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Report No: PAD5547

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR 18.8 MILLION
(US\$25 MILLION EQUIVALENT)

TO THE
REPUBLIC OF MOZAMBIQUE

FOR A
SECOND ADDITIONAL FINANCING FOR THE INTEGRATED FEEDER ROAD DEVELOPMENT PROJECT

September 11, 2023

Transport Global Practice
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective August 31, 2023

Currency Unit = New Mozambique Metical (MZN)

MZN 63.25 = US\$1

US\$1 = SDR 0.75

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AM	Accountability Mechanism
ARAP	Abbreviated Resettlement Action Plan
ANE	<i>Administração Nacional de Estradas</i> (National Roads Administration)
CERC	Contingent Emergency Response Component
CPF	Country Partnership Framework
CRPT	Climate Resilience Planning Tool
ESHS	Environmental, Social, Health, and Safety
ESIA	Environmental and Social Impact Assessments
E&S	Environmental and Social Safeguards
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FM	Financial Management
FE	<i>Fundo de Estradas</i> (Road Fund)
GBV	Gender-based Violence
GRS	Grievance Redress Service
GoM	Government of Mozambique
GPN	Good Practice Notes
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HLO	High-Level Objective
IFRDP	Integrated Feeder Road Development Project
IP	Implementation Progress
KM	Kilometers
MZN	New Mozambican Metical
MU	Moderately Unsatisfactory
NGO	Nongovernmental Organization
PDO	Project Development Objective
PIU	Project Implementation Unit
OHS	Occupational Health and Safety
OPRC	Output and Performance-based Road Contract
RAP	Resettlement Action Plan
SCAP	Safeguard Corrective Action Plan
SDR	Special Drawings Rights
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
STEP	Systematic Tracking of Exchanges in Procurement

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BASIC INFORMATION – PARENT (Integrated Feeder Road Development Project - P158231)

Country	Product Line	Team Leader(s)		
Mozambique	IBRD/IDA	Emmanuel Taban		
Project ID	Financing Instrument	Resp CC	Req CC	Practice Area (Lead)
P158231	Investment Project Financing	IAET2 (9538)	AECS2 (5547)	Transport

Implementing Agency: Road Fund, National Roads Administration (Administração Nacional de Estradas, ANE)

Is this a regionally tagged project?	
No	

Bank/IFC Collaboration
No

Approval Date	Closing Date	Expected Guarantee Expiration Date	Original Environmental Assessment Category	Current EA Category
08-May-2018	31-Dec-2025		Partial Assessment (B)	Partial Assessment (B)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)



Development Objective(s)

The Project Development Objective is to enhance road access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed.

Ratings (from Parent ISR)

	Implementation					Latest ISR
	13-Apr-2020	20-Oct-2020	28-Apr-2021	02-Nov-2021	30-Mar-2022	27-Jun-2023
Progress towards achievement of PDO	S	S	S	S	MS	MS
Overall Implementation Progress (IP)	S	S	S	U	U	MU
Overall Safeguards Rating	S	MS	MS	U	U	MS
Overall Risk	S	M	M	M	S	S
Financial Management	S	S	S	S	S	MS
Project Management	S	S	S	U	U	MU
Procurement	MS	MS	MS	MU	MU	MU
Monitoring and Evaluation	S	S	S	U	U	U

BASIC INFORMATION – ADDITIONAL FINANCING (Second Additional Financing for the Integrated Feeder Roads Development Project - P178928)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P178928	Second Additional Financing for the	Cost Overrun/Financing Gap	Yes



	Integrated Feeder Roads Development Project		
Financing instrument	Product line	Approval Date	
Investment Project Financing	IBRD/IDA	29-Sep-2023	
Projected Date of Full Disbursement	Bank/IFC Collaboration		
30-Apr-2026	No		
Is this a regionally tagged project?			
No			

Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD				%
IDA	260.00	187.97	66.54	74 %
Grants				%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Second Additional Financing for the Integrated Feeder Roads Development Project - P178928)**FINANCING DATA (US\$, Millions)**



SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	317.00	25.00	342.00
Total Financing	317.00	25.00	342.00
of which IBRD/IDA	260.00	25.00	285.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	25.00
IDA Grant	25.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Mozambique	0.00	25.00	0.00	0.00	25.00
National Performance-Based Allocations (PBA)	0.00	25.00	0.00	0.00	25.00
Total	0.00	25.00	0.00	0.00	25.00

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No

Explanation



A waiver from the Operations Policy and Country Services (OPCS) Vice President of Provisions of Bank Policy “Investment Project Financing”, Section III, paragraph 28 to proceed with the preparation of the Second Additional Financing to the project is required as a result of the problem status of the project

Has the waiver(s) been endorsed or approved by Bank Management?

Approved by Management []

Endorsed by Management for Board Approval []

No []

Explanation

The OPCS Vice President has provided a concurrence on August 30, 2023 a waiver of Provisions of Bank Policy “Investment Project Financing”, Section III, paragraph 28 to proceed with the preparation of the Second Additional Financing to the Project

INSTITUTIONAL DATA

Practice Area (Lead)

Transport

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Explanation

TBC

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Emmanuel Taban	Team Leader (ADM Responsible)	Transport Planning & Engineering	IAET2
Monica Augustina Cristina Moldovan	Team Leader	Transport	IAET2
Amos Martinho Malate	Procurement Specialist (ADM Responsible)	Procurement	EAERU
Joao Tinga	Financial Management Specialist (ADM Responsible)	Financial Management	EAEG2
Eden Gabriel Vieira Dava	Social Specialist (ADM Responsible)	Social Safeguards	SAES3



Sofia Alexandra Da Silva Antunes	Environmental Specialist (ADM Responsible)	Environmental Safeguards	SAEE3
Ana Maria Manuela Mot	Team Member		EECM2
D Bora Adelaide Xavier Arao De Carvalho	Team Member		SAES3
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Emerson John Vasco Siquice	Team Member	Administration	AECS2
Juliana Arsenio Come	Team Member	Social Safeguards	SAES3
Karla Dominguez Gonzalez	Team Member	Gender	IAET2
Nuno Maria Brilha Vilela	Team Member	Environmental Safeguards	SAEE3
Pedro Marcos Chilengue	Team Member	Civil Engineering	IAET2
Sheila Lucrecia Francisco Pene Neves	Team Member	Financial Management	EAEG2
Wei Yan	Team Member	Transport Economist	IAET2
Extended Team			
Name	Title	Organization	Location



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Introduction

1. **This project paper seeks approval of the Executive Directors to provide a second Additional Financing (AF) in the amount of US\$25 million equivalent from the International Development Association (IDA) to the Republic of Mozambique for the Integrated Feeder Road Development Project (IFRDP).** The AF will support the completion of project activities due to a financing gap and cost overrun. The Project Development Objective (PDO) and scope, including its components, will remain the same as no new activities are planned under the AF.

