



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 26-Apr-2021 | Report No: PIDC30766

**BASIC INFORMATION****A. Basic Project Data**

Country Mozambique	Project ID P175298	Parent Project ID (if any)	Project Name Investing in Inclusive Human Capital Development in Mozambique (P175298)
Region AFRICA EAST	Estimated Appraisal Date Sep 23, 2021	Estimated Board Date Sep 30, 2021	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Republic of Mozambique	Implementing Agency Cabo Delgado: Provincial State Secretariat and Provincial Executive Council, Niassa: Provincial State Secretariat and Provincial Executive Council, Nampula: Provincial State Secretariat and Provincial Executive Council	

Proposed Development Objective(s)

To improve inclusive access to quality social services and community-driven development opportunities for populations in areas at risk of conflict, and strengthen institutional capacity of the health, education and social protection sectors.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**



International Development Association (IDA)	100.00
IDA Grant	100.00

Environmental and Social Risk Classification

High

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- Mozambique’s growth in the last two decades has been strong but not inclusive.** Between 2000-2016, GDP expanded at an annual average rate of 7.2 percent, making Mozambique one of the fastest growing economies in Sub-Saharan Africa (SSA).¹ Yet, with a Gini co-efficient of 0.56, Mozambique is also one of the most unequal countries in the region and 45.8 percent of Mozambicans live beneath the poverty line.^{2 3} Poverty rates in the three Northern provinces are considerably higher than the national average and almost identical to levels recorded in the early 2000s (Nampula 69 percent; Niassa 67 percent; Cabo Delgado 50 percent).
- The unequal development observed across the Northern, Central and the Southern regions is deeply rooted in Mozambique’s colonial past and sub regional context, and efforts to accelerate development and tackle regional asymmetries have not been successful since independence.** For much of the colonial period, Mozambique was fragmented into separate administrative zones across the South, Central and Northern regions.⁴ The location of the capital in the extreme South, and its proximity to South Africa, contributed to concentrating resources, including human capital and higher-growth sectors in the Southern region, whilst much of the country continued to be relatively marginalized.⁵ Despite various efforts since independence to support decentralization and reduce inequality, the legacy of poor inter-regional connectivity and decades of underinvestment have perpetuated the regional gap in basic infrastructure and service provision, compounded by the impacts of recurring natural disasters, rapid population growth and rural–urban migration. The inequalities in per capita spending are reinforced by limited decision-making powers and voice at the subnational levels in the allocation and distribution of expenditures. Perceptions of preferential treatment and corruption undermine a sense of

¹ World Bank, Mozambique Poverty Assessment. April 2020.

<http://documents1.worldbank.org/curated/en/248561541165040969/pdf/Mozambique-Poverty-Assessment-Strong-But-Not-Broadly-Shared-Growth.pdf>

² <https://fragilestatesindex.org/country-data/>

³ ibid

⁴ Malyn Newitt, A short History of Mozambique, 2017. Pag. 22.

⁵ Alex Vines, Violence, Peacebuilding and Elite Bargains in Mozambique since independence, November 2020.



inclusion and fairness and have reinforced a North–South divide.⁶

3. **The security situation in Northern Mozambique has significantly deteriorated in the past four years, resulting in increasing casualties and large numbers of internally displaced people (IDPs) in under-served areas.** Mozambique facing an Islamist-terrorist insurgence in the Northern province of Cabo Delgado. Since the first attacks in 2017, conflict has escalated rapidly and intensified in range, sophistication, and intensity. It is estimated that it has led to over 3,800 fatalities as of end- December 2020, and nearly 669,256 IDPs.⁷ The rapid spread and escalation of the conflict has fueled concerns regarding risks of spillovers into neighboring Niassa and Nampula provinces, both of which face similar underlying structural challenges as Cabo Delgado. There have also been reports that the insurgents are benefitting from the thriving illicit economy, which involve the smuggling of timber, minerals, wildlife, and other resources, which especially young people lacking opportunities are being recruited into. The conflict has challenged the Government’s response capacities and threatens foreign investment opportunities, while destroying human and physical capital, which have led to a mounting humanitarian and displacement crisis.
4. **The discovery of natural gas reserves in Northern Mozambique in 2010 holds the promise of transforming the country.** The estimated 3 trillion m3 of natural gas in the Rovuma basin could make Mozambique one of the top five liquid natural gas (LNG) exporters in the world.⁸ Final investment decisions (FID) for the development of some of the main projects have been delayed and negatively impacted by the escalation of violence and the revelation of US\$ 1.3 billion of previously undisclosed commercial debt contracted by the government in 2016.⁹ Nevertheless, the development of the LNG projects is expected to become a major source of government revenue from 2023.¹⁰ Cognizant of the development challenges and the potential of economic development from the LNG reserves, the Government of Mozambique created the Integrated Agency for the Development of the North (ADIN) in March 2019. Its mandate is to increase the competitiveness and social productivity of the provinces in the North, and to ensure sustainable management of natural resources throughout the region.
5. **Mozambique’s low human capital limits participation in upcoming economic opportunities, aggravating existing grievances and inequalities.** Mozambique’s Human Capital Index (HCI) 2020 shows that a child born today will be 36 percent as productive when she grows up as she could be if she enjoyed full health and complete education.¹¹ This places Mozambique below the average for SSA of 0.40. Disadvantages start at a young age in the Northern Provinces. Half of children under 2 years old are stunted (53.8 percent Cabo Delgado; 47.5 percent Nampula and 48.8 percent Niassa). Despite progress in education, around one third of children in the Northern provinces aged 5–24 are not enrolled in school (35.1 percent Cabo Delgado; 31.6 percent Niassa and 30.6 percent Nampula).¹² In addition, the average age of students in 3rd grade was over two years above the expected age of 8 years old (11 in Cabo Delgado; 10.8 in Nampula; 10.2 in Niassa). Consequently, over ninety percent of 10-year-old children in the Northern provinces are unable to read and understand a basic text. Furthermore, gender disparities in learning outcomes are also prevalent in the three Northern provinces. In the 2018 SDI survey, grade four female students scored 25.4 percent in Math and 14.5 percent in Portuguese compared to 29.9percent and 25percent reached by

⁶ PRA Eligibility Note, WB. February 2021.

