF support.

For microenterprises and Community-Based Savings Groups (CBSGs), the primary due diligence requirement is screening against the Exclusion List and Screening template.

This structured approach ensures that environmental and social risks are identified, managed, and mitigated effectively, aligning with the project's commitment to sustainable and responsible financing.

Table 5: Potential E&S risks and mitigation measures table:

Critical Activity	Risks	Mitigation Measures
Washing, Dyeing, and Finishing (Garment)	Water and soil pollution from chemicals. Air pollution. Health risks to workers (respiratory, skin).	<ul style="list-style-type: none"> – Wastewater treatment (primary treatment to remove solids). Use safer chemicals. Enforce worker safety standards. – Provide safety equipment (PPEs) and training.
Small Steel Re-rolling Mills	Air pollution (dust, gases). Thermal pollution. Health risks to workers and nearby communities.	<ul style="list-style-type: none"> – Provide safety equipment (PPEs) and training. – safe handling and storage of flammable materials – Ensure proper ventilation (install exhaust fans)

Critical Activity	Risks	Mitigation Measures
		<ul style="list-style-type: none"> – Ensure proper waste management. – Install fire extinguishers.
Brick Kilns	Air pollution. Child labor.	<ul style="list-style-type: none"> – Promote clean energy. Enforce child labor laws. Improve working conditions and pay equality. – Provide safety equipment (PPEs) and training.
Tanning, Leather, and Fur Processing	Chemical and water pollution. Health risks (skin diseases). Poor labor conditions for women.	<ul style="list-style-type: none"> – Proper chemical disposal. Provide worker protection, (PPE & Safety training) – Improve labor rights.
Pesticide/Agrochemical Manufacturing	Soil and water contamination. Chemical exposure risks (especially for women and children).	<ul style="list-style-type: none"> – Safe disposal. Use protective equipment. Educate workers on safe handling. – <i>Avoid banned pesticides under national law and WHO category 1A and 1B pesticides</i> ¹⁰
Chemical Manufacturing	Pollution from chemicals. Worker health risks. Environmental contamination from waste disposal.	<ul style="list-style-type: none"> – Safe waste management. Provide protective gear and regular health monitoring. – Avoid hazardous chemical production as described in Exclusion list.
Rubber/Plastic Manufacturing	Pollution from waste and air emissions. Health risks to workers. Community impacts from poor waste mgmt.	<ul style="list-style-type: none"> – Invest in cleaner production. Engage communities in waste management.
Battery Manufacturing	Chemical and air pollution. Health risks from exposure to toxic materials (lead, chemicals).	<ul style="list-style-type: none"> – Safe disposal. Use safer materials. Provide safety equipment.
Micro level Coal Trade, Extraction	Air pollution, soil and water contamination, health risks, land degradation	<ul style="list-style-type: none"> – Provide PPE and health & Safety training, – Rehabilitate mined areas
Impact on Indigenous Peoples or Vulnerable Groups	Loss of cultural heritage, social inequality	<ul style="list-style-type: none"> – Engage in culturally sensitive consultations,

¹⁰ <https://iris.who.int/bitstream/handle/10665/332193/9789240005662-eng.pdf>

Critical Activity	Risks	Mitigation Measures
		ensure resource access, develop empowerment programs
Occupational or Health Risks	Exposure to hazardous chemicals, work-related injuries	<ul style="list-style-type: none"> – Implement health and safety measures, provide Personal Protection Equipment (PPE) and safety training
Use of Hazardous/Toxic Materials	Environmental pollution, health hazards for workers and communities	<ul style="list-style-type: none"> – Implement proper storage and disposal, conduct risk assessments, provide emergency response training
Waste Processing and Disposal Operations	Soil and water contamination, health risks from hazardous waste	<ul style="list-style-type: none"> – Adopt waste minimization practices, ensure safe waste disposal, monitor waste management systems
Pulp, Paper, and Board Production	Deforestation, chemical pollution (e.g., chlorine bleaching)	<ul style="list-style-type: none"> – Use sustainable sourcing, implement closed-loop water systems (continuously recirculate and reuse water within a process). – Manage waste. – Apply PPE and Safety training to workers.
Intensive Animal Rearing	Animal welfare concerns, pollution from manure, antibiotic resistance	<ul style="list-style-type: none"> – Implement welfare standards, manage waste, reduce antibiotic use, promote disease prevention – PPE and Safety training for workers. – Install exhaust fans.
Textile Industries Involving Wet Processes	Water pollution from dyes and chemicals, high water consumption	<ul style="list-style-type: none"> – Use eco-friendly dyes, implement water recycling (primary treatment to remove solids), monitor and reduce water use – Manage waste. – PPE and Safety training to workers.
Water, Sanitation and Hygiene (WASH)	Contamination of drinking water sources and spread of waterborne diseases due to improper waste disposal and lack of hygiene practices.	<ul style="list-style-type: none"> – Maintain safe distance (minimum 10 m) between latrine and tube well or other water sources.

Critical Activity	Risks	Mitigation Measures
		<ul style="list-style-type: none"> - Maintain 250 m distance between two adjacent wells. - Design water seal sanitary latrine. Seal off the bottom of the pit, if possible. - Conduct water quality test for arsenic contamination and salinity. - Design rainwater harvesting system; - Maximum limit for arsenic concentration in drinking water 0.05 mg/lit. - The maximum limit for iron in drinking water is 0.3 mg/lit. - Drinking water should be free from coli forms. - Hand wash is must before eating and after using toilet. - Connection with water body from latrine pit is prohibited. - Maintain 3 feet distance between ground water table and bottom of latrine pit. - Sufficient ventilation should be ensured in latrine superstructure. - Untreated water from open ponds should be discouraged. - Natural oxidation of wastewater allowing through mud-channel;
Agriculture	Soil degradation and loss of soil fertility due to excessive use of chemical fertilizers and pesticides.	<ul style="list-style-type: none"> - Use of Integrated Pest Management (IPM) technologies (Pheromone,

Critical Activity	Risks	Mitigation Measures
		<p>Perching, Light trapping, Hand picking).</p> <ul style="list-style-type: none"> - Do not cut mature trees. If needed, plant a sapling or design a plantation program. - Maintain seed bank in village. - Water re-use and re-cycle for homestead garden. - Maximization the use of local/indigenous and sustainable varieties for ecological succession. - Reduce monoculture and maximize multicultural crop-rotation;
Livestock	Waste mismanagement and potential spread of zoonotic diseases due to improper handling of animal waste and close contact with humans.	<ul style="list-style-type: none"> - Safe distance has to maintain between the poultry shed and kitchen. - Use the litter for composting and reduce the scattering of waste. - Prohibition of mixing and outing during the epidemic period;
Depletion of groundwater level	Over-extraction of groundwater leading to reduced availability of water for irrigation and domestic use.	<ul style="list-style-type: none"> - Emphasize surface water irrigation. - Economic use of irrigation water. - Use of spray method for irrigation. - Increasing rate of natural recharge. - Introduce low consumption water varieties or crops. - Increase the use of rainwater. - Renovation of river/canal/pond to collect rainwater.

Critical Activity	Risks	Mitigation Measures
		<ul style="list-style-type: none"> – Increase re-use of ground water by using brown water for flushing toilets.
Impact on surface water quality	Pollution of surface water bodies due to improper waste disposal and lack of wastewater treatment.	<ul style="list-style-type: none"> – Promote 3R (Reduce, Recycle and Re-use) options. – Introduce solid waste management. – Prohibition of dumping polythenes and wastes inside of the river and water-bodies.
Increased noise due to mechanical activities	Health hazards and disturbances to communities and wildlife due to excessive noise pollution from mechanical operations.	<ul style="list-style-type: none"> – Site may change. – Using low noise techniques. – Maximize mechanical lubrication to reduce noise from machines;
Plantation which have negative impact on environment	Ecological imbalance and habitat disruption due to the introduction of non-native or invasive plant species.	<ul style="list-style-type: none"> – Increase the plantation of local varieties avoiding the exotic species. – Pruning the bunches of trees before the cyclone period to avoid loss of lives under the broken trees;
Labor related Risks, Mitigation Measures		
LMP Issues	Child and Forced Labor	<ul style="list-style-type: none"> – Prohibit forced and child labor (min. age 15). – Ensure workers have contracts per labor laws.
	Inadequate Employment Terms	<ul style="list-style-type: none"> – Promote fair treatment and non-discrimination. Provide clear terms of employment. Inform workers of GRM (Grievance Redress Management) Require signed contracts. Train on Standards of Conduct.
	Occupational Health and Safety Risks	<ul style="list-style-type: none"> – Implement safety signs and equipment storage. Ensure proper safety measures at construction sites. Provide PPE Comply with local working hour laws.

Critical Activity	Risks	Mitigation Measures
		Record safety incidents. Provide OHS training.
	Road Incidents and Accidents	– Follow traffic rules and road safety measures.
	Exposure to Security Risks	– Implement Security Management Framework (SMF). Keep contractors informed of security risks. Consult authorities regularly.
	Exposure to Natural Hazards	– Assess natural disaster risks in projects. Adjust strategies based on hazards (e.g., epidemics, floods).

