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

Appraisal Stage | Date Prepared/Updated: 11-Apr-2018 | Report No: PIDISDSA24333



**BASIC INFORMATION**

**A. Basic Project Data**

Country Mozambique	Project ID P158231	Project Name Integrated Feeder Road Development Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 07-Aug-2017	Estimated Board Date 08-May-2018	Practice Area (Lead) Transport & Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Road Fund, National Roads Administration (Administração Nacional de Estradas, ANE)	

Proposed 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.

Components

- Rehabilitation and Maintenance of Feeder Roads
- Rehabilitation of Primary Road Network
- Pilot Rural Transport Services
- Capacity Building and Project Administration
- Contingency Emergency Response

**Financing (in USD Million)**

Financing Source	Amount
Borrower	35.00
IDA-D2490	150.00
<b>Total Project Cost</b>	<b>185.00</b>

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue



Other Decision (as needed)

## A. Country Context

- 1. Mozambique's economy grew steadily in the ten years through 2015, averaging 7.3 percent, yet poverty has remained high, particularly in the mostly rural central and northern provinces.** Although poverty dropped 11.7 percent from 2003 to 2008, more than half of the population still lived below the poverty line in 2009.<sup>1</sup> Indeed, the poverty rate increased by 5 percent from 2003 to 2009 in Zambezia Province and held steady in its northern neighbor, Nampula Province, the two provinces targeted in the current project. The two, largely rural, sparsely populated, and home to more than 22 percent of the poor, have the country's highest poverty rates.
- 2. This weak impact of sustained strong economic growth on poverty during the past decade reflects a pattern of growth driven by capital-intensive and import-dependent sectors, while low-skilled jobs in the agriculture sector continued to dominate employment.** As a result, the poorest people, living mainly in rural areas of the central and northern provinces, have benefited less from economic growth than the overall population.
- 3. In this environment, agriculture—still the mainstay of Mozambique's economy—is critical for overall poverty reduction. However, agricultural productivity remains low and constrained by many factors, including limited access to transport infrastructure and services in rural areas.** Agriculture employs about 80 percent of the total workforce and generates about 30 percent of gross domestic product (GDP). Yet, despite vast agricultural potential, crop productivity is significantly lower than in neighboring countries; maize yields in Mozambique are 2.2 times lower than in Malawi, 2.5 times below those in Zambia, and 3.8 times below South Africa's.<sup>2</sup>
- 4. Agricultural productivity is particularly low in Nampula and Zambezia.** Average income from farm activities in the two neighboring provinces was three times lower than in the rest of the country. This is because, among other things, use of agricultural technologies is limited, market-oriented farming is low, and road access to rural areas is inadequate. It is estimated that about 6.5 million rural dwellers do not have access to a road in good or fair condition. Climate shocks and natural disasters, such as floods, exacerbate chronic low agricultural productivity in these provinces.
- 5. Rapid economic deceleration due to low commodity prices and the disclosure in April 2016 of previously unreported debt compound Mozambique's challenges.** Low commodity prices and weak external demand have hurt aluminum and coal, the main exports. Admission of previously undisclosed loans worth US\$1.4 billion (10.7 percent of GDP) revealed that public debts reached 120 percent of GDP in 2016, shifting the risk of debt distress to "high". Public expenditures declined significantly after the revelation, in part as donors suspended support for the government budget, foreign direct investment declined, and the currency depreciated sharply. GDP growth fell from 6.6 percent in 2015 to 3.6 percent in 2016. Although the Mozambican

<sup>1</sup> The latest available data is from 2009.

<sup>2</sup> World Bank. 2016. *Accelerating Poverty Reduction in Mozambique: Challenges and Opportunities*. Washington, DC: World Bank.



metical (Mt) appreciated about 17 percent in 2017, amid signs of economic recovery, it remains nearly 45 percent below its January 2015 value. The Government has not made payments on various debts since early 2017.

6. **The sharp decline in public expenditures has hurt infrastructure investment, which contracted 14.5 percent, the largest decline of all sectors in the 2016 budget.** The road subsector was down even more, dropping 16.5 percent, in 2016. Falling international support, down 23.8 percent, worsened budget contractions in 2017, and between 2015 and 2017, maintenance expenditure on roads and bridges fell 45 percent. Such lower spending will raise transport costs and harm productivity and social welfare, especially of poor households.