⁷ *ibid*

⁸ Standard Bank. Mozambique Gas Supplier to the World. June 2020

⁹ Non-concessional debt equivalent to about 10 percent of Gross Domestic Product (GDP) was accumulated between 2009 and 2014 through guarantees issued to state-controlled companies

¹⁰ African Markets Revealed, Standard Bank. January 2021.

¹¹ https://databank.worldbank.org/data/download/hci/HCI_2pager_MOZ.pdf?cid=GGH_e_hcpexternal_en_ext

¹² ESA, 2019.



their male colleagues, respectively.¹³ Progression rates to secondary education and performance are also lower and children can only expect to complete 7.4 years of education by the age of 18. Accessibility to Training and Vocational Training (TVET) is limited.¹⁴ As a result, there is a large stock both of unskilled workers in the labor force and unskilled youth entering the labor market.¹⁵

- 6. The impacts of the COVID-19 pandemic, coupled with climate shocks and the escalating insurgency have put pressure on strained systems and capacities, creating new challenges to building human capital.** In 2019, two consecutive intense cyclones caused significant damage to infrastructure and livelihoods, and had detrimental effects on health, education and wellbeing of populations in the Northern Provinces.¹⁶ Further, the escalation of violence has resulted in the damaging or destruction of infrastructure in Cabo Delgado, including the closure of 36 percent of health facilities, the abandonment of 187 schools and the loss of a primary safe water source amongst 176,000 people.¹⁷ COVID-19 has had direct effects on the three provinces, which registered 7,523 COVID-19 cases and 31 deaths, as well as indirect effects from restrictive measures such as the closure of schools.¹⁸ Although the Government has promoted the delivery of classes remotely, limited access to internet and reliable electricity keep disadvantaged children in the North, including IDPs, from learning.

Sectoral and Institutional Context

Human Capital Indicators

- 7. Mozambique continues to spend relatively little on health, social protection (SP) and post-primary education, particularly in the North, constraining human capital outcomes and fueling a cycle of poverty and exclusion.** Health financing and SP expenditures are below the Sub-Saharan African average. In 2015, external funding contributed to over 60 percent of Total Health Expenditure, and the system suffers from inequitable fiscal transfers and uneven decentralization. The Government of Mozambique (GoM) allocates less than 2.5 percent of the government budget (0.6 percent of GDP) to SP. The full implementation of the National Strategy for Basic Social Protection II (ENSSB II) has the potential to reduce poverty incidence by 7.5 percent, poverty depth by 16 percent, and inequality by 5 percent in the Gini index at a cost of 2.2 percent of GDP. Achieving this requires additional financing and efforts from the government and development partners. Similarly, in education, post-primary education is under-resourced, and training of teachers and provision of adequate learning materials cannot match the continued rise in students entering secondary education. Provinces in the North have traditionally received less funds per capita compared to provinces in the South, and the rate of expansion of secondary schools has been insufficient.¹⁹ As detailed below, this underinvestment contributes to exclusion of opportunities for advancement, contributing to factors underlying the escalating conflict in the North.
- 8. Adult and child survival and productivity are impacted by accessibility and use of health services, which are much lower in the Northern provinces.** The ratio of health facilities per 10,000 people in Nampula and Cabo Delgado is 0.38 and 0.55 respectively, in contrast to ratios of 1.01 and 0.92 in the Southern Provinces of Gaza and

¹³ World Bank. Education Service Delivery in Mozambique: A second Round of the Service Delivery Indicators Survey. 2018.

¹⁴ UNESCO UIS Education Statistics. 2017. The gross enrollment ratio in secondary education is even lower than the average for Sub-Saharan Africa (43).

¹⁵ WB, 2015. Skills and employability in Mozambique: Implications for Education and Training Policies. Cho and Fedá.

¹⁶ Estimated losses and damages from Cyclone Idai totaled approximately US\$ 2.8 billion

¹⁷ *ibid*

¹⁸ COVID-19 cases in the three Northern Provinces represent around 14 percent of the cases recorded in Mozambique and 4 percent of the deaths. Data as of 9 March from the National Institute of Health.

¹⁹ PER, 2015



Inhambane. Ratios of health personnel are also much lower, with 5.70 and 4.14 health personnel per 10,000 people in Niassa and Nampula, in contrast to 7.62 and 8.42 in Gaza and Inhambane. As a result, use of services is more limited, with an average number of consultations per person per year of 1.52 in Cabo Delgado, 1.40 in Niassa and 1.18 in Nampula, compared of 2.82 and 2.40 in Gaza and Inhambane.²⁰ In turn, this explains the low coverage and quality of ante-natal care (ANC): only 46 percent and 45 percent of pregnant women in Niassa and Cabo Delgado have four ANC visits, against the national average of 62 percent.²¹ Only 36 percent of pregnant women in Niassa receive four doses of Intermittent Preventive Therapy for malaria (below the national target 70 percent). In 2011, under-5 mortality was 116, 101 and 64 per live births for Cabo Delgado, Niassa and Nampula respectively.²² In addition, cholera and acute watery diarrhea (AWD) outbreaks have recently intensified, with five districts with the largest numbers of IDPs recording 2,400 cumulative cases of cholera with a case fatality of 1.5 percent and over 450 cases of AWD were reported in the districts hosting IDPs.²³