2. **This project paper also seeks approval of the Executive Directors of a waiver of Provisions of World Bank Policy “Investment Project Financing”, Section III, paragraph 28 to proceed with the Second Additional Financing to the Project.** Paragraph, 28 Section III of the IPF Policy, provides, inter alia, that the World Bank may provide AF to an ongoing, well-performing project for completion of project activities when there is a financing gap or cost overrun, or for scaling up the development effectiveness of the project. This waiver is being sought because the Project Implementation Progress (IP) performance rating has been moderately unsatisfactory (MU) or worse since November 2021.

3. **The IFRDP, approved by the World Bank Board of Directors on May 8, 2018, is financed by an IDA Grant (D2490-MZ) of US\$150 million equivalent.** The PDO is to enhance road access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed. The IDA grant became effective on November 29, 2018. A first AF and associated restructuring of the Project, financed by an IDA grant (D518-MZ) of US\$110 million equivalent was approved by the World Bank Board of Directors on September 30, 2019, with the objective to broaden the project scope from two provinces to four additional provinces and to replenish funds used for Contingent Emergency Response Component (CERC); it became effective on December 18, 2019. At that time, the closing date was extended from December 31, 2024, to December 31, 2025. Both the parent project and the first AF included counterpart funding from the Government of Mozambique (GoM) amounting to US\$57 million. Following the very tight fiscal constraints of the GoM, the country became at risk of debt distress; as a result, the IFRDP underwent a second restructuring in June 2023, to drop the counterpart financing contribution and to revise the Project components and activities, including dropping activities in the four additional provinces (which comprised rehabilitation and maintenance works) under the first AF that had not commenced.

4. **Over the past two years, the project has faced implementation delays, financing gap, and a cost overrun on account of:** (i) the escalating cost of road works linked to the indices used for the adjustment of contractual prices; (ii) additional administrative costs following the creation of the Project Implementation Unit (PIU) at the National Road Administration (*Administração Nacional de Estradas*, ANE) and the recruitment of staff to support project implementation following the suspension¹ of the project in 2021; (iii) additional costs due to measures introduced to further mitigate the risk of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) following the suspension; (iv) new government taxes; (v) additional unanticipated works due to damages incurred during

¹ IFRDP was suspended in June 2021 due to reported SEA/SH cases. An action plan was put forward by the GoM and a series of measures were agreed upon to address the failures identified at the contract-level as well as measures to further strengthen the institutional capacity and the systems in place to manage safeguards risks in the project including SEA/SH. The suspension was lifted in October 2021 on the basis of an action plan that is currently being implemented.



Cyclone Gombe in 2022 and Cyclone Freddie in 2023; (vi) the lack of counterpart fund, and (vii) reduction of available funds as a result of Special Drawing Rights (SDR) and United States Dollars (USD) exchange rate fluctuation².

5. The GoM in a letter dated May 26, 2023, requested the World Bank to restructure the project and to provide a second AF of US\$25 million. A two-phase approach was proposed in response to the request:

- a) **Phase 1: Level II restructuring approved by the World Bank in June 2023.** The restructuring included revising the scope of activities (including costs) under Components 1 and 2, dropping Component 3 of the parent project on pilot rural transport services, dropping GoM counterpart contribution of US\$57 million, and revising the results framework.
- b) **Phase 2: Processing of the proposed Second Additional Financing.** Following project restructuring in June 2023, there was a funding gap of about US\$11.5 million attributed to SDR to USD exchange rate loss. Furthermore, considering the modifications under the June 2023 restructuring, there is a need for funds to cover additional cost overrun (on the restructured project) on account of: (i) damages to existing IFRDP project roads and bridges during Cyclone Gombe to 2022 and Cyclone Freddy in March 2023³, (ii) the modification to the pilot on rural transport services under Component 1⁴, and (iii) road safety interventions under the safe journeys to school children program under Component 2 of the project.

6. The rationale for adopting the two-phase approach was based on the need to first change the scope of the project and align it with the available funding envelope following the large financing gap and cost overrun.

7. The second AF will support the project in meeting the parent project's PDO as the GoM will be able to fully implement activities related to the rehabilitation and maintenance of the feeder roads planned under the parent project. These roads remain critical in boosting agricultural production. Furthermore, these roads provide access and immediate response to any type of emergency in the provinces of Nampula and Zambezia, which have regularly been hit by cyclones. Finally, the additional funds will be used to strengthen and better climate-proof road infrastructure in order to protect against future rainfall events.

B. Project Components

Following the June 2023 restructuring, the parent project consists of the following four components:

8. **Component 1: Rehabilitation and maintenance of feeder roads.** This component finances rehabilitation and maintenance works on 1,400 kilometers (km) of secondary, tertiary, adjacent, and unclassified roads to enhance mobility in selected districts in Zambezia and Nampula Provinces, including design studies and supervision activities. The types of interventions include rehabilitation of bridges and culverts, graveling, surface

² As of May 31, 2023, the loss was of approximately US\$12 million. The SDR amount is expected to fluctuate over time.

³ ANE is currently implementing emergency activities financed under CERC from three projects, totaling to US\$56.4 million, approved by the Ministry of Finance and Economy in April 2023. The activities include, among others, the repair and maintenance of roads (rural and urban), bridges, drainage structures, and urban drainage network. Proposed activities under the IFRDP were not covered under the April 2023 CERC financing.

⁴ This activity was under the previous Component 3 which was dropped during the June 2023 restructuring due to the lack of adequate funds. During the restructuring, a pilot on rural transport services was proposed to be implemented under Component 1 on one of the rehabilitated feeder roads. Additional support for rural transport services will be part of the transport sector engagement, as is included under the Safer Roads for Socio - Economic Development Project (P174639) approved by the World Bank in August 2022.



treatment, and routine/periodic maintenance.

9. **Component 2: Rehabilitation of primary road networks.** This component supports the rehabilitation of about 67.7 km of primary roads in Zambezia province to enhance connectivity to markets, ports, and other economic and social services. It will include interventions to improve of road safety facilities, improve intersections, surface rehabilitation, and rehabilitation or reconstruction of culverts. The project has adopted the Output and Performance-based contract (OPRC) approach to implement rehabilitation and maintenance works.

10. **Component 3: Capacity building and project administration.** This component finances: (i) improvement of road asset management at the national and provincial levels; (ii) capacity building on road safety, including education, enforcement, engineering, and emergency response; (iii) technical assistance for promoting Public Private Partnership for the road sector; (iv) enhancement of climate resilience in planning and management of road infrastructure; (v) capacity building of a local engineering university on road engineering; (vi) administrative costs for the PIU at ANE; and (viii) costs to implement SEA/SH mitigation measures. This component also provides support and capacity building for improved management, implementation and supervision of the project, social and environmental management and safeguards, identification and mitigation of gender disparities, and mainstreaming citizen engagement in the road sector.

