

Islamic Republic of Afghanistan

Ministry of Mines

Directorate of Policy

Construction Materials Policy

Jadi 1390

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ACRONYMS

AGS	Afghanistan Geological Survey
MOCI	Ministry of Commerce and Industries
MOF	Ministry of Finance
MOM	Ministry of Mines
NEPA	National Environmental Protection Agency
MoLSAMD	Ministry of Labor Social affairs Martyrs and Disabled

DEFINITIONS

Construction Materials Deposit. An area where Construction Materials may be found.

Construction Materials Quarry. It is a type of open-pit mine from which construction materials are extracted.

Exploitation. Any activity by means of which pre-production development and extraction of minerals takes place from an identified deposit by means of surface (open pit) and/or underground operations from a Deposit or an Artificial Deposit for its processing, using or selling.

Exploration, An activity carried out to discover minerals in order to demarcate the quality and quantity of the reserves contained within it, or to evaluate the possibilities of its exploitation.

1. Preamble

Afghanistan has the finest and largest sources of Construction Materials which include Sand, Gravel, Brick clay or Mud and Building Stones. Poor and illegal extraction of these materials has resulted in substantial losses in government revenue, employment opportunities and environmental degradation. Many deposits may not be accessible due to isolation, unsuitably located in urban area, and lack of infrastructure. Adequate amount of Sand, gravel and aggregate materials that feed the local industries are located adjacent to populated areas.

The core functions of the State in quarrying is formalization, facilitation and regulation of surveying and quarrying activities of investors and entrepreneurs, provision of infrastructure and tax collection.

2. Objectives of the policy:

The objective of this policy is to formalize Construction Materials sector, encourage private sector investment, increase Government revenue, provide employment opportunities for the rural impoverished people and mitigate environmental degradation. This policy also aims to encourage introduction of new technology to further develop this sector.

3. Legal and Regulatory Framework

Pursuant to the article 9 of the Afghan constitution and article four of Afghanistan Mining Law all naturally occurring minerals and artificial deposits of minerals on surface or subsurface of the territory of Afghanistan or in its water courses are the exclusive property of the state. Mining/quarrying operations will be conducted in Afghanistan either by the state or the authorized individual or company who have obtained license from Ministry of Mines. A license holder can do mining/quarrying activities and have control over the extracted materials. As Construction Materials sector is identified as small size enterprise, under the law it qualifies to be treated as a part of ASM. According to National Mining Policy, artisanal mining activities shall be available for license only to Afghan citizens and small scale mining licenses shall be open for national and international investors. These licenses

shall be granted on application basis provided that the license holder meets the necessary permitting requirements.

4. Key Institutional Players

- Ministry of Mines (MoM) –The primary policy maker and regulator of quarrying Construction Materials activities in Afghanistan including survey, licensing, assigning royalties, health and safety, and overall monitoring of quarry operations.

Given the increasing importance being placed on Construction Materials activities and in order to adequately respond to the administrative demands of the sector, the MoM provincial offices will take on a greater role. These offices will facilitate monitor and oversight Construction Materials operations and will also encourage private sector investment on the provincial level.

- Ministry of Commerce and Industries (MOCI) – The primary policy maker and regulator of business and trade activities in Afghanistan. For Construction Materials this means activities which include trade, processing, marketing, their products and other relevant business activities.
- Ministry of Finance (MoF) – The primary policy maker and regulator of national revenue and budget including the collection of taxes and duties related to Construction Materials.
- National Environmental Protection Agency (NEPA) – The primary organization responsible for approving the Environmental Impact Assessment (EIA) in accordance with Law on Environment and its supporting regulations.

5. Survey and Exploration

The Afghanistan Geological Survey (AGS) with Provincial Offices is the principal agency for geological mapping and assessment of regional Construction Materials resources in the country. It is responsible for creating action oriented plans to achieve these goals in close cooperation with all its stakeholders.

6. Development of Construction Materials Sector

Development of Construction Materials sector should consider its demand and supply in the short, medium and long terms, keeping in mind that extraction, processing and marketing of these stones are economical. To maximize gains from the comparative advantage which the country enjoys, strategies will be developed to accompany this policy in order to further develop this sector. There should be an adequate and effective legal and institutional framework mandating zero-waste quarrying as the ultimate goal and a commitment to prevent sub-optimal quarrying.

6.1 Scientific Methods of Quarrying

The policy strictly prohibits sub-optimal and unscientific extraction such as extraction from the river beds and encourages the use of modern technology. Import of brand new machinery and equipment is exempted from custom duties.