9. **High levels of stunting prevent children in Cabo Delgado, Niassa and Nampula from reaching their physical and cognitive potential, with long-term impacts on their productivity.**²⁴ Historically, Cabo Delgado has some of the highest levels of stunting and acute malnutrition in the country. According to a baseline survey carried out by the WB in late 2019, 53.8, 48.8 and 47.5 percent of children aged 0-36 months in the Cabo Delgado Niassa, and Nampula respectively are stunted, the highest levels observed in the country.²⁵ Cabo Delgado had the most alarming rates of acute malnutrition (12.3 percent). Overall, 80 percent of surveyed households reported experiencing food insecurity and less than 1 percent of the children were considered to have a minimum acceptable diet. In addition, the WB survey found poor hygiene practices and limited exclusive breast-feeding practices for children aged 0-6 months in the three provinces.²⁶ Further, a recent rapid assessment amongst IDPs estimated that more than 900,000 people are facing Crisis or Emergency levels of food insecurity.²⁷
10. **Learning outcomes for children, particularly girls, in the Northern provinces are constrained by lack of suitable environments and complex socio-cultural norms.** Lack of desks means that most children in primary education learn sitting on the floor (63 percent in Cabo Delgado; 81.8 Nampula; 63 Cabo Delgado).²⁸ Despite improvements in Cabo Delgado, only 30.4 percent and 32 percent of children in Grade 3 in Niassa and Nampula have textbooks.²⁹ Gross enrollment ratios (GER) in upper primary are lowest in the three Northern provinces (51 percent in Nampula, 53 percent in Cabo Delgado and Niassa), with girls' GER 10 percentage points below that of boys. The overall availability of lower secondary classrooms per 1,000 children is lowest in the North (0.14 Cabo Delgado; 0.17 Nampula; 0.21 Niassa). Although the 2018 Law of Education waived fees for lower secondary education, families still bear the largest costs related to the purchase of uniforms, learning materials and transport. Lower access to education and learning in the North and Center are correlated with higher levels of poverty, availability of school

²⁰ SARA 2018

²¹ MCH Department, 2019

²² DHS 2011

²³ UNICEF, Mozambique Humanitarian Report, Sit Rep, No. 3. Jan – Dec 2020. <https://www.unicef.org/media/92271/file/Mozambique-Humanitarian-Situation-Report,%20End-of-Year-2020.pdf>

²⁴ World Bank, Baseline Study for the community-based Nutrition Intervention Package under the PHSCP, October 2019

²⁵ World Bank, Baseline Study for the community-based Nutrition Intervention Package under the PHSCP, October 2019

²⁶ *ibid*

²⁷ *ibid*

²⁸ MINEDH, Second National Assessment for 3rd grade, 2017

²⁹ *ibid*



infrastructure, as well as with students' absenteeism and the teachers' knowledge.³⁰ School attendance is hindered by internal displacements and The United Nations High Commissioner for Refugees (UNHCR) estimates that forced displacement results in children missing out on an average three to four years of schooling.³¹

- 11. Social protection programs have an instrumental role in addressing the root causes of barriers to health and education amongst underserved populations, but they currently cover 19 percent of total number of poor households in Mozambique.** The Ministry of Gender, Children and Social Action (MGCAS) guides the National Institute of Social Action (INS) in the implementation of three major social safety net Programs under ENSSB II. Existing SP programs cover a low proportion of poor households (25 percent Cabo Delgado; 22 percent Niassa; 23 percent Nampula); In addition, the Government's Child Grant program for children under 2 years of age is currently in a pilot phase covering 15,000 households. However, the expansion of social protection coverage is hampered by limited administrative and technical capacity. This includes challenges in program implementation, from adequate registration of beneficiary households, timely assessment of socioeconomic needs, and transparent and efficient payment processes, to coordination with complementary social services and other productive programs and effective monitoring and evaluation.

Women empowerment and demographic dividend

- 12. The Northern provinces suffer from especially high rates of unwanted pregnancies and early marriages, associated with the low prevalence of modern contraceptives use amongst adolescents.** Mozambique has a high total fertility rate (TFR) of 4.9³² the 10th highest rate of early marriage in the world, with almost half of the adolescent girls aged 15–19 reporting that they are married. Cabo Delgado specifically has the highest teenage pregnancy rates in the country, with almost 65 percent of women in the province pregnant before the age of 20. This is coupled with a very early onset of sexual activity and forced marriages and sexual initiation, which is more common in the northern and central regions. High rates of unwanted pregnancies are correlated with a low prevalence of modern contraceptive rates (mCPR). The use of more reliable long-acting reversible contraception (LARCs) is also lower in the Northern provinces. In 2019, 2.52 percent and 2.82 of all family planning methods delivered in Cabo Delgado and Niassa were LARCs – this is in contrast with the national average of 7.26 percent for the same year.³³ Recent estimates suggest that reducing Mozambique's fertility rate even by one child by 2050 can lead to 31 percent increase in real GDP per capita and a 3.3 percent point decrease in poverty.³⁴
- 13. Social pressures and lack of a supportive environment negatively impact the opportunities in life amongst women in the North since a very young age.** Social pressures for childbearing and marriage reinforce lower educational attainment amongst girls and their disadvantaged position at an early age. In the Northern Provinces of Nampula and Niassa, 21.4 percent and 24.2 percent of girls aged 15-24 cited marriage as the main reason for not being enrolled in school.³⁵ Close to 40 percent of schools do not have proper toilet facilities and at least 30

³⁰ Service Delivery Indicators Survey, 2018

³¹ Getting refugee children back to learning. Rogers, H. and Sabarwal, S. 2020

³² World Bank, WDI Indicators, 2018.

³³ SISMA, 2019.

³⁴ World Bank. 2016. Searching for the Demographic Dividend in Mozambique: An Urgent Agenda

³⁵ MINEDH, Análise do Sector de Educação (ESA): Relatório Final, July 2019.



percent lack access to water, and hence fail to respond to girls' WASH needs.³⁶ Long distances to school are also a reason, and the Northern and Central regions have the lowest coverage of secondary schools. Limited education results in fewer opportunities for women to enter the higher-paying nonagricultural sectors.