7. **In addition, Mozambique is highly vulnerable to climate change risks and successive, increasingly frequent, extreme climate-related events have disrupted economic activity.** It is among the top-twenty countries threatened by climate change and the second nation in Africa, after Madagascar, with the highest impact of weather-related shocks in the past 20 years in terms of fatalities and economic losses.<sup>3</sup> Devastating floods in 2015 affected 326,000 people, killed 140, and caused damages estimated at US\$371 million in parts of Zambezia, Nampula, and Niassa Province, another northern province. In 2013, a flood affecting the Limpopo lower basin killed 113 people, displaced more than 200,000, and ruined nearly 89,000 hectares of cultivated land. Other major floods (in 2000 and 2007) and cyclones (in 2008, 2012, and 2017) caused fatalities and severe damage in different parts of the country.

## B. Sectoral and Institutional Context

### Overview

8. **Mozambique's strategic position along the eastern coast of Southern Africa provides access to the sea for several landlocked countries.** Of six bordering countries, four are landlocked—Malawi, Swaziland, Zambia, and Zimbabwe—with South Africa and Tanzania the remaining two. This position on Africa's southeastern Indian Ocean shores offers great opportunity to develop logistics corridors and foster growth and trade between its African neighbors and the large economies of South and Southeast Asia. The road and rail network in Nampula and Zambezia provides Malawi and Zambia with access to to Nacala and Quelimane ports.

9. **Although roads are the main transport mode in Mozambique, accounting for half of freight traffic and 98 percent of passenger traffic,<sup>4</sup> road density is low, and the network has few redundancies<sup>5</sup>; and loss of an individual road link to flood often leaves areas without a viable road connection to markets or essential services.** The classified road network—primary, secondary, tertiary, and vicinal—runs 30,464 kilometers (km), 24 percent of it paved. This works out to a classified road density of 2.9 km per 100 km<sup>2</sup> of land, which is relatively low compared to neighboring countries such as Kenya (10.8 km per 100 km<sup>2</sup>) and Tanzania (5.5 km per 100 km<sup>2</sup>). The extent of the unclassified road network, meanwhile, is uncertain, with estimates ranging from 30,000 km to 45,000 km. The national transport network primarily connects natural resources, agricultural clusters, and landlocked countries in the west to Indian Ocean ports in the east—Maputo, Beira, Nacala, and Quelimane—through six east-west corridors<sup>6</sup>. Connectivity between the southern and northern provinces is particularly low,

<sup>3</sup> Eckstein, David, Vera Künzel, and Laura Schäfer. "Global Climate Risk Index 2018." Bonn, Germany: Germanwatch(2017).

<sup>4</sup> Data are from the database of the Mozambique National Statistics Institute (*Instituto Nacional de Estatística Mocambique*), 2014.

<sup>5</sup> Redundancy is a measure of alternatives available to the traveler in the event of disaster.

<sup>6</sup> The six economic corridors are Maputo, Beira, Nacala, Limpopo, Libombo and Mueda-Lichinga



with National Highway N1, which extends north to south, providing the only link connecting the six east-west corridors. Disruption of N1, which occurs regularly, therefore has a disproportionate impact on regional mobility.

10. **Two governmental entities, the Road Fund (*Fundo de Estradas*, RF) and the National Road Administration (*Administração Nacional de Estradas*, ANE), collectively manage all classified roads.** Nationally, the RF is primarily responsible for strategy and planning, monitoring, and financial management in the sector. ANE handles execution of the works, including procurement, safeguards, and engineering on the primary network. Provincial governments manage secondary and tertiary networks with support from the ANE provincial delegations. Districts manage their portions of unclassified roads.

### *Key Challenges*

11. **Because of resource constraints and extreme climate-risk vulnerability, investment for maintenance of the primary road network often crowds out maintenance and expansion of the secondary and tertiary networks, which primarily serve rural agricultural areas.** Keeping the primary road network in good condition largely benefits a major part of national and regional traffic, including heavy mining transportation. Investments in rural road access and resilience, by contrast, directly support agricultural production and rural poverty reduction. Yet, the ANE allocates more than 65 percent 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. Additionally, the Government often resorts to reallocating money to emergency works on the primary network to speed recovery from flood events. For instance, in 2015, total emergency investment was about Mt 10 billion (about US\$163 million), about 25 percent of the annual ANE budget; only 4 percent of this amount went to non-primary roads.