11. **Component 4: Contingent Emergency Response.** This component enables rapid financing through a reallocation of uncommitted project funds in the event of a natural disaster, either by a formal declaration of a national or regional state of emergency or upon a formal request from the Government of Mozambique. Component 4 will use the IDA Immediate Response Mechanism.

12. **The second AF will replenish the project without changes to the scope of the components.** Out of the US\$25 million of the second AF, US\$8 million will be allocated to Component 1, US\$9 million to Component 2 and US\$8 million to Component 3, respectively.

C. Country Context

13. Most of the people living below the World Bank's national poverty line for Mozambique (40 meticaïs per person per day) are in the north. According to the Country Partnership Framework (CPF) for Mozambique FY23-27 (Report No: 176672-MZ) discussed by the Board on February 23, 2023, around 11.4 million of the poor, about 59 percent of the total, live in three provinces, including the two covered by the project (Nampula and Zambezia). Most of the poor live in Nampula (28 percent) and Zambezia (22 percent). In 2020, gross domestic product declined by 1.2 percent, the first economic contraction in Mozambique in 30 years. The global pandemic had a major impact on the country's economy, which started to slowly recover and achieve a 2.2 percent growth in 2021, together with results from agricultural growth, revival of services and weak performance in manufacturing and extractive. A country exposed to high risks of climate change impacts and natural disaster, Mozambique has a long history of catastrophic flooding, which occurs almost annually during the rainy season, experiencing in recent years the highest impact of weather-related shocks over the last two decades in terms of fatalities and economic losses. In the past four years alone, the country was hit by five weather-related disasters resulting in devastating economic impact - Cyclones Idai and Kenneth in 2019, tropical storm Ana and Cyclone Gombe in 2022, and Cyclone Freddy in 2023.



D. Sectoral and Institutional Context

14. Connectivity between the southern and northern provinces in Mozambique is particularly low, with National Highway N1 stretching from north to south being the only link connecting the six east-west corridors in the country. Climate change and the alarmingly increasing frequency of tropical cyclones have a destructive impact on road infrastructure and its financing. Due to recurrent climatic events and the lack of maintenance, the road network has suffered extensive damage over the past two decades, with substantial funds being diverted from network improvement to the repair of flood-related damage. ANE allocates two-thirds of its annual budget to primary roads and only 10 percent to non-primary roads, although the latter account for 80 percent of total network coverage. At the same time, the GoM often has to reallocate money to emergency works on the primary network to speed up recovery from natural disasters. Because the Mozambican road network has few alternate routes, those disruptions sometimes isolate communities for extended periods of time and have a significant detrimental impact on their local economies. For example, the most recent severe weather-related disaster took place in February 2023 when Cyclone Freddy hit the country, affecting 1.18 million people and resulting in estimated damages assessed by the World Bank at US\$1.53 billion. It caused severe impact in the project area, Zambezia and Nampula, as these provinces are vulnerable to heavy rainfalls, flooding and cyclones. Moreover, Mozambique is among countries with the highest road fatality rates in Africa and in the world, ranking 165 of 173 countries, according to the 2018 Global Status Report on Road Safety by the World Health Organization.

E. Relevance to Higher Level Objectives

15. The relevance of the second AF remains the same as the parent project. It is highly relevant and directly linked to the World Bank's twin goals. It also aligns with Objective 6 (Expanded Infrastructure Services) of the CPF for Mozambique and supports the World Bank's Africa Eastern and Southern Regional priorities. Furthermore, the Mozambique 2021 Systematic Country Diagnostics (IDU: 165084-MZ) shows the importance to improve access to major corridors and markets in order to increase agricultural productivity.

F. Summary of the project implementation status and achievements to date

16. **The progress towards the achievement of PDO is Moderately Satisfactory (MS), while implementation progress (IP) is rated Moderately Unsatisfactory (MU).** The overall rehabilitation works progress is 80 percent under Component 1 and 30 percent under Component 2. The project has rehabilitated 1,100 km of unpaved feeder roads (against a target of 1,400 km), 30 percent of rural population is now within 5 km of good condition roads in the project area (against a target of 45 percent), and 79 percent of total road network in the project area are in good or fair condition. To date, the project has disbursed US\$186.53 million, which is 73.27 percent of the total IDA grants (parent project and first Additional Financing). The IP rating is MU due to (i) delays in the finalization of the recruitment of PIU staff⁵ and procurement of a safeguards audit consultant as part of the 2021 suspension lifting action plan, (ii) slow implementation progress of road rehabilitation works under Component 2, and (iii) weak procurement and contract management. As of July 30, 2023, the status of the implementation of these actions was as follows: (i) all key staff have been recruited with the exception of the gender-based

⁵ (i) Two GBV Specialists (Nampula and Zambezia); (ii) Two Social Development Specialists (Nampula and Zambezia); (iii) Two Environmental Specialists (Nampula and Zambezia); (iv) One GBV-dedicated Communication Specialist at the PIU level; (v) one Senior Specialist on Environment & OHS at HQ level; (vi) one Senior Specialist on Social / SEA/SH at HQ level; and (vii) International Roads and Bridge Engineer.



violence (GBV) and social development specialists for Nampula and Zambezia provinces, which is in progress, (ii) the implementation of roadworks under component 2 was 30 percent, and (iii) the recruitment of a procurement specialist is expected to be completed by end-September 2023.

17. The status and key achievements under the project by component are provided below.

18. **Component 1: Rehabilitation and Maintenance of Feeder Roads.** The performance rating is MS. The overall implementation progress has improved with the completion of several feeder roads works contracts which have now entered the maintenance phase. As of end of July 2023, the average implementation progress of the feeder road rehabilitation works stood at 80 percent. Maintenance of the feeder roads are following level of service and all roads are in good condition.

19. **Component 2: Rehabilitation of Primary Road Network.** This component is rated MU. A contract for the design, rehabilitation and OPRC maintenance of 67.7km of roads in Zambezia province is in progress and implementation as of end July stood at 30 percent. The slow progress is attributed to delay in land acquisition as well as to relocation of utilities, project suspension in 2021, and heavy rains and cyclones Ana and Gombe in 2022 and cyclone Freddy in 2023. A monitoring consultancy contract is in place to manage the implementation performance of the works contract.

20. **Component 3: Capacity Building and Project Administration.** This component is rated MS. Project administration at ANE is improving, particularly following the creation of a dedicated PIU to manage environmental and social safeguards responsibilities. At project appraisal in 2018 it was envisaged that ANE and the Road Fund, *Fundo de Estradas* (FE) would be responsible for day-to-day implementation of the IFRDP, without a project dedicated PIU. However, following the 2021 project suspension, to further strengthen the implementation arrangements a PIU was established.