14. **Internal displacements of women and girls are increasing their vulnerability to harassment and other forms of gender-based violence (GBV).** About one-third of 15-year-old adolescent girls in Mozambique are survivors of physical violence. Across Mozambique, seven in every ten girls report knowing of cases of sexual harassment and abuse in their school.³⁷ In addition, IDP settings often characterized by limited shelter, and inadequate sex segregation and privacy for latrines and bathing facilities put young girls and women at an even higher risk of GBV and limited services. An assessment carried out after the 2019 cyclone Kenneth in Cabo Delgado found that GBV response services were limited and not adequately survivor centered.³⁸ Although more detailed regarding the impact of conflict on GBV are needed, a rapid assessment found that women are reportedly walking long distance to access food, water and services, exposing them to risks, particularly sexual and gender-based violence.³⁹
15. **The young age structure of the Mozambican population can either exacerbate poverty and inequality or reap a demographic dividend and enhance prosperity.**⁴⁰ In the last decade alone, Mozambique's population increased by 41 percent from 20 to 29 million people⁴¹. Hence, despite decreasing poverty rates, the total number of people living in poverty has grown, especially in the North.⁴² Empowering girls and boosting human capital needs to be coupled with enough additional jobs and with raising labor productivity to employ the increasing inflow of new workers into the labor force. The deprivation of basic services and inequality to accessing employment opportunities can leave youth in Northern Mozambique with a perception of unfairness and in 'waithood' for a better and more meaningful life, to turn to violence against the state.⁴³

The Value Added of a Multi-Sectoral, Community-Driven Approach

16. **An integrated, multisectoral, and community-driven program, complementing existing initiatives, can catalyze local economic development and human capital building, while helping address the impacts of conflict and key grievances of underserved areas in the North.** The WB has a sizable human development portfolio supporting supply and demand driven dimensions of service delivery in health, education, and SP. However, outcomes and service utilization and access observed in the three Northern provinces continue to demonstrate underlying inequalities that limit opportunities and fuel the roots of conflict for underserved populations. Moreover, the

³⁶ Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment, UNICEF, KOICA and Pedagogic University, 2019

³⁷ See USAID (U.S. Agency for International Development). 2015. *Lessons from the Gender-Based Violence Initiative in Mozambique*, and Osorio. 2016. *Mulher e Lei na África Austral*.

³⁸ Humanitarian Consortium, Rapid Gender and Protection Analysis. https://www.care-international.org/files/files/publications/reports-issue-briefs/COSACA_Rapid-Gender-Protection-Analysis-Cabo-Delgado-Mozambique_June-2019.pdf

³⁹ OCHA. Protection Cluster Status. March 2021. <https://reports.unocha.org/en/country/mozambique/card/4RnnbzazNV/>

⁴⁰ The demographic dividend is the accelerated economic growth that may result from a decline in a country's birth and death rates and the subsequent change in the age structure of the population. In Mozambique, the working-age population will grow at a rate of 3.9 percent per year between now and 2050 (compared to the predicted average of 3 percent per year for Sub-Saharan Africa as a whole)

⁴¹ Preliminary data from the Mozambique 2017 Census.

⁴² World Bank. 2018. Mozambique Poverty Assessment.

⁴³ Bernhard Weimer, Reflections on Violent Manifestations of Local Discontent and their Implications for Peacebuilding: An Essay. Instituto de Estudos Sociais e Economicos. May 2018.



growing crisis of internal displacements highlights the need for targeting these populations in a more integrated manner, for a positive impact in terms of poverty reduction and shared prosperity. Grievances related to inadequate accountability and perceptions of a ruptured social contract with government can also be targeted through community-driven development approaches. A recent randomized controlled trial showed that interventions directly engaging citizens and providing information to communities at large in Cabo Delgado was effective at raising awareness, improving trust in government, and decreasing violence.⁴⁴ Using a community-driven approach, the Project addresses immediate needs, which have been exacerbated by conflict, in a targeted and inclusive manner, whilst reinforcing the pathway towards sustained peace.

- 17. The proposed project will build on the strong engagement of the World Bank in human capital development in Mozambique.** Currently, the WB contributes to priorities set by the Government related to primary health care and disease-specific health system strengthening interventions through the Primary Healthcare Strengthening Program and the Southern Africa TB and Health System Strengthening Project. In addition, the WB supports quality of and access to basic education and training programs for girls, together with skills development through the MOZLearning and Improvement of Skills and Development in Mozambique Projects. In SP, the national Productive Safety Net Program (PASP) provides income support to poor households through their participation in public works in 72 districts (3 of them in Cabo Delgado, 18 in Nampula, 1 Niassa), covering 121,000 beneficiaries. PASP has a direct impact on poverty reduction, while also contributing in some rural areas to economic infrastructure and land management activities that help communities adapt to and mitigate climate change. The Harnessing the Demographic Dividend Project also supports youth empowerment and employment, including in the three Northern provinces. The proposed Human Capital Project in the North will build on these interventions, by intensifying ongoing efforts and introducing activities and services that target the short and sustained needs, grievances, and contextual factors of populations in areas at risk of conflict.

Relationship to CPF

- 18. The proposed project is aligned with the WB's Country Partnership Framework (CPF) for Mozambique, revised in the recently concluded Performance and Learning Review (PLR) that includes adjustments to reflect the escalating conflict in Cabo Delgado, and the COVID-19 pandemic.**⁵ The FY 17-21 World Bank Group (WBG) CPF for Mozambique draws on the 2016 Systematic Country Diagnostic (SCD) which identified three main focus areas in support of the twin goals of eliminating extreme poverty and boosting shared prosperity: (i) promoting diversified growth and enhanced productivity; (ii) investing in human capital; (iii) enhancing sustainability and resilience. As a multi-sectoral intervention, this project is in line with both the second and third focus areas. Specifically, the project contributes to: Objective 5 for Enhancing the Skills Base; Objective 6 for Improving Health Service Delivery; Objective 7 for Improving Access to Water and Sanitation; and Objective 9 of extending Coverage of Social Protection and Labor Programs.
- 19. Mozambique is in the process of securing eligibility to the Prevention and Resilience Allocation under IDA-19, which is directed to provide support for prevention in countries at risk of escalation of violent conflict.** The WBG is recalibrating its portfolio to support the Government's prevention efforts, including the development of a spatially differentiated approach to conflict prevention. The proposed project contributes to this by addressing

⁴⁴ Armand et al. Does Information break the political resource course? Experimental evidence from Mozambique. IFS Working paper, 2019



the fragility challenges⁴⁵ of uneven access to basic services along a north-south divide that has deepened regional imbalances and undermined the social contract, perceptions of unfairness, corruption, and preferential treatment in the delivery of basic services, and lack of voice at the subnational level in decision-making related to allocation of resources. The operation also addresses the specific vulnerabilities and risks facing the youth and women, particularly those that are IDPs or residing in host communities. Through inclusive HC interventions, the project contributes to conflict prevention both by addressing short term needs and effects of current conflict, while mitigating risks of future outbreaks by building resilience and human capital to educate and empower future generations.