Security Risk:

The Project will implement security risk management measures developed by AKF Security Team in a separate document which include measures necessary for security risk management for AKF, PIEs and MSMEs workers as well as assets and sites. The PIUs will share updated security risk assessment (SRA) capturing security risks at a reasonable and relevant level (provincial level, city level, district level, sub-project site level). PIEs and MSMEs will prepare and implement local security measures, based on SRA, specifically for the planned interventions. The PIUs will approve the measures and monitor their implementation. Furthermore, PIEs and MSMEs will demonstrate the availability of relevant security measures for their intervention to the PIUs. Where PIEs and MSMEs have insufficient capacity to prepare local security measures and have insufficient security-related Standards Operating Procedure (SOPs), the PIU security experts will assist in the preparation and build the implementing partner’s capacity in security risk management.

GBV SEA/SH Risk and Action plan:

To mitigate any SEA/SH-related risks and impacts of project activities, a SEA/SH Action Plan has been prepared. The plan contains a tailored channel to handle SEA/SH grievances and proposes prevention mechanisms. It will be strictly followed by all project implementers. The Plan is available upon request.

SEA/SH Risk Mitigation Measures

The SEA/SH Action Plan outlines moderate risk mitigation strategies to safeguard against SEA/SH incidents in project activities. Key measures include a dedicated Grievance Mechanism to handle SEA/SH complaints confidentially, sensitization and community awareness programs for project workers, and mandatory Code of Conduct (CoC) requirements for all contractors and project staff. Furthermore, SEA/SH awareness training will be provided to equip staff with knowledge on recognizing and addressing SEA/SH risks, ensuring a safer environment for both workers and the community.

5. Procedure to Identify, Assess and Management of Potential E&S Risks and Impacts

This section outlines the procedure for identifying and assessing E&S risks and impacts for EMERGE project. The procedure is designed to ensure that project adhere to the WB standards, EHSGs, Afghan

national regulations, and safeguard local communities and the environment. The E&S risk identification and management procedure will be implemented through Component 2 (Building and Pipeline of Bankable Enterprises) particularly MSMEs selection process. In summary, the procedures aim to do the following:

For Moderate Risk Enterprises: The ESMP template will be updated based on the E&S risk screening. This process involves identifying potential E&S risks and impacts associated with the project activities and developing appropriate mitigation measures. The updated ESMP template will be applied to approximately 200 SMEs to ensure that they comply with the E&S requirements. The ESMP will include specific measures to address identified risks, such as OHS protocols, waste management practices, and pollution control measures. This aligns with the procedures outlined in Table 7 of the ESMF, which details the steps for screening, assessment, and management of E&S risks throughout the project cycle

For Low-Risk Enterprises: For low-risk enterprises, E&S risk mitigation measures will be developed and implemented for approximately 500 micro enterprises. These measures will focus on minimizing potential E&S impacts through simple and practical actions, such as proper waste disposal, safe handling of materials, and basic OHS practices. The mitigation measures will be tailored to the specific needs and capacities of micro enterprises, ensuring that they are feasible and effective. This approach is consistent with the guidelines provided in Table 7 below, which emphasizes the importance of proportionate and context-specific E&S management procedure.

Table 6: Project Cycle and E&S Management Procedures

Project Stage	E&S Stage	E&S Management Procedures	Responsibilities
Assessment and Analysis	Screening	<p>Conduct an initial screening to identify potential E&S risks and impacts associated with the project activities. This involves reviewing MSME documents, site visits, and consultations with stakeholders.</p> <p><u>Screen eligible MSMEs using Exclusion/Negative List:</u> to exclude high and substantial risk activities. <u>Screening templet:</u> to assess potential E&S risks of MSME activities.</p> <p><u>Impact Assessment:</u></p> <ul style="list-style-type: none"> • Identification of Impacts: Identify potential E&S impacts based on the project activities and baseline data. This includes direct, indirect, cumulative, and transboundary impacts. • Assessment of Impacts: Assess the significance of identified impacts using criteria such as magnitude, and likelihood. This helps in prioritizing impacts that require mitigation. 	<p>IPs’ technical analysts/SME coordinator- (E&S Focal Points).</p> <p>AKF’s E&S specialist will train IPs’ E&S focal point on E&S screening.</p>
		<p><u>Mitigation Measures:</u></p>	

Project Stage	E&S Stage	E&S Management Procedures	Responsibilities
		<ul style="list-style-type: none"> • Mitigation Hierarchy: Apply the mitigation hierarchy to avoid, minimize, mitigate, and compensate for adverse impacts. This involves developing specific measures to address each identified impact. (Low risk enterprises. E&S risk mitigation measures for 500 micro enterprises.) • Environmental and Social Management Plans (ESMPs): Prepare ESMPs that outline the mitigation measures, responsibilities, timelines, and monitoring requirements. These plans ensure that mitigation measures are implemented effectively. (Moderate risk enterprises- ESMP template to be updated based on the E&S risk screening. There might be 200 ESMP templates updated for small and medium enterprises). 	
Formulation and Planning	Planning	Prepare relevant E&S procedures ESMP & Environmental and Social Code of Practice (ESCOP) on Screening Form findings. Update an ESMP template based on the E&S screening for each of the enterprises to be financially supported. The updated ESMP template must be completed prior to procurement and signing of contract with small and medium enterprises. Apply ESCOP (annex 6) for MSEs to mitigate E&S impacts.	PIEs (AP, EI, AKCS) E&S Specialists
		Complete necessary documentation and obtain permits as required.	PIEs (AP, EI, AKCS)
		Train staff responsible for implementation and monitoring of plans.	HR and E&S Specialists
		Incorporate E&S risk management clauses and procedures into contractor bidding documents and	PIEs (AP, EI, AKCS) Procurement Team, E&S Specialists

Project Stage	E&S Stage	E&S Management Procedures	Responsibilities
		train Selected MSMEs/contractors in these procedures.	Technical Analyst
		<p>Stakeholder Engagement:</p> <p>Consultation and Participation: Engage with stakeholders, including affected communities, government agencies, and NGOs, to gather their input and address their concerns. This helps in building trust and ensuring that the assessment is inclusive.</p> <p>Disclosure: Disclose the findings of the E&S assessment and proposed mitigation measures to stakeholders (AKF PIU, and Regional E&S Focal Point & MSMEs). This ensures transparency and allows for feedback.</p>	PIEs (AP, EI, AKCS) Technical Analyst Program Liaison Coordinator
Monitoring and Reporting:	Monitoring and Reporting	1. Implement a monitoring plan to track the effectiveness of mitigation measures and compliance with E&S requirements. This involves regular site visits, data collection, and reporting	Regional E&S Focal Point. E&S Specialists PIEs (AP, EI, & AKCS)
		2. Prepare and submit regular reports on the implementation of mitigation measures, monitoring results, and any corrective actions taken. This ensures accountability and continuous improvement	M& E Coordinator
		3. Track grievances and beneficiary feedback throughout implementation.	Regional GRM Focal Point GRM Coordinator PIEs (AP, EI, AKCS)
		4. Provide ongoing training and awareness-raising for staff, volunteers, and contractors.	E&S Specialists PIEs (AP, EI, AKCS)

Project Stage	E&S Stage	E&S Management Procedures	Responsibilities
Review and Update	Completion	Periodic Review: Review and update the E&S assessment and management plans periodically to reflect changes in project activities, new information, and emerging risks. This ensures that the assessment remains relevant and effective	MSME Credit Specialist/E&S Specialist

5.1. Assessment and Analysis – E&S Screening

Exclusion List: As a first step, all proposed activities will be screened to ensure that they are within the boundaries of the Project’s eligible activities, and they are not considered as activities listed on the E&S exclusion list Annex 1-Part A.

E&S Screening Template: As a second step, the PIEs (AP, EI and AKCS) E&S focal Points with support of PIU E&S Specialist will use the E&S Screening Form in Annex 1-Part B to identify and assess relevant E&S risks specific to the activities and identify the appropriate mitigation measures. The Screening Form lists the various mitigation measures and plans that may be relevant for the specific activities (such as the Environmental and Social Codes of Practice Annex 6, the Environmental and Social Management Plan, the Labor Management Procedures, Chance Find Procedures Annex 7, etc.) The E&S Sector Development Specialist will also identify the documentation, permits, and clearances required under the government’s Environmental Regulation if required MSME Formulation and Planning –

Table 7: 3*3 Risk Assessment Matrix

likelihood	Impact severity		
	Low No adverse social or environmental impacts, no real impacts on community	Medium Measurable adverse environmental or social impact. Will result in annoyance or nuisance to the community	High Significant damage or impact on environmental systems & local community. Widespread impact on community resulting in injury or illness
Low Event could occur at some stage	Low	Low	Medium
Medium The event will occur on scissions	Low	Medium	Substantial
High	Medium	Substantial	High

The event will occur regularly			
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Table 8: Risk Rating Summary:

The assessment of risk level is based on 3x3 risk assessment matrix: mitigation and management measures will be developed in accordance with the following.

Assessed Risk	Mitigation / Management Strategy
Low (1-3)	Adopt measures to ensure that the risk level does not increase (Apply ESCOP if applicable for some low impact activity).
Medium (4-6)	Apply ESMP and ESCOP.
Substantial (7-8)	Avoid supporting the activity, risk cannot be mitigated
High (9)	Avoid supporting the activity, risk cannot be mitigated

5.2. E&S Planning

At the activity level, E&S screening is the first step to understanding the potential risks and impacts including but not limited to E&S, Labor, SEA/SH of the activity. The template for E&S screening to be applied. The E&S Screening template will be reviewed and updated as needed during the project implementation.