21. **Environmental and Social Safeguards.** The overall safeguards rating is MS, as the overall compliance with environmental and social safeguards (E&S) requirements has improved although it continues to require close follow up, especially with regards to SEA/SH risk mitigation measures. ANE has a functional Grievance Redress Mechanism (GRM) sensitive to GBV/SEA/SH that is under implementation, with the project GRM Manual and the digital platform to report and monitor grievances completed in February 2023. The implementation of the 2021 action plan that was agreed upon to lift the suspension is nearly completed pending the recruitment of provincial GBV and social development specialists as well as of the procurement of a replacement GBV mitigation service provider⁶. The provider is to ensure the effective transfer of knowledge and tools from the current provider so that ANE is better equipped to monitor SEA/SH risk mitigation process independently. In addition, all interventions on borrow pits, deviations, and bridge reconstruction that involved resettlement and compensation processes have been updated and cleared. Mining and environmental licenses have been granted for all active quarries and borrow pits. ANE will continue to track environmental licensing of borrow pits and quarries used under the IFRDP, especially if new sites are to be used during the maintenance phase. Overall, continued effort in addressing non-compliance with E&S safeguards requirements is needed (such as need to ensure screening of subprojects prior to works, monitoring and reporting on progress of works, and appropriate waste management measures).

⁶ The GBV Service Provider is responsible for the project's GBV/SEA/SH risk assessment, mapping and assessment of GBV/SEA/SH services in projects implementation areas, strengthening the systems and processes for GBV/SEA/SH prevention, mitigation, and management.



22. **Relocation of utilities (water pipes and electricity poles) along some segments of the primary roads under Component 2 remains an obstacle in the progress of works.** The Bank team recommended ANE to work with the Ministry of Public Works Housing and Water Resources (*Ministério das Obras Públicas, Habitação e Recursos Hídricos*) towards finding an appropriate solution to the relocation of the utilities to allow the implementation of works to move smoothly. The implementation of an acceptable alternative solution for relocation of utilities will be a legal covenant in the second AF Financing Agreement.
23. **Occupational Health and Safety (OHS).** Root cause analysis and safeguards corrective action plan (SCAP) reports for road safety related incidents have been prepared, however, there have been implementation delays. ANE has been urged to increase the pace of implementation of the SCAPs (with fatal incidents that occurred in 2021 and 2022) with particular attention to road safety on project sites during construction phase. The implementation of the pending SCAP activities will be a condition to disburse funds under the AF for civil works contracts under Components 1 and 2.
24. **Financial Management. The financial management (FM) performance rating is MS.** A recent FM supervision (May 2023) included a review on budgeting, accounting, financial reporting, funds flow, disbursements, internal controls, including internal audit and external audit arrangements, and concluded that ANE/FE has ensured compliance with FM and disbursement requirements of Bank-financed projects.
25. **Procurement. The procurement rating is MU on account of weak procurement capacities and issues in contract management at ANE.** There are red flags in the Systematic Tracking of Exchanges in Procurement (STEP). The red flags are either related to procurement implementation delays or poor record keeping. Out of a total of 195 activities in STEP, 69 were cancelled which shows there are weaknesses in procurement planning. The capacity of ANE in contract management and procurement is expected to be enhanced through the recruitment of a new senior procurement specialist (which is currently in advanced stage of contract negotiation) and who will be supported by two new junior procurement staff who were recently recruited.
26. **Delay in salary payment.** There is a delay of four to 14 months in salary payment in three contracts under Component 1. ANE has prepared an action plan to resolve this matter by November 2023. The implementation of the action plan will be a condition to disburse against civil works contracts under Component 1.
27. **Monitoring and Evaluation (M&E).** The M&E performance rating is Unsatisfactory. Monitoring and evaluation (M&E) is weak and there is no dedicated staff at the ANE PIU to support the project monitoring and reporting. There is lack of adequate system in place for monitoring and reporting the project's results framework indicators. ANE has been advised to strengthen measures to improve M&E through the use of its existing department for M&E to support close monitoring of implementation of project activities including road works, safeguards and fiduciary implementation. A third-party monitoring consultant is onboard to support ANE in keeping track of the implementation of safeguards actions including GBV. As a lesson learnt under the parent project and first AF, ANE was urged to increase presence on site through decentralized supervision as well as by remote monitoring tools to ensure closer project monitoring. Currently, ANE has deployed adequate staff in the provinces to enhance the monitoring and reporting on progress results and this is expected to improve the M&E performance of the project.
28. **Compliance with project legal covenants. The project has fully complied with two of the three legal**
-



covenants⁷, and it is partially in compliance with the third one. The Recipient has been preparing annual program of activities for implementation and budget as well as the quarterly project reports (as per covenants under the parent project [P152831/ IDA -D2490-MZ]) and is currently hiring pending staff at the PIU (as per legal covenant under the first AF [P179013 /IDA -D5180-MZ]). The pending staff are expected to be onboard by November 2023.

29. **Steps towards improvement of project performance.** The GoM confirmed its commitment towards achieving the PDO and results, and a detailed action plan has been agreed to be implemented by the GoM to improve project implementation performance. Key actions include to complete: (i) recruitment of consultants for the PIU, including those pending as part of the 2021 suspension lifting action plan, (ii) implementation of pending SCAPs, (iii) relocation of utilities under Component 2, and (iv) resolution of pending salary payments in the three contracts under Component 1.

II. DESCRIPTION OF ADDITIONAL FINANCING

G. Rationale for Second Additional Financing

30. **The rationale for the second AF is to cover the financing gap caused by the SDR to USD exchange rate loss and cost overrun following additional damages under the project due to cyclones during 2022 and 2023, pilot rural transport services and strengthening road safety measures.** The second AF will be used to better climate proof the road infrastructure to protect against future rainfall events. The second AF will ensure rehabilitation and OPRC maintenance of all 1,400 km of feeder roads as well as rehabilitation and OPRC maintenance of 67.7 km national roads, both ongoing activities under the parent project, and allow ANE to fully execute the pilot rural transport services and road safety activities needed to strengthen existing works under the project. The proposed second AF will adhere to the same implementation arrangements of the parent project.

31. **Proposed changes. There are no changes to the PDO, closing date and results framework.** The PDO of the IFRDP under the second AF will remain to enhance road access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed. There are no changes to the environmental and social safeguards arrangements and environmental and social safeguards category as the activity types and associated risks are unchanged. The project costs by component will change following provision of the second AF. There are no changes to the implementation arrangements. Legal covenant(s) associated with completion of recruitment and retention of PIU staff, and full implementation of SCAP will be introduced under the second AF.