20. The proposed project is designed as part of a comprehensive World Bank response to the compounded crises in the North, and to address conflict and fragility in Mozambique more broadly. The project is aligned with the WB's current process of recalibrating the portfolio to support the GoM Strategy for conflict risk mitigation and its pivot to prevention. This includes short-term emergency assistance operations including the Northern Mozambique Crisis Recovery Project and the CERC components under the MozLand project that focus on crisis response assistance and immediate tenure security support. It also encompasses interlinked operations over the medium to longer term support: the Economic Linkages for Diversification, the Northern Mozambique Rural Resilience Project and the Urban Upgrading in the North of Mozambique (to address the root causes of fragility, conflict, and violence through strengthening of rural productivity, performance of micro, small and medium enterprises as well as improvements of infrastructure and living conditions in urban and peri-urban settings. The intervention will link with efforts to increase governance and transparency through the Governance Mozambique Digital Governance and Economy and the PFM for Improved Service Delivery Projects Synergies with ongoing HD operations in health, SP, demographic dividend and education interventions will be sought

C. Proposed Development Objective(s)

21. The Project Development Objective is to improve inclusive access to quality social services and community-driven development opportunities for populations in areas at risk of conflict, and strengthen institutional capacity of the health, education and social protection sectors.

Key Results (From PCN)

22. The following PDO indicators are proposed:

- o Increased percentage of children from IDPs that reached level 3 competences in grade 3 and 6
- o Number of young women and men participating in skills development program
- o Increased percentage of girls completing primary education in the targeted Districts
- o Coverage of (modified/expanded) nutrition intervention package (NIP) amongst children <2
- o Number of Couple-Years Protection (CYP) delivered to Adolescents
- o Number of people benefitting for cash for work initiatives
- o Number of communities accessing grant financing for locally-driven development projects

D. Concept Description

⁴⁵ As identified in the Risk and Resilient Assessment of December 2020.



23. **The project proposes a multi-sectoral intervention that encompasses both supply and demand aspects in education, health, and social protection using a life-cycle approach.** The proposed intervention maximizes the potential for rapid progress on human capital and employment, whilst increasing household resilience to conflict and natural disasters. The aim is to educate, empower and employ the current and future young generations to accelerate growth, reduce poverty and mitigate conflict risks.
24. **The targeting strategy for interventions will align with the GoMs proposed territorial approach to addressing the root causes of FCV across the country, to be elaborated as part of the PRA.** This includes three tiers distinguished by level of risk: (i) Tier 1- Areas that are at the locus of the current conflict, where the priority is to restore security, re-establish the social contract and address short term needs of the population; (ii) Tier 2- Areas that the conflict risks spreading into, which are to be turned into a ‘buffer zone’ by providing holistic support to populations, re-establishing social contracts, reinforcing the presence of the state and building resilience; (iii) Tier 3 - Marginalized areas that are lagging behind the rest of the country in terms of development and inclusive growth, by reinforcing the presence of the state through inclusive delivery of services, support to vulnerable groups and building the resilience of population. The Strategy involves a heightened focus on peri-urban areas and informal settlements to address the specific challenges faced by vulnerable groups in these areas, particularly the youth. Considering risk levels and capacity, the project will not support interventions in Tier 1 areas. A focus on building conditions for human capital development in Tier 2 and 3 areas will support alignment with other conflict containment interventions, and help the project target the most at-risk communities and individuals
25. **This project comprises three Components:** (i) strengthening institutions to improve accountability and resource flow between government bodies, frontline service providers, and community actors and institutions; (ii) improving equitable access to quality social services, adapting and expanding service delivery mechanisms for IDPs, host communities, and areas at risk of conflict; and (iii) strengthening community participation and resilience through the introduction of community-driven development mechanisms.

Component1: Strengthening institutions

26. **Supporting cross-sectoral collaboration amongst Human Development Stakeholders at all levels.** The proposed integrated HD approach builds capacity for implementation and coordination at Provincial levels, by developing provincial-based Project Implementation Units (PIUs) that will help institutionalize collaboration between the Ministry of Education and Human Development (MINEDH), the Ministry of Health (MISAU), and the Ministry of Gender, Children and Social Action (MGCAS) in different capacities at the various levels. Collaboration will be reinforced through the existence of an HD Provincial Coordinating Committee (HDPCC), that will include the directors of the provincial services of education, health and social action, and the heads of relevant programs and departments for each sector from the Provincial Executive Council. A representative of the Agency for the Integrated Development of the North (ADIN) will facilitate coordination across provinces. Terms of reference for the HDPCC will be developed and agreed upon by the participating sectors at provincial level. The Terms for reference will detail the specific role and mandate of the HDPCC and its members in respect of the project.
27. **Improved coordination at provincial level will be facilitated by the HDPCCs and experts in the provincial level PIUs.** This would entail coordination between the Directorates (which report to Provincial Governors) and Secretaries (which report to central level line ministries) in the different sectors. The overlapping functions and blurred mandates between these newly created divisions have undermined efficiency and accountability,



manifesting in different dynamics across provinces and sectors. Over the course of preparation, greater clarity will be sought on how the project can be implemented in this context.