The E&S screening process will be conducted by the PIEs (AP & EI) E&S focal Points with support of PIU-EMERGe E&S Specialist. As such the AKF-PIU E&S Specialists will assist in understanding the procedures, developing required forms and training and, will oversee and monitor the E&S screening process and will provide a no-objection to the screening result where applicable.

In general, the PIEs will anticipate and avoid risks and impacts where possible. Where this is not possible, it will aim to minimize or reduce the risks and impacts to acceptable levels. Where significant residual impacts remain, they will be compensated or offset where feasible. If this is not possible, the activity will not be implemented.

5.3. E&S Risk Management Instruments

E&S measures for micro- enterprises: setting mitigation measures for selected activity based on screening checklist.

(ESCoP): the table in Annex 6 Contain detail mitigation measures and management guidelines for related MSMEs activities for some Low and Moderate risk activities. Related MSMEs can use this ESCoP to minimize and manage risks and impact from related activities.

Project ESMP: The table matrix in Annex 5, contains a detailed mitigation action plan for SMEs. It identifies prevention, minimization, mitigation and compensation measures for each type of activity categorized as moderate risk activity. The mitigation table serves as a reference for potential risks and impacts, associated international industry best practices, mitigation measures and indicators or outcomes that can be planned and implemented throughout the project. This referenced Table is ESMP template where required sub-project detailed ESMP must be developed to ensure E&S risk management.

6. General Management Structure and Responsibility

The AKF-PIU will include qualified staff and resources to support management of E&S risks and impacts of the Project. The PIU will include a full time Environment and Social Specialist, GRM Coordinator, in addition, EMERGe will leverage Security and Gender expertise and resources of AKF Afghanistan. Each of the contractors will assign E&S focal points and make adequate resources available to conduct sub-project specific E&S risk screening, implement EHS risk management measures following the ESMF and

the site-specific simplified ESMPs. The mentioned E&S staff are responsible for the overall (beginning to closure) project implementation period. All E&S staff have been onboard. The table below summarizes the roles and responsibilities regarding the implementation arrangements for E&S management.

Table 9: Implementation Arrangements -

Level/ Responsible Party	Roles and Responsibilities	Key Personnel Involved
National/ regional	<ul style="list-style-type: none"> - Provide support, oversight, and quality control to field staff working on E&S risk management. - Collect, review, and provide quality assurance and approval to Screening Forms and ESMPs as relevant. Keep documentation of all progress. - Oversee overall implementation and monitoring of E&S mitigation and management activities, compile progress reports from local levels/sub-projects, and report to the WB on a quarterly [or biannual] basis. - Train central and field staff and contractors who will be responsible for implementing the ESMF. 	AKF, PIU, National Lead and Team
Regional/local field staff	<ul style="list-style-type: none"> - Ensure project activities do not fall under the Negative List. Fill out Screening Forms for relevant subproject activities and submit forms to the national level. - Oversee daily implementation and monitoring of E&S mitigation measures, and report progress and performance to the national level on a monthly basis. 	E&S Focal Point, (AP, EI, AKCS)

6.1. Institutional Arrangements:

AKF is the overall implementing agency for the project. AKF, will be also supporting E&S risk management, including supporting training of IPs’ focal points, monitoring and reporting of the E&S activities under the project.

IPs (AP, EI and AKCS): conduct E&S screening, update E&S template for small and medium enterprise, including the E&S risk mitigation for micro enterprises. Supervision, reporting.

Micro Enterprises: 2500 will be trained and 500 of them will be selected for support based on the screening.

Small and Medium Enterprises: 500 SME will be trained and 200 will be selected to access loans provided by MFPs.

Technical and vocational services: to 600 people in carpet weaving, carpentry, embroidery, tile making, and tailoring.

6.2. Monitoring, Evaluation and reporting

The main objective of monitoring the implementation of E&S mitigation measures and outcomes is to ensure that this ESMF as well as other project E&S instruments are implemented and complied with WB

ESF standards and national regulations by all project partners. This objective covers the whole project cycle.

AKF-PIU will include a Monitoring and Evaluation (M&E) Coordinator who will be responsible for the overall M&E of the relevant project components. The M&E Coordinator has been recruited into the PIUs and will be based in the respective Offices in Kabul. He or she will prepare and maintain a M&E system for the project, including a digital Management Information System (MIS). The M&E Coordinator will use the MIS to systematically collect all necessary data and information to monitor progress and document compliance with all E&S instruments that have been prepared for the project. The M&E Coordinator will work closely with the PIUs' E&S Specialist in obtaining the necessary data. Information and insights collected will help in taking corrective and preventive actions where necessary and adjust project modalities where applicable to ensure project activities comply with all standards. The data collection on E&S compliance will be included in AKF's M&E Plans for the project. The M&E Plans are prepared during project inception.

During implementation, the AKF will conduct regular monitoring visits with a view to ensuring that E&S requirements are properly met. As such AKF will ensure that monitoring practices include the E&S risks identified in the ESMF and will monitor the implementation of E&S risk management mitigation plans as part of regular project monitoring.

7. Consultations and Disclosure Requirements

AKF prepared a SEP for this project, which provides a structured and culturally appropriate framework for engaging with affected communities and stakeholders. The SEP ensures that local communities, vulnerable groups and key stakeholders are actively consulted throughout the project lifecycle—during preparation, implementation, and monitoring phases. These consultations are designed to gather input on potential E&S risks and impacts, ensuring that stakeholders are informed, involved in decision-making, and kept updated on the project's progress and any emerging risks. Transparency is a core principle, with proactive sharing of information on risks, benefits, and mitigation measures, particularly with vulnerable groups such as women, ethnic minorities, and displaced persons. The SEP, prepared by AKF, reflects a deep understanding of the varied interests of stakeholders and develops strategies to reach each group effectively based on their unique interactions with the project. In line with activities elucidated in SEP AKF will conduct inclusive and accessible consultations with community members, community leaders and representatives, and local authorities and provide transparent information on project activities, benefits, and eligibility criteria to communities, members of CBSGs and other relevant platforms through accessible channels, trusted intermediaries, and in Dari and Pushto. AKF will also proactively identify and consult with and reach out to disadvantaged and vulnerable groups and households who are also members of CBSGs and operate eligible SMEs for information sharing and encouragement to apply for trainings and business development services to be eligible for CVF. AKF will also ensure that the grievance/beneficiary feedback mechanism is accessible by disadvantaged and vulnerable groups through raising awareness among these groups and in relevant ethnic languages, providing different intake channels, etc.

If any site-specific ESMPs are necessary, for any potential SMEs who have received CVF the AKF will require the ones who receive CVF awards to prepare site-specific ESMPs and other applicable documents as needed. AKF will provide approval and compile ESMF and other applicable forms. The contents of the ESMPs will be shared with relevant stakeholders by the SME in an accessible manner, and consultations will be held with the affected communities on the E&S risks and mitigation measures.

The SME which has received CVF will also complete the documentation, permits and clearances required under the government's Environmental Regulation before any project activities begin.

Below is the summary of the requirements for ESMF and LMP:

Here are the **explicit requirements for ESMF and LMP consultation and disclosure:**

ESMF Requirements

1. **Language:** Translate ESMF into Dari and Pashto for community accessibility.
2. **Stakeholder Access:** Make the ESMF available at community centers and local offices for review by stakeholders.
3. **Community Consultations:** Hold consultations on ESMF content with affected communities, especially vulnerable groups, documenting attendance and feedback.
4. **Ongoing Updates:** Inform communities regularly about ESMF application and any changes throughout the project.
- 5.

LMP Requirements

1. **Language:** Provide the LMP in Dari and Pashto to all workers.
2. **Worker Access:** Give contracted and subcontracted workers access to LMP information, including rights, conditions, and grievance processes.
3. **Worker and Community Consultations:** Present the LMP to workers and community representatives, focusing on labor standards and grievance channels.
4. **Training:** Ensure workers are trained on labor rights, safety, and grievance procedures regularly.
5. **Worker Grievance Mechanism:** Include an accessible, anonymous GRM in the LMP with options in both languages.

Summary

- **Outreach to Vulnerable Groups:** Ensure the inclusion of women, ethnic minorities, and displaced persons.
- **Transparency on Risks/Benefits:** Communicate risks, benefits, and mitigation openly.
- **Public Access:** Make ESMF and LMP documents easily accessible, both in print and online.

8. Proposed Training and Capacity Building

To the extent possible, training on E&S risk management will be integrated into the project cycle and operational procedures. Given the need to raise awareness among project workers and stakeholders at many levels, a cascading model is proposed where information will follow from the national level to the field levels.