12. **While 85 percent of the primary road network is in good or fair condition, about half of non-primary roads are in poor condition, resulting in low rural access, particularly in the central and northern provinces.** More than 9,400 km of non-primary roads are in poor condition and about 1,200 km, or 4 percent of the classified network, are inaccessible due to severe damage. This comes at significant economic cost, especially in rural and remote areas. The impact on access to rural areas, particularly in Nampula and Zambezia Provinces is substantial. The share of the rural population living within two kilometers of a road in good or fair condition (defined as Rural Access Index) is 14.5 percent and 10.3 percent in Nampula and Zambezia respectively. These estimates are lower than the national average of 20.4 percent and far behind the average for sub-Saharan Africa (32 percent) and countries of comparable size, such as Kenya (56 percent). To increase access in the rural and remote areas, Mozambique needs to rehabilitate or maintain classified roads as well as expand the network by including and rehabilitating unclassified roads. The effort to improve access would thus require significant investment.

13. **The road network, especially the north-south links, is prone to disruption by river floods and cyclones, but uncertainty about the future and limited resources make it difficult to plan robust mitigating measures.** With 104 identified river basins, including nine cross-border, the country is the third-most exposed to multi-hazards in Africa<sup>7</sup>. Most of the rivers flow from west to east, draining the water of the central African plateau into the Indian Ocean. Flood-related disruptions of the road network have significant socioeconomic consequences, partly because the existing road network has few alternative routes in the event of disruptions.

<sup>7</sup> INDEX for Risk Management (<http://www.inform-index.org/>) Somalia and Madagascar are first and second-most exposed.



It is estimated that floods in the Limpopo River Basin in 2013, for example, caused a direct loss of US\$403 million worth of public infrastructure.

14. **Amid climate change, providing reliable access depends upon effective planning for potential impacts of extreme events and building resilience into the road network.** Though the country is among the first to decree mandatory climate risk screening of all major road projects, deep uncertainty about future climate events and transport demand<sup>8</sup>, ongoing budget constraints, and low traffic volumes make it difficult to plan economically viable responses to climate risks.

15. **Meanwhile, Mozambique has among the highest road fatality rates in the world, ranking 165 out of 173 countries/regions.**<sup>9</sup> There were 8,173 road fatalities in 2013, or 31.6 per 100,000 people, much higher than the 26.6 average for all of Africa.<sup>10</sup> Considering strong growth in vehicle registrations, which are increasing at more than 10 percent per year, growth in road accident numbers will likely continue. The main risk factors for injuries include reckless driving, drunken driving, poor road surfaces, inadequate signage, lack of protection for pedestrians, poor speed regulation, inadequate traffic law enforcement, and weak governance.

#### *Road Sector Programs and Actions*

16. **The Government of Mozambique's Road Sector Strategy, 2015–2019, focuses on maintenance of existing assets, improved connectivity, and enhanced rural mobility.** The strategy's three pillars are (a) conservation of road assets through appropriate maintenance; (b) interurban connectivity through a robust national main network; and (c) rural mobility by ensuring "trafficability" of rural roads. To ensure the pillars are implemented, the strategy calls for balancing investment in the primary, secondary, and tertiary networks with optimal maintenance to maximize network benefits. The target budget allocation among the three pillars is 40 percent for paved and unpaved road asset conservation, 30 percent for interurban connectivity, and 30 percent for rural mobility. Despite this target, the 2017 budget allocates only 43 percent of funding to the conservation and rural mobility pillars combined. In addition, the strategy proposes to promote private sector participation in the road sector.

17. **The Government of Mozambique, the World Bank, and other development partners have jointly made significant progress rehabilitating and extending the primary network in the last decade.** The World-Bank-funded Roads and Bridges Management and Maintenance Program Phase II<sup>11</sup> (RBMMP II, P083325) originally focused on continuing the rehabilitation and upgrading N1, the main National Highway. RBMMP II implementation was repeatedly restructured to respond to severe weather events in 2012 and 2013, and it was restructured in November 2012 to include emergency works following cyclones earlier that year. After major floods in 2013, the World Bank again provided additional financing for immediate reconstruction of roads and integrated several activities intended to improve the climate resilience of future roadworks, including piloting

<sup>8</sup> Uncertainty of travel demand is attributed to land-use choices, population growth, migration rates, and economic activities, among other things, while the uncertainty of climate risk is linked to the location, frequency, and intensity of weather events both in Mozambique and in the river basin areas in the neighboring countries.