- 28. Accountability framework for HD service delivery.** The combination of the LNG opportunity, the conflict and the impact of extreme climate events has resulted in the increased involvement of multiple actors including private sector, UN agencies and NGOs. Given the multiple actors involved in and supporting service provision, including those that may be contracted out by the Government, it will be necessary to establish functional systems so that stakeholders are able to monitor progress and outcomes, and hold service providers accountable for their performance. This could entail the upgrading of existing electronic systems and making use of remote geo-enabled monitoring tools used in other FCV settings.
- 29. Establishing results agreements between the central and provincial level for a minimum national service package of education, health, and social protection interventions.** The project will be underpinned by sector strategies. A minimum package of HD interventions will be defined, and capacity of decentralized stakeholders to deliver and monitor it within a conflict and fragile setting will be strengthened. This will include improving capacities for development and planning of activities and adapting existing modules, tools, and systems to capture and disaggregate services to beneficiaries as well as the definition of a suitable package that addresses needs of host and IDP communities.
- 30. Promoting financial autonomy and accountability amongst service providers and regulators such as schools and health facilities and respective district secretaries.** This activity will seek to expand existing initiatives such as direct school and health facility financing (*Apoio Directo as Escolas e Apoio Directo as Unidades Sanitarias*), which seek to channel funds and decision-making authority to front-line service providers and promote community participation in investment decisions. The expansion of these mechanisms will entail both geographical coverage and scope of support provided. Performance bonuses will be considered for district units that showcase greater coordination across the HD sectors, reflected in measurable outputs.

Component 2: Improving equitable access to quality social services

- 31. The project will not intervene in areas of active conflict (Tier 1), however, preparedness and readiness to attend to hard-to-reach districts as they become secure may be critical to provide basic services, especially health and education.** According to UN, currently there are five districts in active conflict in Cabo Delgado, and there is limited accessibility to an additional three districts. There is limited information regarding the size and the needs of populations that remain in these conflict areas. Wherever feasible, an initial assessment and priority setting will have to be carried out covering key needs domains. Responses will be prioritized, and a package of priority healthcare services to be provided in a mobile manner will be defined. Similarly, education interventions will be provided to children in temporary facilities. SP interventions will target families to promote their engagement in income generating activities. These may include key interventions to prevent excess maternal and newborn mortality and sexual violence using existing Minimal Initial Service Package (MISP) for sexual and reproductive health in crisis situations defined by humanitarian agencies. Given the context of insecurity, implementation responsibility may be delegated to experienced humanitarian actors. Ensuring sufficient autonomy while holding



service providers accountable has provided encouraging results in other FCV settings of initiatives supported by the Bank.⁴⁶

32. Life-cycle approach interventions to serve IDPs and host communities. IDPs are concentrated in specific areas within each province. Ninety percent of the IDPs are in Cabo Delgado, within which five districts are hosting 72 percent of the total number of IDPs. Seventy-seven percent of IDPs are women and children. A recent survey revealed that overcrowding and lack of health professionals were the main constraints in accessing health services. Access to education is limited by lack of materials and lack of classrooms.⁴⁷ Support requires a life-cycle approach where social protection, health and education interventions are integrated to serve the needs of the population in each life-cycle development stage. Both IDPs and host communities are to benefit from the interventions through interrelated service delivery mechanisms. Overall the approach proposed is both to address imbalances in service provision through the intensification of basic health, education and SP interventions and to introduce innovative interventions that are delivered in an integrated manner to address the specific and immediate needs that conflict and displacement have created amongst certain populations in Cabo Delgado, Nampula and Niassa. In this regard, the engagement of civil society organizations, including community-based, faith-based and other non-state actors in service provision may offer opportunities for reaching out to the most needy and marginalized. The project will also consider the assessments and infrastructure provided under the Northern Crisis Recovery Project

- a. **Infant and early childhood interventions:** Interventions for both IDPs and host communities will focus on children's first five years of life and will be centered around early-childhood development (ECD). For IDPs, the first entry point will include the registration and provision of biometric ID cards from National Institute of Social Action (INAS). This will capitalize on ongoing work of the Governance Global Practice and other partners on the ID for Development (ID4D) agenda, recognized as fundamental for facilitating access to SP, health and education services. ECD activities will be provided both to IDPs and host communities through community and institutional levels (health facilities and community preschools or *escolinhas comunitárias*). Coordinated efforts between actors such as ECD educators and community health workers (*Agentes Polivalentes Elementares*- APEs) will be sought. ECD activities will comprise of early stimulation and learning opportunities for children under five. A comprehensive, community-based nutrition intervention package (NIP) will be provided for children aged 0-2, in collaboration with the parental education program under the MOZLearning Project. In collaboration with MISAU, the NIP may be modified to serve the additional vulnerabilities and nutritional needs of children amongst IDP and host families.⁴⁸ For IDPs, recognizing they have been missed by routine activities as part of the Expanded Immunization Program (EPI), the organization of additional campaigns will be a key priority to prevent outbreaks of vaccine-preventable diseases.
- b. **Children:** For primary school-aged IDP children aged 6 – 10, educational activities will focus on reading and numeracy skills, using the bilingual curriculum where applicable. Amongst IDPs and host communities, gaps in school retention and transition to primary education will be analysed, and support provided for girls through

⁴⁶ Baird, M, World Development Report, Service Delivery in Fragile and Conflict Affected States, 2010.

⁴⁷ IOM, Baseline assessment round 9, December 2020: Cabo Delgado, Nampula, Niassa, Zambezia and Sofala Provinces. December 2020.

⁴⁸ In a recent assessment by IOM published in December 2020, the top three priority needs identified by IDPs were food assistance (95 percent of localities), shelter (90 percent) and access to safe drinking water (38 percent)



remedial classes that will make use of multimedia tools. This will replicate the approach followed under the MOZLearning Project interventions to reach a greater number of girls. Paediatric services for IDPs and host communities will be offered through increased capacity at existing health facilities.