Table 10: Proposed Training and Capacity Building Approach

Level	Responsible Party	Audience	Topics/Themes that May Be Covered	Tentative Timeline
National level	AKF-AF	National staff responsible for overall implementation of ESMF including EMERGE-PIU, AKF relevant Departments, MFIs, IPs (AP, EI & AKCS)	ESMF and approach: - Identification and assessment of E&S risks - Selection and application of relevant E&S risk management measures/instruments - E&S monitoring and reporting - Incident and accident reporting	December, 2024

Level	Responsible Party	Audience	Topics/Themes that May Be Covered	Tentative Timeline
			<ul style="list-style-type: none"> - Application of SEP and the grievance/beneficiary feedback mechanism - Stakeholder consultation and awareness raising - GBV-SEA/SH OHS risk management training - Child and forced labor issue and LMP - Social inclusions and diversity - GRM, including workers' GM and GBV GRM - E&S screening - Introduction to WB ESF - Security risk management 	
Regional level	National staff- AKF	Regional staff including AKF relevant Departments, IPs (AP, EI &AKCS)	<p>ESMF and approach:</p> <ul style="list-style-type: none"> - Identification and assessment of E&S risks - Selection and application of relevant E&S risk management measures - E&S monitoring and reporting - Incident and accident reporting - Application of SEP and the grievance/beneficiary feedback mechanism - Stakeholder consultation and awareness raising - GBV-SEA/SH - Child and forced labor issue and LMP - Social inclusions and diversity - GRM, including workers' GRM and GBV GRM - E&S screening - Introduction to WB ESF - Security risk management OHS risk management training 	March to April, 2025
Local/site level	Regional staff- AKF	Local staff including IPs (AP, EI &AKCS)	<ul style="list-style-type: none"> - Application of SEP and the grievance/beneficiary feedback mechanism OHS risk management training 	March to June, 2025

9. Estimated Budget

The following table lists estimated cost items for the implementation for the ESMF, which have been included in the overall project budget:

Table 11: ESMF Implementation Budget

Activity/Cost Item	Potential Cost (USD)
Training for staff (venue, travel, refreshments etc.)	20,500
Printing of awareness raising materials / grievance redress materials	4500
E&S Staff (for different levels)	26,500
GRM Staff (GRM Coordinator)	26,500
Travel and accommodation budget for E&S staff site visits	5000
TOTAL	83,000

Annex 1-Part A: Exclusion List

1	Production or trade in any product or activity deemed illegal under country laws or regulations or international conventions and agreements
2	Weapons , including but not limited to mines, guns, ammunition, and explosives
3	Support of production of any hazardous good, including alcohol, tobacco, and controlled substances.
4	Any construction in protected areas or priority areas for biodiversity conservation , as defined in national law
5	Activities that have the potential to cause any significant loss or degradation of critical natural habitats , whether directly or indirectly, or which would lead to adverse impacts on natural habitats
6	Activities that involve extensive harvest and sale/trade of forest resources (post, timber, bamboo, charcoal, wildlife, etc.) for large-scale commercial purposes
7	Activities involving changing forestland into agricultural land or logging activities in primary forest.
8	Purchase or use of banned/restricted pesticides, insecticides, herbicides, and other dangerous chemicals (<i>banned under national law and WHO category 1A and 1B pesticides</i>) ¹¹
9	Construction of any new dams or rehabilitation of existing dams including structural and or operational changes; or irrigation or water supply subprojects that will depend on the storage and operation of an existing dam, or a dam under construction for the supply of water
10	Activities that involve the use of international waterways
11	Any activity affecting physical cultural heritage such as graves, temples, churches, historical relics, archeological sites, or other cultural structures
12	Activities that may cause or lead to forced labour or child abuse, child labour exploitation or human trafficking , or subprojects that employ or engage children, over the minimum age of 14 and under the age of 18, in connection with the project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral, or social development
13	Any activity on land that has disputed ownership or tenure rights
14	Any activity that will cause physical relocation of households or will require the use of eminent domain
15	Any activity with significant E&S risks and impacts that require an Environmental and Social Impact Assessment (ESIA)

¹¹ <https://iris.who.int/bitstream/handle/10665/332193/9789240005662-eng.pdf>

16	Gambling , casinos, and equivalent enterprises
17	Production or trade in radioactive materials (This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where the radioactive source is considered to be trivial and/or adequately shielded)
18	Production or trade in or use of unbounded asbestos fibers
19	Unsustainable fishing practices , such as drift net fishing in the marine environment using nets in excess of 2.5 km. in length, electric shocks, or explosive materials
20	Production, trade, storage, or transport of significant volumes of hazardous chemicals , or commercial scale usage of hazardous chemicals (gasoline, kerosene, other petroleum products, textile dyes, and so on).
21	Production or trade in or use of non-biodegradable packaging material such as polythene bags and styrofoam .

Upon confirmation of the SMEs, as a second step, the Environment and Social Specialist will use the E&S Screening Form in **Annex 1-Part B** to screen for the potential E&S risks and impacts of the proposed SMEs activities and identify the appropriate mitigation measures. The Screening Form lists the various mitigation measures and plans that may be relevant for the specific activities (such as the ESCOP, the ESMP, the LMP, Chance Find Procedures, etc.) The E&S Development Specialist will also identify the documentation, permits, and clearances required under the government's Environmental Regulation.

ANNEX 1-Part B: E&S Screening Form

This screening form is designed to evaluate the E&S risks of proposed activities in alignment with the E&S Risk Management Guidelines provided at the end of this document. For activities classified as Low Impact, a simple mitigation plan should be developed and implemented. If an activity falls under the Medium Impact category, an ESCOP or ESMP must be prepared and if activities fall under substantial and high risk category than the mentioned activities should be excluded from financial support in order to address the identified risks and ensure compliance with safeguard standards.

PIE (Project implementation Entity)		Village	
Sub-project ID/title		Area	
Type of Business		District / municipality	
Involved CBSG/CDC (Community Development Committee) name (if applicable)		Province	
Date of Site Visit/Screening			

#	Nature of MSME	Impact Assessment and Mitigation Plan				Remarks
	Screening Questions	Impact (Yes, No)	Impact severity (Low/Medium/High)	Likelihood (Low/Medium/High)	Exposure (Impact*Likelihood)	
1	Is the activity a cause for dust pollution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input checked="" type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	1*2=2 (Low)	
2	Will the activity create solid or liquid waste that cause potential contamination of surface water and groundwater supplies?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
3	Does the activity threaten endangered species?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
4	Is the selected business location exposed to natural disasters?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
5	Is there a risk of vulnerable people being excluded from project benefits?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
7	Is there a risk of forced and child labor?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		

#	Nature of MSME	Impact Assessment and Mitigation Plan				
	Screening Questions	Impact (Yes, No)	Impact severity (Low/Medium/High)	Likelihood (Low/Medium/High)	Exposure (Impact*Likelihood)	Remarks
8	Is there a risk of GBV/SEA/SH for female project workers or beneficiaries?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
9	Is there a security risk for project workers in the area?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
10	Is the MSME Financing projects diverting water from the stream that could decrease the water share of the downstream communities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
11	Does the activity have human health and safety risks, during the project or later?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
12	Will the activity create conflict among the people?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
13	Will there be loss of /damage to agricultural lands, standing crops, trees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
14	Will the MSME financing cause the loss of incomes and livelihoods to others?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
15	Might MSME Financing adversely affect communities or vulnerable people living in the area?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)	<input type="checkbox"/> Low (1) <input type="checkbox"/> Medium (2) <input type="checkbox"/> High (3)		
Total Score: Sum the Exposure Scores						

#	Nature of MSME	Impact Assessment and Mitigation Plan				Remarks
	Screening Questions	Impact (Yes, No)	Impact severity (Low/Medium/High)	Likelihood (Low/Medium/High)	Exposure (Impact*Likelihood)	
		Risk Rating Summary: (Low (1-45), Medium (46-90), Substantial (91-120) & High (121-135))				

	<p>Instructions for Completing the Screening Form:</p> <ol style="list-style-type: none"> Mark "No" for No Impact: <ul style="list-style-type: none"> Select "No" if the activity does not result in a significant environmental or social impact. If "No" is selected, no further action is required, and you may move to the next Question. Mark "Yes" for Available Impact: <ul style="list-style-type: none"> Select "Yes" if the activity is likely to cause an environmental or social impact. For "Yes," complete the subsequent columns: <ul style="list-style-type: none"> Impact Severity: Assess the potential severity of the impact (Low, Medium, High). Likelihood: Estimate the likelihood of the impact occurring (Low, Medium, High). Mitigation Measures: Propose specific actions to reduce or address the impact. Steps to Calculate Total Scores: <ul style="list-style-type: none"> Identify Impact and Likelihood for each activity: (Low=1, Medium+2, High=3) Calculate Exposure: multiply the Impact Severity score by the likelihood score (Exposure=impact severity * likelihood) Sum the Exposure Scores: Sum the exposure scores for all screening questions to calculate the total score Risk Rating Summary: refer to risk assessment matrix Low (1-45), Medium (46-90), Substantial (91-120) & High (121-135) Risk Rating Summary <ul style="list-style-type: none"> Low Risk (1–3): Acceptable with standard precautions/mitigation measures. Medium Risk (4–6): Requires ESCOP and ESMP for management and monitoring. Substantial and High Risk (7–9): Avoid financing the activity, Risk cannot be mitigated.
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Name of responsible Focal Point/CDC that filled in checklist:

Date of Screening:

Signature:

3*3 Risk Assessment Matrix

likelihood	Impact severity		
	Low No adverse social or environmental impacts, no real impacts on community	Medium Measurable adverse environmental or social impact. Will result in annoyance or nuisance to the community	High Significant damage or impact on environmental systems & local community. Widespread impact on community resulting in injury or illness
Low Event could occur at some stage	Low	Low	Medium
Medium The event will occur on scissions	Low	Medium	Substantial
High The event will occur regularly	Medium	Substantial	High

ANNEX 2: Labor Management Procedures

In accordance with the requirements of ESS2, this Labor Management Procedure (LMP) has been developed for the EMERGE project. This LMP set out the ways in which AKF-PIU will manage all project workers in relation to the work and associated risks and impacts.