<sup>9</sup> World Health Organization (WHO). *Global Status Report on Road Safety 2015*. Geneva: WHO.

<sup>10</sup> World Health Organization (WHO). *Global Status Report on Road Safety 2015*. Geneva: WHO. The official Mozambican database captured only 1,744 road accident fatalities (2013).

<sup>11</sup> Phase I of the three phase, ten-year Adaptable Program Lending (RBMMP I), in the amount of US\$186.4 million, started on July 1, 2001 and closed in June 2007. It financed the rehabilitation and upgrading of 670 km of N1 in Maputo, Gaza, Inhambane, and Sofala Provinces. The second phase of the program (RBMMP II) was approved on May 23, 2007 for US\$100 million.



of climate-resilient road designs and development of national road design standards. The third additional financing covered the cost of medium-term reconstruction works related to the same floods.

18. **The Government adopted public-private partnerships (PPPs) to mobilize private resources for the road sector, but it has encountered significant challenges in the implementation of this program.** In 2011, the Government passed Law No. 15 on PPPs, Large-Scale Projects, and Business Concessions. The law was designed to set down a legal and institutional PPP framework for mobilizing private sector money where possible—especially given inadequate public-sector capital resources—to bring in private sector expertise and innovation, and to encourage life-cycle risk assessment (ensuring that the private sector bears some of the risk). Nevertheless, the PPP agenda has not developed as expected.<sup>12</sup> Among other reasons, lack of transparency in procurement, inadequate regulation, unbalanced risk allocation, high contingent liabilities, and insufficiently detailed performance standards have contributed to a less than satisfactory outcome. Several major concessions are facing challenges, and the Government is preparing to renegotiate its contingent liabilities. That said, the authorities remain committed to expanding the PPP program in the road sector.

*Rationale for the World Bank's Involvement*

19. **The World Bank has been a key player in the development of Mozambique's road sector, facilitating donor coordination and the development of climate-resilient solutions.** It first engaged in the country's road sector in 1992, and was instrumental in preparing the Integrated Road Sector Program (*Programa Integrado do Sector de Estradas*), the development of a programmatic approach to the road sector, and leading the road sector working group to harmonize donor activity in the sector.

20. **The World Bank will continue to assist Mozambique in two key areas: to mitigate the growing climate risks to its road infrastructure and to manage its PPP program.** The organization's experience with adapting road infrastructure to climate change, disaster risk management, network analysis, as well as its focus on poverty and inclusive growth, offers significant value added. Through an ongoing project, the World Bank is supporting revision of national road design standards and specifications, which will help build more climate-resilient roads. Uneven implementation of several PPP transactions will require renegotiations and review of the regulatory framework. The World Bank's experience in supporting governments develop well-structured PPPs would help the road sector to face its challenges.

21. **Public sector financing is appropriate for the proposed project in that the traffic volume on the targeted national highways and rural roads is low, and cost recovery therefore will not be feasible.** Even though Output- and Performance-Based Road Contracts (OPRC) being used in the project would typically promote private sector involvement in road rehabilitation and maintenance through a longer-term contract, no private financing is expected at this stage. The World Bank is expected to add value by increasing the efficiency of the investment through important technical advice on implementation and management of (a) OPRC; (b) road safety; and (c) institutional capacity enhancement.

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<sup>12</sup> Currently, the only two concession/PPP contracts in place in the road sector are (a) the N4 toll road connecting Maputo and Pretoria (South Africa) and (b) the Tete bridge and road concession.



### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

22. The proposed Development Objective is to enhance 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.

Key Results

23. The proposed key results indicators (see section VII) are (a) increase in rural accessibility (measured as percent of rural population within 5 km of good condition roads) in the project areas; (b) improvement in road condition; and (c) increased access to markets for land with high agricultural potential.

### D. Project Description

24. **The proposed project will enhance rural access in selected districts in Nampula and Zambezia by adopting climate resilient interventions across the road network in an integrated manner.** Components 1 and 2 target integrated rehabilitation and maintenance of the primary, secondary, tertiary, vicinal, and unclassified networks. The project costs of US\$185 million are financed by a US\$150 million IDA grant and US\$35 million of counterpart financing. The project components are detailed in the following paragraphs.