6.2 Construction Materials Sector as an Industry with Linkages

Construction Materials sector contributes to the generation of wealth and creation of employment and therefore should be treated as an economic activity. In order to ensure uninterrupted supply of the construction materials from domestic sources the industry is encouraged to develop long-term linkages with the miners, producers and marketing agencies.

6.3 Human Resource Development

The MoM in collaboration and close association with MoLSAMD and the Ministry of Higher Education will provide fiscal and other resources for the development of educational and training services for Construction Materials sector. These training will target the technical, fiscal, legal, environmental and other aspects of this sector, and ensure sustainable supplies of technical and skilled labour. Where possible, existing academic and training institutions are encouraged to enhance their programs to suit specific Construction Materials sector development while in other cases, stand-alone educational and training facilities will be required.

6.4 Infrastructure Development

Construction Materials deposits generally occur in remote areas with poor infrastructural facilities which often inhibit their optimum development. A major thrust needs to be given to development of infrastructural facilities such as roads and railways to areas with major construction materials deposits.

6.5 Financial Support for Quarrying

This policy advocates financial support from financial institutions to all licensed Construction Materials quarrying operators. Since Construction Materials quarrying is carried out by artisanal and small scale miners, arrangements should be made available so that microfinance loans will be provided to miners in the sector.

6.6 Protection of Environment

Extraction of Construction Materials impacts other natural resources like land, water, air and forest. Quarrying operations should not be taken up in identified ecologically fragile and biologically rich areas. No quarrying license should be granted to any party, private or public, without a proper screening report including the environmental screening report approved and enforced by the authorities.

6.7 Relief & Rehabilitation of Displaced and Affected Community

Large scale mining operations often involve acquisition of land held by individuals including those belonging to vulnerable local communities. Although such situations are not envisioned for the Construction Materials quarrying as they are quarried on small scale basis but if there are such cases a social impact assessment will be undertaken to ensure that suitable relief and rehabilitation packages are evolved. The owner of the private land will be compensated in accordance to Land Acquisition Law. However, rehabilitation of affected people in the form of substitute land, land for housing and jobs

is not always adequate. Appropriate compensation forms an important aspect of the Social Policy Framework.

6.8 Quarry Closure

Once the process of economical extraction of Construction Materials quarry is completed, scientific quarry closure should be conducted in a manner that not only restores ecology and regenerates bio-mass but also takes into account the socio-economic aspects of such closure. Where quarrying activities have been spread over a few decades, quarrying communities get established and closure of the quarry means not only loss of jobs but also disruption of community life. Whenever quarry closure becomes necessary, it should be orderly, systematic and planned to help the workers and the dependent community rehabilitate themselves without undue hardship. Construction Materials quarry operations need to rehabilitate the area taking into account the needs of local community, urban planning and characteristics of the area.

6.9 Quarry Safety

This Policy supports the development and adoption of quarrying methods which will increase the safety of workers and reduce the accidents. The health and safety of workers engaged in Construction Materials activities is the priority for Government. Construction Materials related companies are required to conduct quarry operations in a safe and productive manner and to comply with all appropriate laws and regulations related to occupational health and safety in all areas of their business activities. Employees are responsible for working safely in the interests of their own welfare and that of their fellow employees. Companies active in Construction Materials operations are required to provide the education, training, equipment, and adequate system that will reduce hazards and minimize the risk of accidents, injuries, and disease and create a safety-conscious environment. Afghanistan National Standards Authority (ANSA) in coordination with MoM shall develop health and safety standards for construction materials operations. The Ministry of Mines will be responsible for the oversight and implementation of these regulations and procedures; in the instance of violations, penalties may be assessed.

7. Mine and Mineral Elements

Where mine and/or minerals elements are discovered as part of a Construction Materials quarry operation, those elements must be separately licensed by the Ministry of Mines if to be sold in raw or processed form by the quarry operator.

8. Revenue Management and Fiscal Aspects

For quarrying revenue management Government of Afghanistan intends to establish a “Mining Revenue Fund” within its single treasury account. Revenues should be invested in such a manner that addresses the immediate and future needs of Afghans in a transparent manner. Construction Materials prices should reflect their value and the royalty structures should be designed to ensure that the producer earns and the consumer pays the true value of the Construction Materials.

9. Research and Development

Research and development in the Construction Materials sector has to cover the entire range of activities from geological survey, quarrying, health and safety, processing and trade. As a result of these research and development modern technology and safe quarrying methods will be introduced to this industry.

10. Effectiveness of the Policy

This Policy is effective as of its approval by the Cabinet and is deemed to be the foundation document on which the Afghanistan Construction Materials will operate and from which relevant legal and regulatory acts and other supporting policies may be developed.