The objectives of the LMP are to: identify the different types of project workers that are likely to be involved in the project; identify, analyze and evaluate the labor-related risks and impacts for project activities; provide procedures to meet the requirements of ESS2, ESS4 and applicable Afghan legislation.

The simplified LMP will be applied with due consideration to the requirements of national laws, the interrelatedness of ESS2 with other E&S Standards in general and ESS4 in particular. Provisions from the LMP will be included in site-specific ESMPs if required for any small and medium enterprise which has received CVF from the EMERGE project.

The following categories of workers have been identified for the project. The LMP will apply for all categories:

Category	Description
Direct Workers	Workers employed directly by AKF including consultants.
Workers	Workers engaged through third parties, including partner employees, to perform work related to the project's core functions—such as delivering training—regardless of location. This category includes employees of PIEs and MFIs.

Labor Risk Assessment: As part of the labor risks and impact assessment, the following activities will assist in understanding the exposure pathways. Presented here are only key risks related to workers of predictable activities: The main types of activities for contracted workers will be activities in the provision of trainings on financial literacy and entrepreneurship provided to MSMEs and mentorship over an extended period of time with intermittent meetings.

Number of Project Workers: For the implementation of EMERGE a Project Implementation Unit will be established in AKF Afghanistan. The total number of AKF PIU staff will be 6 who will deliver oversight functions in management, finance, monitoring, and data management. For the implementation of a Component II activities AKF will utilize existing staff in its EI unit in Kabul and across provinces. The total number of EMERGE/CII workers will be then around 36 regular staff and around 150 consultants and mentors who will provide on-going business development services.

Characteristics of Project Workers: To the extent possible, a broad description and an indication of the likely characteristics of the project workers e.g. local workers, national or international migrants, female workers, workers between 15 (the minimum age, Article 13 of Labor law) and 18.

Timing of Labor Requirements: The regular work week shall not exceed 48 hours per week. AKF will allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. AKF shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours as per national working law.

Institutional Arrangement for Implementation of LMP: The AKF-PIU will carry the main responsibility for the implementation and monitoring of the LMP in regard to Component 2 of EMERGe

The monitoring and supervision of the implementation of the LMP will rest with the Senior Social Development Specialist at AKF-PIU. The Specialist will regularly analyze labor-related risks related to the project; oversee of all implementations of the LMP by PIEs.

Project activities:

AKF is responsible for the implementation of Component 2 of the EMERGe project which is outline below.

Component 2: Building a Pipeline of Bankable MSEs

For this there will be direct workers from AKF for the management and supervision of activities (ca. 40 direct workers for the duration of the project including 7 staff within PIU); contracted workers as consultants (ca. 50 for providing training and mentorship) for the implementation of activities

The LMP caters for all categories of project workers as described in ESS2. AKF staff and consultants will also be subject to AKF HR policies.

Key Labor Risks:

- Likely incidents of child labor or forced labor, with reference to the sector or locality.
- Risks of labor influx or gender-based violence
- Possible accidents or emergencies, with reference to the sector or locality
- General understanding and implementation of occupational health and safety requirements

BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

The Labor Law (2007) provides a legal basis for safe and decent working conditions in Afghanistan. Key relevant provisions stipulate non-discrimination in recruitment (Art. 9), compliance with international conventions (Art. 12), working hours (Art. 30), breaks (Art. 40), non- discrimination in payment (Art. 59), and special provisions for female and youth workers (Art. 121, 127-130), over-time pay, night shift differentials and retirement benefits.

The law further stipulates safe and decent working conditions in Afghanistan, including occupational health and safety regulations (Chapter 10) that stipulates safety trainings, hygiene rules, protective equipment, and medical treatment when necessary. The law also addresses Work Standards and Regulations (Art. 88) and how labor disputes over terms and conditions of employment shall be resolved in the public, private and joint sector (Art. 89)

Employment Relationship: Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. Wages for workers as per government policy shall be followed.

Non-discrimination: No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, nationality, political opinion, social group or ethnic origin.

Harassment or Abuse: Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Forced Labor: There shall be no forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

Freedom of Association and Collective Bargaining: Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

Furthermore, Article 4 of the Labor Law prohibits compulsory work, which is defined as work that is against the rules and regulations of the office, against the will of the worker, and performed under threat; Article 9 calls for nondiscrimination in recruitment; Article 12 requires compliance with the convention of the International Labor Organization; Article 30 concerns working hours and specifies that the normal working week is 40 hours; Article 40 requires employees to be given a one-hour break for prayers and lunch; the break is not included in the normal working hours Article 59 calls for non-discrimination in payment of salary; Article 91 in the chapter on Labour Norms and Discipline states the general obligations of the employer, which include ensuring labour safety and security at work; Article 92 lists the obligations of employees, which include following safety rules and practicing working environment hygiene; Chapter 10 is devoted to provision of health and occupational safety conditions at workplace and involves: Article 107 requires the employer to ensure safe and hygienic working conditions and Article 110 to follow legislated safety and hygiene standards; Article 111 compels the employer to provide continuous safety training and the employee to follow safety rules, standards and instructions and utilize personal protective equipment; Article 113 requests the employer to provide all necessary protection clothing and personal protective equipment, free of charge; Article 114 compels the employer to provide for first aid and for transfer to medical centres in case of accidents; Article 121 prohibits assigning female or youth workers to night duties; Article 127 defines youth workers as between the ages of 14 and 18; Articles 128 through 130 states the special requirements that must be followed in employing youth workers¹.

The government of Afghanistan has ratified a number of international ILO conventions. These include the following – the Equal Remuneration Convention 1951, the 1957 Abolition of Forced Labor Convention, The 1999 Worst Forms of Child Labor Convention, and the Tripartite Consultation (International Labor Standards) Convention.²

1. BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

Legislation on Occupation, Health and Safety

The Labor Law (2007) provides occupational health and safety regulations (Chapter 10) that include safety training, hygiene rules, protective equipment, and medical treatment when necessary, health insurance compensation, reduced standard work weeks for pregnant and nursing mothers and minors. Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

Article 108 of Labor Law describes mandatory assurance of health and safety conditions for the employer. The employer shall take appropriate precautions to ensure that the workplace is safe and without risk of injury to the safety and health of workers. Mitigation measures will be adopted to protect the workers present at or in the vicinity of site from all risks which may arise from the work.

2. RESPONSIBLE STAFF

AKF's EMERGE PIU and its staff will be key in handling all the affairs of the project with the head of PIU as the main responsible person.

3. POLICIES AND PROCEDURES

The project is guided by the recognition of the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. It will promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. AKF and PIEs will ensure the full accomplishment of the objectives of ESS2. For ease of reference, all employers will be referred to as 'contractors.

Recruitment and Replacement Procedure: The objective of this procedure is to ensure that the recruitment process and placement of contracted workers (see procedure below for community workers) is conducted in a manner which is non-discriminatory, and employees are inducted to all essential work-related matters.

4. AGE OF EMPLOYMENT

Afghanistan has ratified all key international conventions on Child labor. The Minimum Age (15) for work (*Article 13 of Labor Law*), and the Minimum Age (18) for Hazardous Work (*Article 13 and 120 of Labor Law*) are in compliance with international standards. The Project will adhere to the Afghan Labor Law and its definition of minimum age, which will be verified through the national Identity card at the moment of recruitment. No person shall be employed under the age of 18 or under the age for completion of compulsory education, whichever is higher. The special conditions to employ employees aged 15-18 are considered in light industries.

5. TERMS AND CONDITIONS

Applicable terms and conditions as per Afghan Labor Law will apply to the Project, as well as ESS2. This includes the requirement for a written service contract detailing the worker's salary, working hours & leave, rights and allowance, Code of Conduct, duration of contract, and terms and conditions for termination of contract by employer and worker alike. The contract should be signed by both parties, who each will keep a copy (Labor Law, Chpt 2: Recruitment and Service Contract).

Compensation: Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum

wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract.

6. GRIEVANCE MECHANISM

Grievance Redress Mechanism for all Workers: All workers, including community workers will apply the Project GRM to register any work-related grievances. Workers are encouraged to solve matters with their respective employer where possible. However, all types of workers can apply the Project GRM at any time, where grievances can be filed directly with the PIEs, or the PIUs (in cases where they concern a contractor).

ANNEX 3: Waste Management Plan

Project Overview

This WMP is designed to outline the effective management of waste generated during the lifecycle of the EMERGe. The aim is to reduce environmental impacts, adhere to legal requirements and WB Environmental Social Standard 1(ESS1) and Environmental Social Standard 3(ESS3), and ensure a sustainable and safe working environment. This WMP applies to all project activities.