#### **Component 1: Rehabilitation and Maintenance of Feeder Roads (estimated cost US\$95 million equivalent, of which US\$77.5 million financed by IDA)**

25. This component will finance rehabilitation and maintenance works on sections of secondary, tertiary, vicinal, and some unclassified roads to enhance mobility in selected districts in Zambezia and Nampula Provinces, including design studies and supervision activities. The component will support the extension of the Area-Based Maintenance System (ABMS) currently in place in Zambezia into Nampula Province. Specific interventions on each road will be identified based on economic viability, considering disaster resilience, engineering assessments, and budget constraints. The types of interventions include, among others, reconstruction or rehabilitation of bridges and culverts, graveling, surface treatment, and routine/periodic maintenance to the prescribed level of service.

#### **Component 2: Rehabilitation of Primary Road Network (estimated cost US\$80 million equivalent, of which US\$62.5 million financed by IDA)**

26. This component will support rehabilitation of around 70 km of primary road to enhance connectivity to markets, ports, and other economic and social services. The intervention will include, among other things, pavement rehabilitation, improvement of road safety facilities, improvement of intersections, and rehabilitation or reconstruction of culverts. The project will adopt the OPRC approach to implement rehabilitation and maintenance works.





### **Component 3: Pilot Rural Transport Services (estimated cost US\$2.5 million equivalent financed by IDA)**

27. This component will support a pilot rural transport services program on selected feeder roads, under Component 1, to improve mobility and access to economic and social services to population groups in the target areas. It will include, among other things, assessment of existing transport services and identification of market barriers to provision of transport services. The pilot would benefit local communities near road improvement investments, for instance, through expanded access to markets, services, and agricultural inputs.

28. The pilot will give special attention to improvement of women's accessibility. Recognizing that women and men have different mobility patterns in terms of mode, affordability, quality, and social norms, the diagnostic exercise will assess mobility barriers to women's access to economic opportunities and services. The results of the diagnostic will inform the design of the rural transport services pilot to meet the needs of both women and men.

### **Component 4: Capacity Building and Project Administration (estimated cost US\$7.5 million equivalent financed by IDA)**

29. This component will finance knowledge development and institutional-strengthening activities, among other things, in the following areas: (a) improvement of road asset management at the national and subnational levels; (b) capacity building on road safety, including education, enforcement, engineering, and emergency response; (c) technical assistance for promoting PPP for the road sector; (d) enhancement of climate resilience in planning and management of road infrastructure; and (e) capacity building of a local engineering university on road engineering. This component will also provide support and capacity building for improved management in 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.

### **Component 5: Contingent Emergency Response**

30. This component will facilitate access to rapid financing by allowing 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 5 will use IDA Immediate Response Mechanism.

## **E. Implementation**

### *Institutional and Implementation Arrangements*

31. **The Ministry of Public Works, Housing, and Water Resources (*Ministério das Obras Públicas, Habitação e Recursos Hídricos*, MOPHWR) is responsible for overall coordination of the project.** The RF will be the implementing agency and ANE the lead executing agency. The RF will be responsible for implementation, coordination with ANE and other agencies, monitoring, financial management, and auditing of the project resources. ANE will oversee execution of works, including procurement, safeguards, and engineering. The RF will sign annual contracts (*Contrato Programa*) with ANE for execution.

32. **The MOPHWR will establish an interministerial Steering Committee responsible for strategic decision making and monitoring overall project implementation.** The committee will comprise nominees of the Ministry



of Public Works, Housing, and Water Resources, RF, ANE, the Ministry of Economy and Finance (*Ministério da Económica e Finanças*), and the Ministry of Land, Environment, and Rural Development (*Ministério da Terra, Ambiente e Desenvolvimento Rural*). It will also comprise nominees of the Ministry of Agriculture and Food Security (*Ministério da Agricultura e Segurança Alimentaria*), Ministry of Transport and Communications (*Ministério dos Transportes e Comunicações*), INATTER, and the provincial governors. The Steering Committee will meet twice a year in the respective project areas to monitor progress, and the RF and ANE will act as the Secretariat to the Steering Committee.