- c. **Adolescents and youth.** Interventions will be phased to address immediate and longer-term needs. As part of immediate activities, an Accelerated Education Programmes (AEPs) will be introduced to build links to the formal system. Vocational and practical skills training will be provided to youth to boost employability and promote income generation of adolescents and youth aged 15-24. Training will be done in collaboration with existing professional training institutions and ensuring national standards for TVET are met, building on experiences from the MozSkills project. Training will include basic digital and socio-emotional skills. In partnership with academic institutions, supply and demand-side interventions will be introduced to improve awareness and uptake of SRH services amongst in-school adolescents, with targeted strategies to reach both girls and boys. Activities will include the expansion of information, education and communication activities in schools developed under the Primary Health Care Strengthening Program (PHCSP). In addition, youth-friendly complementary activities will be scheduled at community level to reach out-of-school youth, in collaboration with non-state actors. This could include activities taking place in the vicinity of schools and at the health facility, with the development of tailored adolescent-friendly schedules at the community level. Synergies will be sought with the safe-spaces approach promoted by the Demographic Dividend project, which can potentially be replicated.
- d. **Adult men and women:** Education interventions for adults aged 25 and above will include income generating and employability skills, targeted to women, including through the provision of post-training internships. This will be complementary to the support to be provided by the MozSkills Project. Complementary SP interventions will bolster the implementation of PASP. This program provides income support to poor households through their participation in public works for 4 to 6 months of the year, for which they are paid MZM 1,050 (US\$15) per month. PASP also includes the Development of Income Generation Initiatives (ADIGR). The project will support ADIGR activities, which may include urban and rural pilot initiatives to support women's organizations for agricultural production and a youth on-the-job training program. In addition, cash transfers will be introduced for IDPs. The complementary health system will ensure the provision of basic health promotion activities related to SRHR, WASH, infectious diseases, basic diagnostics and referrals for facility- and community-based care through APEs both within IDP locations and host communities. Particular attention will be paid to pregnant women, maternal and child health services. The enhanced primary healthcare services will also encompass psychosocial support and GBV service provision, ensuring linkages with community-based referral mechanisms.
- e. **Persons with disability and elderly people:** Elderly people (aged 60 and above) and those living with disability are often left out of interventions during emergencies. As part of the project, an assessment will be carried out to identify gaps in providing service delivery to these groups amongst IDPs. Health service delivery will be strengthened to cope with health needs and access challenges. Psychosocial and nutritional support will be an important element of the services to be provided to them, as well as ensuring a consistent delivery at primary level of screening, diagnosis, and treatment of chronic and degenerative conditions as well as supply of needed medicines.



Component 3: Strengthening community participation and resilience

33. **A Community-Driven Development (CDD) model will be promoted in partnership with NGOs and Community-Based Organizations (CBOs).** The model will be complementary to state-based service provision and will be utilized for channeling and investing resources in projects that address gaps in basic social services, community infrastructure and productive capacity, to improve access to resilient livelihoods and dynamize local economic growth and human development. This may include additional basic services that target communities identify as priorities, or national/provincial initiatives that have not reached them. A combination of experienced NGOs and community-based organization will be sought to drive CDD efforts, including the facilitation of participatory processes to identify needs and design local sub-project with targeted areas. NGO will be engaged with strong track records and technical capacity in project management, monitoring and advocacy efforts with district and provincial stakeholders, as well as capacity to engage local associations and disadvantaged groups. Approaches will ensure participation and buy-in from traditional *régulos* (local traditional chiefs recognized by the Government) and local leaders – but will ensure communities at-large are reached and involved in the activities. Digital solutions will be utilized to track beneficiaries, monitor activity implementation, and promote platforms for dialogue and accountability.
34. **The CDD approach will seek to develop and support existing and new platforms to promote communities’ decision-making and responsibility to identify and address their human capital needs.** Existing successful platforms (such as saving clubs established by people living with HIV) will be identified and provided grants directly to fund sub-projects, in accordance with local priorities through a participatory planning and community mobilization process. Subprojects can include economic and social infrastructure, to improve access to basic services such as health, water and sanitation, and education, as well as resilient livelihoods. Activities will be aligned with the local development plans and climate adaptation plans at district level. Preference will be given to communities that have achieved defined capacity building milestones and to projects that promote rural and social development and/or have high returns-economically and/or socially for the local community. Synergies will be sought with the initiatives under the Northern Crisis Recovery Project and the SD Project which have supported the establishment of peace clubs and CDD interventions in environmentally important districts. This allows for a more people-centered approach, where communities can define and lead on the prioritization and implementation of activities that can improve their development trajectory. Emerging evidence has confirmed the relative importance of *how* people are engaged in areas of weak state presence.⁴⁹
35. **Community participation will be enhanced through the dissemination of information and the strengthening of citizen engagement and accountability platforms, including the expansion of existing grievance redress mechanisms.** This is particularly important to address the potential problems arising from the extraction and management of the natural gas resources in Cabo Delgado, and the intensified involvement of armed forces in the region. Recent experimental evidence in Mozambique has shown clear positive effects of community-level information dissemination on awareness and knowledge at large. When the dissemination of information is done by engaging the community at large (instead of being limited to community leaders), community members became more optimistic regarding future benefits of resource discoveries⁵⁰. In addition, other positive effects, such as increased mobilization, trust, voice, demand for political accountability and a decrease in violence were

⁴⁹ Mashak et al, 2017

⁵⁰ Armand et



observed.⁵¹ Interventions will also include promotion of use of public services including policing (a *Linha Verde Provincial* managed by a third party) and more grass-root accountability /complaint mechanisms led by CBOs. Linking grievance-handling mechanisms to development actions will allow for a quicker and more transparent mediation of grievances.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

36. The environmental risk is substantial due to the adverse risks and impacts that may arise from Pillar 3 through construction and operation of economic and social infrastructure CDD subprojects to improve access to basic services such as health, water and sanitation, and education, as well as resilient livelihoods which may affect negatively the surrounding physical environmental. Civil works are expected to be from small to medium scale but in several locations and at construction phase will involve issues such as occupational and community health and safety; air pollution, soil erosion, and water contamination; transmission of communicable diseases (HIV and COVID-19); road traffic safety; waste management; dust, noise and vibration; opening and extraction of inert materials from quarries and borrow pits; habitat conversion; etc. During operation phase it is expected that the investments in CDD will pose several risks and impacts: health services risks associated with biomedical waste management and handling; storage and disposal of hazardous materials; water and sanitation services generation and discharge of wastewater and management of effluents; education services - solid waste generation and handling and disposal of waste, communicable diseases (COVID-19); restoration of livelihoods, chemical hazards and management; vegetation clearing and biodiversity loss. These social services will be operated by local authorities, so their environmental management capacity need to be strengthened to face the new or increased environmental impacts. At this stage it is not expected that economic and social services provided by the project will require complementarity with ongoing humanitarian efforts, however in case this situation arise during implementation an Environmental and Social screening will determine if these proposed subprojects and activities can be considered Additional Facilities.