1. Objectives; the main objectives of the WMP are to:

- Minimize waste generation at source.
- Promote reuse, recycling, and recovery of waste materials.
- Ensure proper waste disposal and avoid environmental contamination.
- Comply with local and international environmental regulate

2. Types of Waste Generated; the project is expected to generate the following types of waste:

a. Non-hazardous Waste:

- Biodiversity threats and contributes to greenhouse gas emissions.
- Packaging materials (cardboard, plastics, etc.).
- Office waste (paper, general refuse).

a. Hazardous Waste:

- Chemical containers, (paint, solvents, etc.) and materials used for productions.
- Electronic waste (batteries, old electronics).
- Medical or biohazardous waste (if applicable).

b. Waste Management Hierarchy; to ensure that waste is managed effectively, this plan will follow the “waste management hierarchy”, which prioritizes actions to prevent waste and reduce environmental impacts:

- Avoidance: Prevent waste generation at the source.
- Minimization: Reduce the amount of waste produced.
- *Reuse: Identify opportunities to reuse materials if possible*
- *Recycling: Process waste into new materials when possible.*
- Disposal: As a last resort, dispose of waste in an environmentally responsible way

c. Roles and Responsibilities

- E&S Specialist at EMERGe - PIU: Ensures that the WMP is implemented and adhered to throughout the project.
- Contractors and Workers: Follow the established procedures for waste segregation, handling, and disposal.

d. Waste Collection and Disposal; waste collection will be scheduled regularly to prevent accumulation.

- Non-hazardous waste will be disposed of in local landfills or recycling facilities assigned by the city authority
- Hazardous waste will be disposed of in designated hazardous waste facilities. All disposal practices will follow applicable environmental and safety regulations

e. Monitoring and Reporting

- Regular Audits: Waste management practices will be monitored to ensure compliance with the WMP.
 - Reporting: Waste generation if any to the scale that create environmental issues will be reported by implementing partners.
 - Corrective Actions: If non-compliance or excessive waste is identified, corrective actions will be implemented immediately, including additional training or revised procedures.
- f. Legal Compliance: the WMP will comply with:
- Local and National Waste Management Laws and Regulations: Adherence to all applicable waste management and environmental protection legislation in Afghanistan.
 - WB Standards: Follow practices as outlined in ESS 3: Recourse and Efficiency, Pollution Prevention and Management and other relevant international guidelines.
- g. Training and Awareness; all project staff will be trained on the WMP, including:
- Waste generation at source and types of waste
 - Hazardous waste handling and safety protocols
 - Spill response and incident reporting.

Conclusion

The WMP outlines the key strategies and actions to manage waste responsibly during the project. By following this plan, the project aims to minimize its environmental impact and contribute to a more sustainable EHS safe operational process.

ANNEX 4: EMSF Consultation Minutes of Meeting with Key Stakeholders

Date	Location	Stakeholders	Facilitators	Theme
24, Sep 2024	Kabul	MoIC	AP- CD	EMERGe
06, Oct 2024	Badakhshan	MFPs & Beneficiaries	AP – RD	ESMF
08-09 Oct 2024	Kabul	AKF-AF Reginal Team	AKF-EI & AP	ESMF

Summary of ESMF Consultation with Key Stakeholders

Three key consultation meetings were held to discuss the ESMF for the EMERGe project, with stakeholders from various sectors, including the Ministry of Industry and Commerce (MoIC), MFIs, beneficiaries, and representatives from AKF. The meetings took place between **September 24 and October 9, 2024**, in **Kabul and Badakhshan**.

Participants:

The meetings were attended by a diverse group of stakeholders such as beneficiaries, MFPs, and key members of project regulator from MOIC and project management team including AKF regional directors. A total of 42 participants were present including women from implementation team.

1. Introduction

The ESMF Disclosure Meeting aimed to inform beneficiaries about the E&S safeguards integrated into the project. The meeting also provided an opportunity for the community to ask questions and raise concerns related to the ESMF.

The meeting began with an introduction from the facilitators, who outlined the purpose of the project and its alignment with sustainable development principles. They highlighted the importance of stakeholder engagement in ensuring the project's success, particularly in mitigating E&S risks.

2. Presentation of ESMF

The ESMF was presented to the beneficiaries, focusing on its core objectives, which include:

- Protecting the environment through the careful management of natural resources.
- Ensuring that the project's activities do not adversely affect the social and economic conditions of the local communities.
- Promoting transparency and accountability in project implementation.

The presentation covered key components such as:

- **Impact Assessment:** Identifying potential E&S risks.
- **Mitigation Measures:** Actions designed to reduce or eliminate negative impacts.
- **Monitoring and Evaluation:** Ensuring compliance with ESMF guidelines.

3. Key Issues Discussed

During the interactive session, the following key issues were raised and discussed:

- **E&S Impact:** The project team outlined potential E&S impacts, focusing on mitigation strategies such as pollution control and biodiversity conservation. Continuous monitoring will be implemented to ensure minimal disruption to ecosystems and community livelihoods.

- **Labor Management:** Fair labor practices, safe working conditions, and equal opportunities for local workers were emphasized. A worker grievance mechanism will be in place to address any workplace issues, ensuring compliance with national and international labor standards.
- **Grievance Management including Reporting Exploitation, Harassment, and Safeguarding:** A confidential grievance reporting system will allow community members to report exploitation, harassment, or abuse. Safeguarding policies are in place to protect vulnerable groups, and a dedicated team will handle and address reports promptly.
- **Inclusion of Vulnerable Groups:** Targeted outreach and special provisions will ensure that women, youth, and marginalized communities benefit from the project. Capacity-building programs will be offered to empower these groups and ensure their active participation in project activities.

4. Feedback from Beneficiaries

Participants provided valuable feedback on several aspects of the ESMF. Some of the key points included:

- The participants asked key questions regarding the social aspect in implementation of the CVF deployment including procedure of financing, oversight by local authorities, grievance management of beneficiaries, and inclusion of women and vulnerable groups.
- The representatives of MFI/ OXUS and AP Country Director have discussed and responded to the questions which clarified the concerns over the social aspects of the ESMF.
- The labor and environmental issues have been discussed and implementation team and beneficiaries have agreed that compliance with WB policies are in place.

5. Conclusion

The meeting concluded with a reiteration of the project's commitment to E&S management. The facilitators thanked the beneficiaries for their input and emphasized that their feedback would be considered as the project moves forward. Beneficiaries were invited to continue engaging with the project team through regular consultations and meetings.

The project team also outlined the next steps, which include refining the ESMF based on feedback received and conducting follow-up meetings to address any further concerns.

Next Steps:

- The consultation meeting with MOIC, Ministry of Economy, MFIs (FMFB and OXUS), project implementation team and beneficiaries are scheduled between October 13 – 25 and their feedback will be incorporated into the final ESMF.
- Continuous monitoring and engagement with the community.

Annex 5: ESMP Template

The below Environmental and Social Management Plan is prepared for Component-2. The plan is generic guide to be used as a reference for some sub-projects that has moderate impact and may serve as a guide for implementers to prepare a site-specific ESMP-table.

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitorings			Responsibility for implementation and monitoring
			P	I	M	O		C	M	Q	
Exclusion of vulnerable groups from participating in the EMERGe project (such as poor women and individuals displaced by the conflict and security situation in the country).		Implement and monitor Project GRM	X	X			% GRM cases addressed			X	Implementation: AKF-AFG, PIU Monitoring: AKF-PIU, and Third-Party Monitoring Agent (TPMA)
OHS-related risks: due to exposure to hazardous chemicals Poor working conditions: unsafe work environment The emission of lead and battery acid to the workspace and the environment at large can cause severe and potentially life-threatening health risks for workers		Sub-projects selections for loan and credit measures to avoid or minimize the release of hazardous substances into the work environment keeping the level of exposure below internationally established or recognized		X			# of training sessions for workers on chemical hazards Existence of an accidents/incident's logs % of completion of a root/causes analysis following incidents	X	X		Implementation: contractors Monitoring: AKF-AFG-PIU and TPMA

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	m	O		C	M	Q	
Risks related to exposure of leaking batteries which contain hazardous materials		<p>limits</p> <p>Keeping the number of employees exposed, or likely to become exposed, to a minimum</p> <p>Communicating chemical hazards to workers through labeling and marking according to national and internationally recognized requirements and standards, including the International Chemical Safety Cards (ICSC), Materials Safety Data Sheets (MSDS), or equivalent (any means of written</p>				<p># of workers trained in OHS issues</p> <p>Record of Safety Risk Assessment Reports</p> <p>Record of safety talks conducted – as part of the OHS Plan</p> <p>First aid kits are available on site</p> <p>Lost time incidents or near miss incidents recorded</p> <p>Training provided on OHS</p>					

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	m	O		C	M	Q	
		<p>communication should be in an easily understood language and be readily available to exposed workers and first-aid personnel)</p> <p>Training workers in the use of the available information (such as MSDSs), safe work practices, and appropriate use of PPE</p> <p>The equipment used in the works should be routinely serviced to ensure proper and safe equipment functionality</p> <p>Use of safety signage to warn contractor</p>									

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	m	O		C	M	Q	
		workers and visitors to worksites Provision of adequate signage and communication of risk to workers and communities Provision of first aid kits									
Forced labor associated SMES and Microenterprise		Comply with the LMP including: Conduct a track record search of the suppliers at the bidding process (record of health and safety violations, fines, consult public documents related to workers' rights violations etc.)	X	X			# of violations (forced labor) reported # of awareness campaigns		X		Implementation: Monitoring: AKF-AFG, PIU