32. **Components and costs.** The second AF is proposed with a total of US\$25 million IDA grant financing. As a result, the total project cost will increase from US\$260 million to US\$285 million (Table 1). The costs include physical and financial contingencies. The AF prioritizes key ongoing works/activities – including the rehabilitation of the Quelimane to Namacura road (Component 2) and consultancy services identified after lifting of the suspension and operations of the PIU (under the Capacity Building and Project Administration under Component 3). A pilot on rural transport services will be undertaken under Component 1 (initially included under Component

⁷ The project's legal covenants are (i) preparing an annual program of activities for implementation; (ii) submitting quarterly project reports no more than 45 days after the end of the calendar quarter; and (iii) appointing and maintaining throughout project implementation a senior transport specialist, four road engineers, four procurement specialists, and five environmental and social specialists.



3 of the parent project which was dropped during project restructuring).

Table 1. Revised Project Financing (US\$ millions) - Second AF of US\$ 25 million

Project Components	2023 Restructured Parent Project & First AF	Second AF	Total Project Financing
Component 1: Rehabilitation and Maintenance of Feeder Roads	145.50	8.00	153.50
Component 2: Rehabilitation of Primary Road Network	90.50	9.00	99.50
Component 3: Capacity Building and Project Administration	24.00	8.00	32.00
Component 4: Contingent Emergency Response	0.00	0.00	0.00
Total Project Financing	260.00	25.00	285.00

33. **Legal Conditions and Covenants.** The disbursement of the second AF is conditioned to the implementation of the pending actions following project suspension in 2021. There remains the recruitment of the GBV and social development specialists for Nampula and Zambezia provinces, and the safeguards audit consultant and a replacement GBV service provider are being procured. Additional disbursement conditions include the payment of all salary arrears for contractors’ employees under Component 1, and implementation of all the actions indicated in the SCAPs. Legal covenants include the provision of all relevant contractual information in STEP to enable the Bank to conduct the post procurement review or independent procurement review for the Project, identification of acceptable alternative solutions for the water and electricity infrastructures along some of segments of the primary roads under Component 2 of the project, and acceleration of the physical progress for the civil works under Component 2 of the Project to at least 60 percent within four months of effectiveness of the second AF.

34. **Project beneficiaries.** The beneficiaries of the second AF activities will be the same as in the restructured project.

III. KEY RISKS

35. The project’s overall risk rating remains Substantial. More specifically, the following risks are Substantial or High.

36. **Political and governance risk is assessed Substantial.** The risk has been rated Substantial because of the country’s susceptibility to outbreaks of political and social conflicts. Governance indicators for Mozambique reflect a gradual decline of government effectiveness, control of corruption, the rule of law and voice and accountability over the past several years. There is a perception of corruption within the public service by civil society organizations, which have raised concerns about the lack of sufficient public accountability in using the state revenues. Mitigation measures include supporting the GoM to improve transparency and accountability in the project and sector through use of competitive and transparent procurement, annual financial audit, and citizen engagement, including through the GRM.



37. **Macroeconomic risk is assessed as Substantial.** After the 2016 debt crisis that slowed down the economy of Mozambique, the impact of COVID-19 pandemic, global crises, military insurgency in the gas rich northern part of the country, and the several cyclones causing severe economic and social consequences are continuing to contribute to the macroeconomic risk as the monetary and fiscal tightening persists. The uncertain global recovery, low levels of human capital, and Mozambique's vulnerability to climate disasters are limiting the country's options for diversifying the sources of growth.⁸ In addition, millions of people in the north are at risk of facing severe food insecurity following a combined impact of climate shocks and the insurgency in Cabo Delgado, which can threaten the economic potential of liquefied natural gas investments in the region. In this context, given these issues in addition to the country's exposure to commodity price fluctuation, it is challenging to maintain macroeconomic stability. This risk is mitigated by considering contingency costs that should help tackle unforeseen costs that could arise during project implementation while carrying out the civil works.

38. **Sector strategies and policies risk is rated Substantial.** There remain challenges of maintenance on road investments which have led to deterioration of the road network. The risk is mitigated by a substantial level of the government's commitment to the transport/road sector by updating the 2014 road sector strategy, including developing a road maintenance strategy.

39. **Institutional capacity for implementation and sustainability rating is considered Substantial due to the limited capacity at the PIU level.** There are multiple ongoing projects in the road sector and limited in-country capacity for road safety, planning and management of road sector financing, road asset preservation and management, climate resilience, and implementation and management of environmental and social standards. In addition, the local construction industry has limited capacity in the implementation of OPRC. The project will strengthen the implementation capacity by continuing to support/finalize the establishment of a dedicated PIU at ANE and completing the hiring process of the PIU staff in this respect. By using an international competitive bidding process and offering opportunities to engage in long-term supervision contracts can attract eligible and experienced companies to ensure competition.

40. **Fiduciary risk rating is assessed as Substantial.** The procurement risk is rated high because of the weak procurement and serious issues in contract management at ANE. To minimize this risk, a new senior procurement specialist is being hired to enhance the procurement capacity and improve the weakness of record keeping and contract management. On record keeping, ANE will use staff recently hired to improve the hard and electronic filing systems and upload all the documentation of post review contracts in STEP.

41. **Environmental and Social Safeguards risks are rated as High.** This second AF does not propose any activities that would otherwise present environmental and social risks different from the activities supported by the parent project and first AF. The second AF does not target any new geographical areas. Furthermore, the project is still at high risk of occupational and community health and safety, including for SEA/SH incidents and impacts in view of the project context and associated risks for labor influx as well as earlier incidents that were reported, prompting project suspension in 2021. Therefore, the environmental and social risk of the second AF will be retained as High. Main mitigation measures include continuous training of ANE/RE, sensitization and close follow-up on compliance with applicable environmental and social safeguards, including for SEA/SH-related risks.

⁸2023 Mozambique Economic Update: Shaping the Future - Why Services Matter for Growth and Jobs, available at: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099550103092314496/idu0a06fd8fc08d5604d740941803b1a33a5bdf6>



Mitigation of these risks for SEA/SH will follow on actions taken under the project post-project suspension, and include regular worker trainings, regular community sensitization activities and workshops for community GRM focal points, implementation of an operational SEA/SH sensitive GRM, updated service-mapping of available care providers, and regular monitoring visits to assess risk and implementation of mitigation measures. The mitigation measures will be implemented under the supervision of a Social and GBV Advisor with the assistance of a new GBV service provider, whose recruitment is underway.