**33. Responsibility for implementation of Component 1 will be partly handed over to the provincial delegations of ANE in Zambezia and Nampula.** The provincial governments are responsible for planning the secondary, tertiary, and vicinal road networks under Component 1 through their respective Provincial Road Commissions. This arrangement will promote decentralization and build capacity in local government entities. The ANE provincial delegations will be responsible for procurement and supervision of rural roadworks under Component 1. Although the ANE delegations will manage supervision consultants for the works, ANE headquarters will procure supervision consultancy services. During the first three years, ANE headquarters will prepare environmental and social safeguards instruments and supporting provincial delegations to supervise safeguard compliance during implementation. During that time, ANE headquarters will train and build capacity in provincial delegations with the goal of transferring all safeguard responsibility to the ANE provincial delegations, upon the World Bank's agreement. ANE's capacity to supervise environmental and social aspects associated with roadwork will be strengthened as part of the present operation. The project includes budget for capacity building, especially with respect to Grievance Redress Mechanism (GRM) and management of sexual exploitation and abuse issues, and for retaining an independent supervising consultant and third-party monitoring/NGO (under Component 4).

**34.** Responsibility for implementation of Component 2 will remain with ANE Headquarters with support from the Zambezia provincial delegation. The N1/N10 section from Quelimane to Nicoadala to Namacurra is a primary road falling under ANE Headquarters. ANE will implement the N1/N10 section using an OPRC. Under the OPRC, the contractor will update the ESIA based on final design prior to the start of construction. ANE will also procure and manage a supervision consultancy to assist with day to day implementation, monitoring, and evaluation of roadworks under Component 2. The OPRC contractor and supervising consultant will be required to maintain social and environmental safeguards staff throughout implementation. The while OPRC contractor will also be required to have qualified Environmental Officer, Health and Safety Officer, and community liaison officer on site. For oversight of Safeguards issues, ANE's ESU has four staff in Maputo and there are focal points in the Zambezia Provincial Delegation. As noted above, ANE's reporting on safeguard implementation has been weak and will need to be strengthened as part of the present operation.

**35. Cooperation agreements will formalize the relationships between the implementation agency (RF) and each executing agency.** While ANE will be the lead executing agency, other agencies include, among others, INATTER and traffic police. These agreements will define the obligations of each entity to carry out project activities under their responsibility.

**36. The project will use "project liaison committees" as is done successfully in the ongoing IDA funded road project in Gaza province.**<sup>13</sup> These committees will monitor and follow-up on grievances and cases reported

<sup>13</sup> Although its structure is flexible, the project liaison committee comprises of the following members: (a) ANE representatives; (b) Contractor representatives; (c) A representative from the Workers' Union; (d) A representative of the Child Protection/HIV&AIDS Service provider (specially for all matter linked to the social aspects of the project); (e) A representative from the



to the GRM, police, NGO, and others, ensuring the executing agency (ANE), the implementing agency (RF), the supervising consultant and the World Bank receive information on the number of cases from the project. However, in case of SEA complaints, the project liaison committees’ role will be limited to escort the survivor to register a complaint to the GRM and connect the complainant to the NGO or other service providers.

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

The project will rehabilitate and upgrade existing roads in Nampula and Zambezia Provinces. Under Component 1: Rehabilitation and Maintenance of Feeder Roads, the project will work in ten districts, five each in Nampula and Zambezia. In Nampula: Memba, Mogincual, Mossuril, Namapa, and Monapo Districts; and in Zambezia: Maganja da Costa, Morrumbala, Chinde, Lugela, and Pebane Districts. The specific feeder road segments will be decided upon based on multi-criteria analysis after project effectiveness. Under Component 2: Rehabilitation of Primary Road Network, the preliminary results of the analysis prioritized the following section on the N1 and N10 highways: Quelimane to Namacurra (70 km). Based on the descriptions of the project impact in the ESIA prepared, the area along the road is already degraded and the road does not pass through any high valued biodiversity and habitats or impact animal or plant species or natural forests. The ESIA sub sections on Fauna and Natural Reserves (under Biophysical Environment) state that “there are no records of significant or threatened species along the road under analysis” and “no conservation area was identified along the rehabilitation route”.