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	M	O		C	M	Q	
		Raise awareness of suppliers to not engage forced labor Conduct spot-checks at supplier facility									
Management of local expectations around employment in the project		Adopt and implement GRM		x		# of grievances registered related to employment opportunities		x		Implementation: AKF-AFG and PIU Monitoring: AKF- AFG PIU, TPMA	
Non-compliance with labor and working conditions requirements, including the supply chain related project risks		Ensure that contractor implements Workers' GRM Ensure adoption and implementation of Project GRM and Workers' GRM at every implementer Provide training on LMP to workers	x	x		# of grievances registered through workers' GRM # or work-related grievances registered through Project GRM # of workers trained		X		Implementation: AKF-AFG, PIU Monitoring: AKF-PIU and TPMA	

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	M	O		C	M	Q	
Risks of GBV/SEA/SH	Mode rate	<p>Comply with the measures prescribed in the SEA Action Plan, including:</p> <p>Sensitization/community awareness of project workers</p> <p>Implementation of a GRM to handle these types of complaints</p> <p>Each contractor to implement CoC for the workers with specific obligations with regards to SEA/SH</p> <p>All project staff should be trained in SEA awareness programs</p>		X			<p># of SEA/SH related complaints recorded</p> <p>% of complaints handled in timely</p> <p>% of workers that have signed CoCs.</p> <p># of SEA/SH community awareness trainings</p>		X		<p>Implementation: Contractor, AKF-AFG, PIU</p> <p>Monitoring: AKF-PIU</p>

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitoring			Responsibility for implementation and monitoring
			P	I	M	O		C	M	Q	
Threats to human security through the escalation of personal, communal conflict, crime or violence		<p>AKF to follow its own security protocols for direct workers</p> <p>Provision of SRA to AKF, PIEs, and contractors</p> <p>AKF, PIEs, and contractors to provide local security protocols and demonstrate availability to relevant security SOPs</p>	x	x			<p>% of implementers that provide local security plan</p> <p>% of implementers that have relevant SOPs in place</p>		x		<p>Implementation: Contractor, AKF-AFG, PIU</p> <p>Monitoring: AKF-PIU</p>
The risk of resistance of the Interim Taliban Administration (ITA) on women's engagement in the participatory planning, design, and implementation process		Ensure selection of locations in which women's engagement is possible	x	x			<p>% of sites in which women are barred from engagement</p> <p># of related grievances registered in the Project GRM</p>		x		<p>Implementation: Contractor, AKF-PIU</p> <p>Monitoring: AKF-PIU</p>

Potential Risks and Impacts	Risk Rating	Proposed Mitigation Measures	Phase				Indicators for monitoring	Frequency of Monitorin s			Responsibility for implementation and monitoring
			<i>P</i>	<i>I</i>	<i>m</i>	<i>O</i>		<i>C</i>	<i>M</i>	<i>Q</i>	
Chance Finds		Implement Chance Find Procedures		x			# of related grievances registered in the Project GRM		X		Implementation: Contractor, AKF-PIU Monitoring: AKF-PIU

Annex 6: Environmental and Social Code of Practice (ESCOP):

Activity	Impacts	Mitigation Measures/ Management Guidelines
Waste Management		
Waste Management	Soil contamination, water pollution and drainage congestion from the improper management of wastes. Storage, and burn/burial of waste at work sites may damage the topsoil	<p>The Management Entity (ME) shall:</p> <ul style="list-style-type: none"> ● Prepare a proper WMP with a program/mechanism for various specific waste streams (e.g., reusable waste, flammable waste, debris, food waste etc.). ● Minimize the production of waste following 3R (Reduce, Recycle and Reuse) approach. Segregate and reuse or recycle all the wastes, wherever practical. ● Provide dedicated covered waste collection bins at appropriate locations to ensure safe storage. ● Remove collected wastes for dispose in approved waste disposal sites. ● Prohibit burning of solid waste at the enterprise. ● Waste mapping and inventory should be conducted by the enterprise submitted to the Partner Organization (PO) management entity in every quarter. ● Ensure environmentally sound disposal of all waste including fecal sludge. ● Set up a prearranged mechanism for post disaster related waste. ● Use appropriate PPEs before handling wastes (gloves, mask, apron, safety boots). ● Execute waste management program and trainings on safe handling, collecting, storing and safe disposal.

Activity	Impacts	Mitigation Measures/ Management Guidelines
Hazardous Waste	Pose health hazards and cause soil contamination due to improper waste management practice	<p>The Management Entity (ME) shall:</p> <ul style="list-style-type: none"> ● Provide sufficient numbers of containers for collecting chemical wastes, appropriately labelled for safe transport to an approved chemical waste depot. ● Store, transport, and handle all chemicals avoiding potential spillage. ● Ensure availability of MSDS for all materials (chemicals). ● Provide secondary container/construct concrete or other impermeable flooring to prevent seepage/spills of lube oil, machine oil, and lubricants. Store at approved locations before safe transportation for off-site recycle, reuse or treatment via approved vendors. ● Provide appropriate PPEs during handling wastes (gloves, mask, apron, and safety boots).
Water Resource Management		
Water resource management	Scarcity of water may be arise due to unplanned water consumption. Salinity intrusion may disrupt availability of fresh water supply. Seasonality affect may differ water available in different location of the subprojects.	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Track baseline of available water resources in the case of business as usual. ● Set up targets (reasonable percentage) for water saving percentage. ● Establish a monitoring system to track water quantity (water efficiency and rainwater harvesting) and circularity of water (wastewater recycling and reuse). ● Get advice from Partner Organization to monitor and suggest water efficiency, recycling, reuse and rainwater harvesting. ● Conduct and execute capacity development/ technical sessions for related members of staff.
Discharges from production activities	Water resource- surface and groundwater quality may be deteriorated due to generated wastewater	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Install/construct drainage system in the enterprise that required for sediment and erosion control. ● Collect sewerage related waste to manage through pit. ● Check and test managed waste water to ensure quality as per standard. ● Manage generated solid wastes (sludge) from pit into reusable products (for example fire briquettes from sludge cakes).

Activity	Impacts	Mitigation Measures/ Management Guidelines
Hazardous Material and Waste	Water pollution from the storage, handling and disposal of hazardous materials and general construction waste and accidental spillage.	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Follow the wastes management guidelines. ● Minimize the generation of sediment, slurry, oil and grease, organic matter, litter, debris and any form of waste. ● These substances must not enter into waterways, storm water systems or underground water table.
Groundwater Extraction	Excessive pumping from groundwater wells can decrease the amount of groundwater that would flow naturally into water bodies, such as wetlands, streams, rivers and lakes	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Enhance infiltration by green vegetation or green infrastructure. ● Conservation and efficiency are key components of sustainable water management. ● Awareness & Education
Noise and Vibration		
Noise and vibration can be caused by machinery and vehicles movement	Noise and vibration may have an impact on people, property, and the natural environment	<p>The ME shall:</p> <ul style="list-style-type: none"> ● Ensure Noise levels of all machineries, or vehicles are within the standard limits (ILO & WHO Guidelines). (85 dB(A) for 8 hours of exposure per workday). ● Maintain all equipment's in order to keep it in good working order in accordance with manufactures maintenance procedures. ● Modify equipment to reduce noise (for example, noise control kits, use rubber etc.). ● Install acoustic enclosures around generators to reduce noise levels. ● Fit high efficiency mufflers to appropriate construction equipment. ● Avoid the unnecessary use of alarms, horns and sirens. ● Employ best available work practices on-site to minimize occupational noise levels. ● Provide trainings on noise limits, use of horns and sirens. Insert signage to aware on noise pollution. ● Ensure use of protective gears (ear mufflers/ earplugs to protect from noise).
Air Quality Management		

Activity	Impacts	Mitigation Measures/ Management Guidelines
Air, dust or fugitive flumes may generate due to improper management of production/manufacturing process	Working area air quality can be adversely affect to the ecosystem, surrounding environment and human health	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Fit equipment's with appropriate exhaust systems and emission control devices. Maintain these devices in good working condition. ● Procure safe and clean fuel to reduce air pollution from emissions. ● Recover waste heats from hot flue gas (exhausts) from power station or generators. ● Set up standard air emission (partials, aerosols, gases, and odor) guidelines (WHO, ECR 1997/ 2017) both for indoor and outdoor. ● Monitor and measure air quality by internal laboratory, external independent firms sporadically, at regular intervals, or continuously.
GHG gas emission	Contribute in the global warming and induce disasters related to climate change	<p>The Partner Organization management entity shall:</p> <ul style="list-style-type: none"> ● Source primary electricity/energy from renewable resources.
Occupational Health and Safety		
OHS Best practices	ME operational activity may pose health and safety risks to the workers and site visitors leading to severe injuries and deaths. The population in the proximity of the subprojects site and the workers will be exposed to a number of (i) biophysical health risk factors, (e.g., noise, dust, flumes, chemicals, construction material, solid waste, wastewater, vector transmitted diseases etc.), and (ii) road accidents from traffic	<p>The PO/ME management entity shall:</p> <ul style="list-style-type: none"> ● Implement suitable safety standards for all workers and site visitors which should not be less than those laid down on the international standards (e.g. International Labor Office guideline on 'Safety and Health in Construction) ● Execute risk and hazard assessment on materials, process and equipment. ● Provide the workers with a safe and healthy work environment, taking into account inherent risks in its particular construction activity and specific classes of hazards in the work areas. ● Provide personal protective equipment (PPE) for workers, such as safety boots, helmets, masks, gloves, protective clothing, goggles, full-face eye shields, and ear protection. ● Maintain the PPE properly by cleaning dirty ones and replacing them with the damaged ones. ● Ensure trainings on PPE with records. ● Safety procedures include provision of information, training for workers those are involved in hazardous operations and proper performance of their job.