IV. APPRAISAL SUMMARY

A. Economic Analysis.

42. The economic justification of the second AF remains valid as in the June 2023 restructured project as there are no new activities proposed. The interventions being implemented remain the same in scope from those of the parent project. The lack of counterpart funding, losses resulting from USD and SDR exchange rate fluctuations, implementation of measures for the 2021 suspension lifting (without provision of additional resources to the project) significantly contributed to the inadequacy of funds under the project. Specific interventions on each road were identified based on economic viability considering climate resilience, engineering assessments and budget constraints. The road works under components 1 and 2 account for about 90 percent of the project cost.

B. Technical

43. The technical justification of the project remains valid for the second AF as no new activities are proposed. The implementation of the rural and primary roads under the project comprises rehabilitation and maintenance following the OPRC approach. The types of interventions include, among others, reconstruction or rehabilitation of bridges and culverts, graveling, surface treatment, and routine/periodic maintenance to a prescribed level of service. The OPRC approach will continue to be implemented under the second AF.

C. Financial Management

44. **Financial Management and disbursement arrangements remain unchanged from the parent project,** A recent FM supervision in May 2023 included a review on budgeting, accounting, financial reporting, funds flow, disbursements, internal controls, including internal audit and external audit arrangements, and concluded that the PIU has ensured compliance with FM and disbursement requirements of World Bank-financed projects. The project FM performance is MS due to some FM shortcomings, particularly the lack of preparation of an annual work plan and budget until recently for calendar year 2023. The second AF will be audited by the independent audit firm as it has been done for the parent project and first AF. The project is up to date in submission of IFRs and audit reports.

D. Procurement

45. **Procurement Procedures.** The project will continue to follow the World Bank Procurement Regulations for IPF Borrowers of July 1, 2016, revised November 2017 and August 2018 as the second AF will be used to finance the ongoing contracts already awarded and no new procurement activity is anticipated. The project operational context, market situation, capacity of implementing agencies, procurement approaches, and



mitigation measures remain the same as in the parent project and the first AF. Nevertheless, the procurement risk is High given ANE's reduced procurement and contract management capacity.

46. **Procurement Capacity and Implementation Arrangements.** The procurement implementation arrangements of the project will remain the same under ANE, nevertheless, the capacity of ANE require some enhancement in staffing, contract management and record keeping, and to that end, new senior procurement specialist is in process of contract negotiations and expected to be on board in the coming months and two new junior staff were recruited for on the job training.

E. Social (including Safeguards)

47. Under the second AF, all social aspects will be managed in line with the World Bank safeguards policies. The safeguards instruments that were prepared, cleared, and disclosed during the parent project and first AF include requirements to ensure public participation and grievance mechanisms for consideration and protection of the project-affected people. ANE prepared instruments to respond to the social impacts including gender, SEA/SH policies and related Good Practice Notes⁹, relevant to the project for all project areas where civil works are currently under implementation. These include Resettlement Policy Framework, Resettlement Action Plan (RAP), Abbreviated RAP (ARAP), Livelihood Restoration Plan, Labor Management Plan, and Gender Action Plan, including referral pathway and mapping of GBV service providers in project areas. In compliance with parent project preparation requirements, the main social instruments were consulted upon between May 2017 and afterwards approved by the World Bank and disclosed both in Mozambique and on the World Bank website on February 23, 2018. Following the 2021 action plan to lift the suspension, the project site specific instruments (E&S screenings, Compensation procedures, GRM procedures, including GBV/SEA/SH and the client capacity to implement those were reviewed and strengthened. As a follow action under the action plan a third-party monitoring and audit for E&S including GBV/SEA/SH implementation was agreed. In general, all measures under the action plan to lift project suspension have been implemented, including recruitment of a social specialist and a GBV specialist at the PIU to ensure monitoring of implementation of social instruments to avoid, mitigate, or compensate for the potential negative impacts on local communities or project workers. At present, the only pending measures under the action plan are the hiring of four safeguards specialists at the provincial level (two social safeguards specialists and two GBV specialists) and the recruitment of a new GBV/SEA/SH service provider, which is presently underway. The GRM sensitive to SEA/SH, which includes confidential channels to report SEA/SH incidents, is functioning, and any grievances received are being adequately received, processed and resolved.

F. Environment (including Safeguards)

48. The project's environmental impacts and risks remain the same as no new activities are planned, nor any new geographical areas targeted under the second AF. The parent project and first AF prepared and implemented several environmental and social safeguards instruments under the World Bank safeguard policies, including an Environmental and Social Management Framework (ESMF), Environmental and Social Impact Assessments (ESIAs) for Chimuara-Nicoadala and Quelimane-Nicoadala-Namacurra and Environmental and Social Management Plans (ESMPs). During their preparation, these instruments were consulted between May and June 2017 and afterwards approved by the World Bank and disclosed both in the country and on the World Bank

⁹ World Bank Good Practice Note: Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works, Second edition, February 2020.



website on February 27, 2018. Under the preparation of first AF, the Project instruments (ESMF and RPF), were updated and redisclosed, on September 9, 2019. The E&S instruments remain valid for the second AF. From the environmental side, the ESIA/ESMPs also remain valid overall as the environmental baseline conditions have not significantly changed and the main interventions planned for the N10 rehabilitation remain the same. Considering that the second AF will be implemented in the same locations/districts and have the same project activities with more emphasis on resilience to climate change, the instruments mentioned above will be used to ensure the government complies with its commitments to environmental sustainability, climate resilience, and health and safety of the workers and other users of the project sites during implementation.

G. Paris Alignment

49. The AF is consistent with the Mozambique's Nationally Determined Contributions (NDC). Among key mitigation activities identified in 2021 NDC is the promotion of low carbon emission transport and increased energy efficiency in travel. Ensuring resilience of transport system is among the key objectives of the adaptation strategy outlined in the NDC. The country is affected by a tropical cyclone or flood event every two years and a drought event every three years. The direct impact of these events is often expressed by the number of human lives lost, people affected through loss of personal property and livelihoods, destruction of the country's critical infrastructure such as roads, bridges, water supply system, schools, hospitals, as well as the outbreak of water borne diseases. No specific risks with respect to the mitigation and adaptation aspects of the Paris Alignment Assessment are flagged as the AF covers financing gap and cost overrun and no new activities are planned under the project.

H. Climate Change Adaptation

50. The AF will promote climate change mitigation by supporting the implementation of rehabilitation and maintenance of roads and institutional capacity building. By enhancing the quality of the roads and reducing road congestions, the project will lower greenhouse gas emissions and improve air quality. The parent project has been screened for climate change and disaster impacts and specific potential resilience-enhancing measures were identified and reflected in project appraisal document. The World Bank Climate and Disaster Risk screening tool was used to complete the project climate screening. As the project is located in flood- and cyclone-prone areas, strong winds, extreme precipitation, and flooding are the primary hazards that climate change poses to investments under this financing. The AF aims to address the unforeseen impact of severe weather events linked to climate change and will be used to "build-back better" and climate-proof the road infrastructure to protect against future rainfall events. Adaptation measures incorporated into the project design include the adoption of climate resilient construction designs for the rehabilitation of roads and bridges under Component 1, together with climate resilience technical assistance under Component 3.