37. There are other minor environmental risks stemming from Pillar 2, the vaccination campaigns may cause injuries to beneficiaries and generates medical waste including needles, syringes, alcohol prep pads, empty / expired vials, etc. The Adolescent and Youth interventions will involve vocational and practical skills training which may involve use of hazardous machinery (saws, grinders, welders, etc.). The Adult Men and Women interventions will support their participation in public works and agricultural production which have occupational and community health and safety concerns related to natural , physical and chemical hazards; water bodies contamination and soil pollution (sewage sludge from cleaning drainage channels); vegetation clearance and fauna disturbance; incremental use of pesticides and fertilizers, including risks and impacts such as transportation, storage and disposal of containers, pest resistance and ground water contamination. Under Pillar 1 the strengthening of institutions will be promoted mainly through technical assistance activities that have environmental diffuse and induced impacts, often playing out over a longer term.

⁵¹ Armand et al. Does Information break the political resource course? Experimental evidence from Mozambique. IFS Working paper,2019



38. To manage the above environmental risks and impacts and since the exact project intervention locations are not known at this stage an Environmental and Social Management Framework (ESMF) including a Pest Management Plan (PMP), Infectious Control and Waste Management Plan (ICWMP) and Emergency Preparedness Plan (EPP) will be prepared, consulted upon and disclosed prior to project appraisal. The ESMF will provide a screening tool for assessing and classifying impacts at sub-project level and will provide guidance for the preparation of project specific Environmental and Social Management Plans (ESMPs) as per the typology of sub-projects as well as following the WBG General EHS Guidelines on Occupational and Community OHS issues, particularly for CDD subprojects. In addition, the borrower will prepare an Environmental and Social Commitments Plan (ESCP) setting out the environmental and social commitments for the project, specific ESMPs and relevant management plans as required by the ESF. A draft Security Risk Assessment shall be prepared, consulted upon and disclosed by Appraisal since the project will intervene in an insecure setting, particularly within the highly affected armed conflict districts in Cabo Delgado, although the implementation responsibility may be delegated to experienced humanitarian actors.
39. Overall, social risks are associated to capacity of the implementing agency (MISAU, MINEDH and MGCAS/INAS) to manage environmental and social safeguards in conflict affected areas and host communities. While MINEDH and MISAU have previous experience with World Bank funded projects, MGCAS has no prior experience. Nonetheless, the three entities/institutions will require capacity building through the establishment of a Project Implementation Unit (PIU) and other forms of knowledge transfer to manage project environmental and social risks under the World Bank Environmental and Social Framework (ESF). To address this, the planned project implementation unit (PIU) should include the hiring of dedicated staff at provincial level (based in Nampula or Cabo Delgado); a Social Safeguard Specialist, a Gender GBV/ SEA/SH Specialist, and an Environmental Safeguard Specialist. Other risk is related to selection criteria of project areas and beneficiaries among the IDPs and host communities. Selection criteria should be well and clearly defined in close collaboration with stakeholders and potential project beneficiaries. Aspects of vulnerability and poverty should be considered as critical in the selection process. It is also worth noting that a draft Social and Conflict Analysis shall be prepared, consulted upon and disclosed by Appraisal since the project will intervene in an insecure setting, particularly within the highly affected armed conflict districts in Cabo Delgado, although the implementation responsibility may be delegated to experienced humanitarian actors. A Gender-Based-Violence (GBV) assessment should be carried out based on planned activities, and the results of the assessment presented as annex to PAD. In addition to this, a WB screening of GBV/SEA/SH will be administered to determine the risk level and respective mitigation measures. The results of the screening will also be presented as an annex to the PAD. The scale of the project is regional, although the exact geographic location and its sensitivities are not yet known at The social risks and impacts for activities under Pilar 2 and 3 are substantial, mainly during the implementation of subprojects phase and include vulnerabilities of the IDPs, particular women and children, conflict resulting from unclear selection criteria of project beneficiaries, land related issues and conflicts between the IDPs and host communities in access education, health and social protection services that are already underserved, labor influx and GBV/SEA/SH related risks and impacts relating to labor conditions (e.g. child labor and forced labor). In addition to these risks and impacts, there is also a potential for risks and impacts on cultural heritage as the exact locations of project intervention (particularly those related to civil works) are not determined. Also, activities under component 2 are likely to lead to land acquisition/restriction that may result in physical and economic displacement. For this, the Borrower will prepare and RPF, consulted upon and disclosed prior to Appraisal.
40. Common risks across all project components include health risks due to COVID-19 pandemic that are expected in crowded situations such as delivery of services in IDP camps or host communities. The management of COVID-19 will be addressed by the borrower during the development of a pandemic management plan in accordance with ESS4. The overall delivery of the project will have a positive impact in the receiving community and IDPs by providing



safe access to health, education, social protection water and sanitation services and improving service delivery especially investments under Pillars 2 and 3 which is anticipated to have a positive impact on school attendance particularly for girls and will positively contribute to improved service delivery at health care and social security for the vulnerable people.

41. In addition, the borrower will prepare an Environmental and Social Commitments Plan (ESCP) setting out the environmental and social commitments for the project, specific ESMPs and relevant management plans as required by the ESF. ESS 10 will require the borrower to undertake and prepare a stakeholder analysis and Stakeholder Engagement Plan (SEP) at project preparation stage. The SEP will allow for meaningful consultation in a participatory manner and will be tailored to ensure the involvement of IDPs, disadvantage and vulnerable groups and will outline means of consultation under COVID-19 conditions.

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