Activity	Impacts	Mitigation Measures/ Management Guidelines
		<ul style="list-style-type: none"> ● Light, air, noise, temperature assessment records. ● Ensure sufficient toilets with manpower ration and clean frequently. ● Appoint an environment, health and safety manager to look after the health and safety of the workers.
Injuries due to major or minor accidents	Lack of first aid facilities and health care facilities in the immediate vicinity will aggravate the health conditions of the victims	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Ensure health care facilities and first aid facilities are readily available. ● Ensure first aid boxes at first-aid stations and should be easily accessible throughout the place of work. ● Arrange training for first aider and equipped with proper first aid facilities. ● Prepare document and reports accidents, injuries, diseases, and incidents. ● Prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, in a manner consistent with good international industry best practice. ● Identify potential hazards to workers, particularly those that may be life-threatening and provide necessary preventive and protective measures. ● Provide safe machinery and ensure safe working area or production places for workers.
Water and sanitation facilities at the workplace	Lack of Water sanitation facilities at workplace cause inconvenience to the workers and affect their personal hygiene.	<p>The Management Entity/Partner Organization should</p> <ul style="list-style-type: none"> ● Provide portable toilets at the construction sites, if about 25 people are working the whole day for a month. ● Ensure the location of portable facilities at least 6m away from storm drain system and surface waters. These portable toilets should be cleaned once a day and all the sewerage should be pumped from the collection tank once a day and should be brought to the common septic tank for further treatment. ● Provide filtered/bottled drinking water facilities to the workers at all the workplace.
Social Accountability Guidelines		

Activity	Impacts	Mitigation Measures/ Management Guidelines
Implementation of social accountability	Labor unrest, dissatisfaction, turmoil, vandalism even ratios can be arise due to lack of social accountability	<p>The Management Entity shall:</p> <ul style="list-style-type: none"> ● Ensure social management policy and procedures are available as per the Afghan Labor Law 2007, ● Ensure child labor is not used directly or sourced ● Ensure that young workers (15-18) are not employed in dangerous work ● Check the ages of all employees ● Ensure that forced labor is not used directly, or through contractors or the supply chain. ● Implement equal opportunity and no discrimination ● Maintain equal opportunity for male and female workers including pregnant women ● Ensure all the entities have grievance mechanism policy and procedure with responsible person ● Grievance committee established for the workers ● Grievance mechanism established and operating smoothly
	SEA/SH-related risks and impacts of project activities	SEA/SH Action Plan tailored channel to handle SEA/SH grievances. Apply Grievance Mechanism to handle SEA/SH complaints confidentially. Awareness programs for project workers. CoC for all workers.
Emergency Response		
Implement Emergency Response procedure	Asset loss, manpower loss, accident, injury, productivity loss	<p>The Partner Organization shall:</p> <ul style="list-style-type: none"> ● Prepare an Emergency Response Plan to mitigate any kind of prevailing risk and hazards ● Ensure responsibility of the team to deal with catastrophic accidents, natural calamities, breakout/ spread of dieses, accidental release of hazardous chemical or manmade unrest (student agitation). ● Ensure the emergency response team's responsibilities are to immediately meet when an emergency situation is reported and to determine the course of action. ● Ensure the emergency response team is prepare for any kind of emergency situation arise

Activity	Impacts	Mitigation Measures/ Management Guidelines
		<ul style="list-style-type: none"> ● Develop a list of contact information for all internal and external resource. The list should include name, description, location and contact details (phone number, email) for each of the resources and maintained annually. ● Communicated with relevant organizations (Fire service, Hospital, Police station, Ambulance, Suppliers, Mechanics or others) at any emergency situation. ● Prepare emergency response plan for each type of emergency (fire, natural calamity, cyclone, tidal surge, and earthquake, accidental release of chemicals, or turmoil's / agitation). ● Identify training needs based on roles and responsibilities, capabilities and requirements of personnel in an emergency. ● Impart refresher training on hazard and risk identification, risk assessment and mitigation rescue & recovery etc. ● Develop and updated training plans to address needs, particularly for firefighting, spill response and evacuation. ● Record keeping on training activities and the outcomes.
Fire Safety Management System		
Implement Fire Safety Management System	May cause economic loss, loss of human life as well as property	<p>The PO/ME shall:</p> <ul style="list-style-type: none"> ● Ensure the regular inspection conducted by PO to ME. ● Fire firefighting equipment are updated and well maintained, emergency telephone numbers are available. ● Impart firefighting trainings and fire drill regularly and maintain records. ● Conduct emergency evacuation drills and alarm testing to evaluate the effectiveness. ● Train all workers and staffs how to operation the fire alarm systems with clear instructions. ● Develop training plans to address needs, particularly for firefighting, spill response and evacuation. ● Ensure that the escape routes easily identifiable and free from obstructions. ● Ensure that the exit doors are labelled, unlocked and designed to open outwards. ● Ensure that the fire extinguishers are fully charged and inspected monthly.

Activity	Impacts	Mitigation Measures/ Management Guidelines
Chemical Management System		
Chemical Storage	Unsafe chemical storage or store in an open area may affect the physical environment and harmful for human health	<p>The ME shall:</p> <ul style="list-style-type: none"> ● Store required amounts in order to reduce waste. ● Safe storage (in dry, cool temperature) with sufficient air circulation at chemical store. Ensure temperature and humidity records to storing at a suitable condition. ● Ensure proper ventilation/ air circulation in the store. ● Use proper PPE (gloves, mask, goggles, safety shoe) before handling chemical. ● Ensure MSDS and labelling for all chemicals. ● Provide absorbent materials to control accidental release of chemicals. ● Ensure secondary containments for all chemicals. ● Ensure eyewash station for accidental spillage or contact with workers. ● Provide training to related staffs on the safe chemical storage.
Transport and disposal	Unsafe disposal may pollute surface and ground water Uncontrolled disposal cause soil contamination	<ul style="list-style-type: none"> ● Dispose chemicals as per given instruction (on the MSDS). ● Dilute chemicals and dispose into the treatment plant if available otherwise dispose into the soak-well, do not dispose chemical into surface water. ● Provide training to related staffs on the safe transportation and disposal of chemicals.
Potential Risk of Pandemics (COVID-19) or communicable and Non-communicable disease		
Release Pandemics, Communicable disease or non-communicable disease	Lack of awareness and knowledge in health care among worker laborer pose a risk of transmitting pandemics (COVID and other communicable disease)	<p>The Enterprise shall:</p> <ul style="list-style-type: none"> ● Enforce health and hygiene protocols: hand washing, wearing a mask for all workers and labourers. ● Conduct all types of business operation as well as construction activities as per plan to minimize risks. ● Ensure use of PPE, such as safety boots, masks, gloves, protective clothing, goggles etc. where required. ● Ensure adequate ventilation facilities, Heating, Ventilation, and Air Conditioning (HVAC) at all working areas, dormitories and camps. ● Ensure safe and reliable water supply that meets the national standards.

Activity	Impacts	Mitigation Measures/ Management Guidelines
		<ul style="list-style-type: none"> ● Arrange hygienic sanitary facilities and sewerage system. ● Follow the wastes management guidelines ● Implement OHS safety standards for all those laid down on the international standards (WHO and Centers for Disease Control and Prevention guidelines) as well as national guidelines (for example: Afghan Labor Law 2007).

Annex 7: Chance Find Procedures

Chance Find Procedures are defined in the Law on Maintenance of Historical and Cultural Monuments (Official Gazette, December 21, 1980), specifying the authorities and responsibilities of cultural heritage agencies if sites or materials are discovered in the course of project implementation. This law establishes that all moveable and immovable historical and cultural artefacts are state property, and further:

1. The responsibility for preservation, maintenance and assessment of historical and cultural monuments rests with the Archaeological Committee under the Ministry of Information and Culture, which has representation at provincial level.
2. Whenever chance finds of cultural or historical artefacts (moveable and immovable) are made the respective PIU should be informed, and the PIU will bring in appropriate experts to assess the findings. Should the continuation of work endanger the historical and cultural artefacts, the project work should be suspended until a solution is found for the preservation of these artefacts.
3. If a moveable or immovable historical or cultural artefact is found in the countryside of a province, the provincial governor (*wali*) or district-in-charge (*woluswal*) should be informed within two weeks, and they should inform the Archaeological Committee. In case the immovable historical or cultural artefact is found in a city, the provincial branch of the Department of Maintenance of Historical Values of the Ministry of Information and Culture should be informed within two weeks (art. 18). If the find is made within the center, the Archaeological Committee must be informed directly within one week (art. 25).

In case of a chance find of moveable or immovable historical or cultural artefact, the implementing agency is responsible for securing the artefact from theft, pilferage and damage until the responsibility has been taken over by the relevant authorities as specified above.

These procedures must be referred to as standard provisions in construction contracts, when applicable. During project supervision, the PIEs shall monitor that the above regulations relating to the treatment of any chance find encountered are observed.