I. Citizen Engagement

51. The Project is supporting engagement of stakeholders and beneficiaries during implementation as part of the overall project communications strategy. This is being done through different mechanisms, including the project's GRM, by publishing relevant project information, consultative processes, and feedback mechanisms to strengthen project implementation, build ownership and contribute to sustainability and better project outcomes. The project's GRM has a feedback mechanism that was developed to ensure transparency and a continuous dialogue with stakeholders and beneficiaries/communities. The specific elements of the framework



for citizen engagement that is adopted by the project include: (a) access to project information, including GRM; (b) information campaigns to raise awareness about the Project among communities and stakeholders, including youth, women and people with disabilities, and encouraging them to participate; (c) consultations with program stakeholders through agreed and accessible fora; (d) a feedback mechanism to process complaints, concerns, and questions from stakeholders at different levels; and, (e) annual third-party monitoring of project activities to ensure continued transparency and feedback on project activities.

J. Gender

52. The second AF project will contribute to closing the gender gaps identified by the parent project, in particular by increasing women's accessibility to health facilities through the rehabilitation and maintenance of selected roads during all seasons, and by carrying out a pilot on rural transport services under Component 1.

V. WORLD BANK GRIEVANCE REDRESS

53. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.



VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Components and Cost	✓	
Legal Covenants	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Safeguard Policies Triggered		✓
EA category		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Rehabilitation and Maintenance of Feeder Roads	145.50	Revised	Rehabilitation and Maintenance of Feeder Roads	153.50
Rehabilitation of Primary Road Network	90.50	Revised	Rehabilitation of Primary Road Network	99.50



Capacity Building and Project Administration	24.00	Revised	Capacity Building and Project Administration	32.00
Contingency Emergency Responce	0.00	No Change	Contingency Emergency Responce	0.00
TOTAL	260.00			285.00

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2018	0.00	0.00
2019	35,000,000.00	35,000,000.00
2020	30,000,000.00	65,000,000.00
2021	60,000,000.00	125,000,000.00
2022	20,000,000.00	145,000,000.00
2023	30,000,000.00	175,000,000.00
2024	40,000,000.00	215,000,000.00
2025	35,000,000.00	250,000,000.00
2026	35,000,000.00	285,000,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Substantial	● Substantial
Macroeconomic	● High	● Substantial
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● High	● Substantial
Environment and Social	● High	● High
Stakeholders	● Moderate	● Moderate
Other	● Low	● Low
Overall	● Substantial	● Substantial



LEGAL COVENANTS – Integrated Feeder Road Development Project (P158231)

Loan/Credit/TF	Description	Status	Action
IDA-D2490	Section I.E.1. of Schedule 2 to the Financing Agreement: The Recipient shall, not later than December 31 of each year, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget, including amounts of Counterpart Funding, for the purpose.	Complied with	No Change
IDA-D2490	Section II of Schedule 2 to the Financing Agreement: The Recipient shall furnish to the Association each Project Report not later than forty-five days after the end of each calendar quarter, covering such calendar quarter.	Complied with	No Change
IDA-D5180	Notwithstanding the provision of Section I.A.2 above, the Recipient, through ANE, not later than three (3) months after the Effective Date, shall appoint and thereafter maintain throughout Project implementation, a senior transport specialist, four road engineers, four procurement specialists, and five environmental and social specialists, all under terms of reference acceptable to the Association and included in the Operations Manual.	Partially complied with	Revised
Proposed	FA Schedule 2 Section 1.A.3: Notwithstanding the provision of Section I.A.2 above, the Recipient, through ANE, not later than thirty (30) days after the Effective Date, shall recruit and thereafter maintain throughout Project implementation: (i) one procurement specialist; (ii) one senior transport engineer; and (iii) an accountant, all under terms of reference acceptable to the Association.	Not yet due	



LEGAL COVENANTS – Second Additional Financing for the Integrated Feeder Roads Development Project (P178928)

Sections and Description

Financing Agreement Schedule 2 Section IV.B: The Recipient has provided, no later than three (3) months after the Effective Date, all relevant contractual information in STEP to enable the Association to conduct the post procurement review or independent procurement review for the Project.

Financing Agreement Schedule 2 Section IV.C: The Recipient has identified not later than four (4) months after the Effective Date acceptable alternative solutions for the water and electricity infrastructures along some of segments of the primary roads under Part 2 of the Project; all in form and substance satisfactory to the Association.

Financing Agreement Schedule 2 Section IV.D. The Recipient has confirmed not later than four (4) months after the Effective Date, that the physical progress for the civil works under Part 2 of the Project has reached at least 60 (sixty) percent.

Conditions

Type	Financing source	Description
Disbursement	IBRD/IDA	FA Schedule 2 Section III.B.1.c.i: Under Category (3), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been: (i) the Recipient, through ANE, has recruited: (i) two GBV specialists for Nampula and Zambezia; (ii) two social development specialists for Nampula and Zambezia; (iii) an environmental and social safeguard auditor; and (iii) a GBV Service Provider; all under terms of reference, experience and qualifications acceptable to the Association as included in the Project Operations Manual;
Disbursement	IBRD/IDA	FA Schedule 2 Section III.B.1.c.ii: Under Category (3), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been: (ii) the payment of all salary arrears for contractors' employees under Part 1 of the Project has been received and settled.
Disbursement	IBRD/IDA	FA Schedule 2 Section III.B.1.c.iii: Under Category (3), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been: (iii) the Recipient has implemented all the actions indicated in the SCAPs, in a manner acceptable to the



	Association.
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VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Mozambique

Second Additional Financing for the Integrated Feeder Roads Development Project

Project Development Objective(s)

The Project Development Objective is to enhance road access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets							End Target	
			1	2	3	4	5	6	7		
Enhance road access in selected rural areas											
Rural accessibility (% of rural population within 5 kilometers of good condition roads) in the project areas (Percentage)		22.04	25.00	27.00	30.00	35.00	40.00				45.00
RAI (Rural Accessibility Index calculated as % of rural population within 2 km of good condition roads) in the project areas (Percentage)		12.00	15.00	18.00	20.00	23.00	23.00				26.00



Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Road conditions measured as roads in good and fair condition as a share of total road network in project areas (Percentage)		40.00	0.00	0.00	40.00	55.00	80.00	80.00	80.00	80.00
Access to markets from land with high agriculture potential in Nampula and Zambezia provinces (Square kilometer(km2))		9,300.00	9,300.00	10,300.00	12,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Rehabilitation and Maintenance of Feeder Roads										
Length of unpaved feeder roads under area-based rehabilitation and maintenance contracts (Kilometers)		0.00	0.00	0.00	800.00	1,200.00	1,400.00	1,400.00	1,400.00	1,400.00
Bridges, drifts, and culverts selected for rehabilitation or reconstruction on feeder roads in the		0.00	0.00	0.00	0.00	40.00	50.00	65.00	85.00	100.00



Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
project areas (Percentage)										
Pilot for Routine Maintenance through Microenterprises designed, implemented, and evaluated (Text)		No pilot	No pilot	Pilot has been designed	Pilot is under first year implementation	Pilot is second year implementation	Pilot has been evaluated			Pilot has been evaluated
Rehabilitation of Primary Road Network										
Roads Rehabilitated (Percentage)		0.00	0.00	0.00	20.00	30.00	50.00	60.00	80.00	100.00
Roads Rehabilitated - rural (Percentage)		0.00	0.00	0.00	40.00	60.00	80.00	100.00	100.00	100.00
Roads rehabilitated - nonrural (Percentage)		0.00	0.00	0.00	50.00	50.00	50.00	50.00	50.00	100.00
Length of primary roads with road safety assessment (Kilometers)		0.00	0.00	0.00	30.00	70.00	70.00	70.00	70.00	70.00
Capacity Building and Project Administration										
Percent of women employed in feeder road rehabilitation and maintenance contracts under the project (Percentage)		0.00	0.00	0.00	5.00	15.00	20.00	20.00	20.00	20.00
Gender sensitive recruitment and		No								Yes



Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
communication guidelines developed for contractors and firms hired under the project. (Yes/No)										
Awareness of the GRM among women in project area (Percentage)		0.00	0.00	0.00	60.00	95.00	95.00	95.00	95.00	95.00
Grievances registered that are responded / resolved within the stipulated service standards (percentage (Percentage)		0.00	30.00	60.00	100.00	100.00	100.00	100.00		100.00
Publishing periodic reports on GRM and how issues were resolved including resolution rates (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes		Yes
Geospatial Climate Resilience Tool used to inform annual implementation plan (Yes/No)		No	No	No	No	No	Yes	Yes		Yes
Number of ANE/RF staff trained in the Geospatial Tool (Number)		0.00	4.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00
Development of a Strategic Network		No	No	No	Yes	Yes	Yes			Yes



Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Preservation Plan on Rehabilitation and Maintenance (Yes/No)										
Contingency Emergency Response										
Rapid Response to Govt's request after declared emergency (Yes/No)		No								Yes
Emergency Civil Works Completed (Percentage)		0.00	50.00							100.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Rural accessibility (% of rural population within 5 kilometers of good condition roads) in the project areas	The percentage of the rural population living within 5 kilometers of a road in good condition in the project areas.	Annual	Gridded population and road condition datasets.		ANE
RAI (Rural Accessibility Index calculated as % of rural population within 2 km of good condition roads) in the project areas	The percentage of the population in the project area living within 2 kilometers of a road in good condition.	Annual	Gridded population and road condition datasets.		ANE



Road conditions measured as roads in good and fair condition as a share of total road network in project areas		Annual	ANE project implementation reports and road condition survey reports		ANE
Access to markets from land with high agriculture potential in Nampula and Zambezia provinces		Annual	Agriculture potential comes from SPAM model developed by IFPRI and commodity prices.		ANE

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Length of unpaved feeder roads under area-based rehabilitation and maintenance contracts	Length of non-primary unpaved classified roads in the ten selected districts.	Annual	ANE Project Implementation Reports		ANE
Bridges, drifts, and culverts selected for rehabilitation or reconstruction on feeder roads in the project areas	End target number of cross-drainage structures will be identified in year one of project	Yearly.	ANE project implementation reports.		ANE.



	implementation. Target is expressed as the percentage of the project investment completed.				
Pilot for Routine Maintenance through Microenterprises designed, implemented, and evaluated	The pilot will consist of creating two microenterprises in two difference provinces and run them for two years.	Yearly	ANE project implementation reports		ANE
Roads Rehabilitated	The number of kilometers of road to be rehabilitated will be determined in the first year of project implementation. The target is measured as the percentage of the rehabilitation program financed by the project.	Yearly.	ANE project implementation reports		ANE
Roads Rehabilitated - rural		Yearly.	ANE project implementation reports.		ANE.
Roads rehabilitated - nonrural		Yearly.	ANE project implementation reports.		ANE.
Length of primary roads with road safety assessment	The project is piloting a new automated road safety assessment technology using image recognition.	Annual	ANE Project Implementation Reports		ANE
Percent of women employed in feeder road rehabilitation and maintenance	The indicator will be tracked by comparing the	Annual	ANE Project Implementation		ANE



contracts under the project	person-days worked by gender.		on Reports. Indicator will be tracked using information provided by the contractor on a monthly basis.		
Gender sensitive recruitment and communication guidelines developed for contractors and firms hired under the project.		Achievement of the indicator will be reported yearly.	ANE reports.		ANE
Awareness of the GRM among women in project area	The percentage of women in project communities who know how to report cases of sexual exploitation and abuse related to the project.	Annual	The project will conduct surveys to establish baseline data and measure progress.		ANE
Grievances registered that are responded / resolved within the stipulated service standards (percentage)	The project shall adopt incident reporting and response protocol.	Annual	The report provided by the project liaison committees and a newly developed		ANE



			citizen engagement system.		
Publishing periodic reports on GRM and how issues were resolved including resolution rates	The resolution rates will be published on the ANE website.	Annual	GRM reports		ANE
Geospatial Climate Resilience Tool used to inform annual implementation plan	This tool will upgraded / enhanced to include the entire country before it can be run to inform annual implementation plans.	Annual	Road Fund Implementation Reports.		Road Fund
Number of ANE/RF staff trained in the Geospatial Tool		Annual	RF annual report. 4 staff in ANE/RF HQ and 2 staff in each ANE/RF provincial delegation will be trained		Road Fund
Development of a Strategic Network Preservation Plan on Rehabilitation and Maintenance		Yearly	ANE project implementation reports		ANE
Rapid Response to Govt's request after declared emergency			Administrative Calendar	Administrative	ANE
Emergency Civil Works Completed	This indicator measures the percent completion of the agreed contracted civil works in the provinces	The CERC implementation period is 10	Client/ Ministerial progress report based	Data collected from contractors, and verified by supervision engineer	ANE



	covered by CERC	months (inclusive of 3 months of heavy rainy season from December-February), the intermediate target is at mid point of the contract.	on data verified by Supervision Engineer (and further sample spot checks and verification by WB implementation field mission)		
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