**G. Environmental and Social Safeguards Specialists on the Team**

John Bryant Collier, Environmental Safeguards Specialist  
Eden Gabriel Vieira Dava, Social Safeguards Specialist  
Maria Do Socorro Alves Da Cunha, Social Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project triggers OP4.01 and is screened as Category B under the environmental screening category. The project will rehabilitate and upgrade existing roads in Nampula and Zambezia provinces;

District Administration; (f) A representative of the child protection mechanism network (either the District authority for health, Women & Social Action or Gabinete de Atendimento a Mulher e Criança Vitima de Violência Doméstica); (g) A representative elected by the District Consultative Council; and (h) Other relevant participants.



therefore, the civil works are expected to have a low to moderate impact on the biophysical environment near selected road sections and bridges based on the preparation of the ESMF for Component 1 and preliminary ESIA for Component 2 as well as extensive field visits conducted by the Bank team during identification and preparation. The Borrower has prepared an ESMF for the project. The Borrower has also prepared a preliminary ESIA and ESMP for the section of N1 and 10 between Quelimane and Namacurra based on the feasibility report, which will be updated by the OPRC contractor based on the final design and reviewed by the Bank prior to the start of construction. For the Feeder Roads, the Borrower will also prepare necessary site-specific the Environmental and Social Impact Assessments (ESIA)/ Environmental and Social Management Plans (ESMP) in order to better capture site-specific impacts and measures of the targeted roads and bridges. All safeguards documents will be disclosed nationally and on the World Bank external website.

Natural Habitats OP/BP 4.04

Yes

Natural Habitats is triggered owing to the existence of protected areas in Nampula and Zambezia Provinces, though they are quite away from the road corridor. Nevertheless, ANE will need to work with local administrations, NGOs, and communities to ensure that improved access does not result in degradation of natural habitats. The ESMF addresses these concerns through environment and social selection criteria for specific feeder roads to be rehabilitated. The ESMF is written so as to also ensure site-specific ESIA/ESMPs ensure protection of critical natural habitats should the project ever be expanded to include districts where such habitats are located.

Forests OP/BP 4.36

No

While there are some important forests in the Nampula and Zambezia Provinces, the policy is not triggered because there are no forest reserves in the ten districts where the Feeder Roads component will be selected. Additionally, the selection criteria for Feeder Roads will exclude roads affecting forest reserves or critical forest areas in case the project is ever expanded to include districts where forests are located.

Pest Management OP 4.09

No

The policy is not triggered.



Physical Cultural Resources OP/BP 4.11	Yes	Physical and Cultural Resources is also triggered owing to the potential for chance find of cultural or archeological significance during construction. Chance find procedures are included in the ESMF and are/will be included in all site specific ESIA/ESMPs. The ESIA for the section of N1 and 10 between Quelimane and Namacurra also contains chance find procedures. The ESIA does note that there are two cemeteries along the route; however, the final design work will take these cemeteries into account and they are not expected to be negatively impacted.
Indigenous Peoples OP/BP 4.10	No	The policy is not triggered.
Involuntary Resettlement OP/BP 4.12	Yes	<p>An assessment shows that project activities may involve displacement of people or their livelihood activities, and the Involuntary Resettlement (OP/BP 4.12) policy was therefore triggered. The borrower prepared a Resettlement Policy Framework (RPF) to guide the preparation of site-specific Resettlement Action Plans (RAPs) acceptable to the World Bank once such details are known. All such RAPs will be fully completed, cleared by the Bank as part of subproject preparation, and fully implemented before construction begins on the corresponding feeder roads.</p> <p>The Borrower has also prepared a RAP for the section of N1 and 10 between Quelimane and Namacurra. The RAP, which is based on a 2014 census (which identified approximately 1000 PAPs), is being updated based on an ongoing census and the revised RAP will be disclosed by May 14, 2018. Most impacts are on commercial activities along the roadside, including in the ROW, and in some cases to structures that are part of residential parcels, but no physical relocation of households is currently included). Given the four years elapsed since the census and the dynamics of the area, the RAP now includes an updating of the census to reset the cut-off date and contingency funding if an increase in the number of PAPs is found. Further adjustments may be needed if the footprint is changed once design is finalized and these updates and budget are also included in the RAP. The RAP will be fully implemented prior to the commencement of works.</p>



The World Bank has reviewed the RPF and the RAP for the Quelimane-Namacurra segment, and they will be redisclosed publicly both in country and on the World Bank's external website.

Safety of Dams OP/BP 4.37	No	The policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered.

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

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

The project will rehabilitate and upgrade existing roads in Nampula and Zambezia provinces; therefore, the civil works are expected to have a low to moderate impact on the biophysical environment near selected road sections and bridges. Potential adverse environmental impacts may include soil erosion and degradation, decreased water quality, loss of vegetation, fauna disturbance, deposition of solid wastes, dust emission, and health and safety of construction workers/artisans. An Environment and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) have been prepared by the Borrower.

Under Component 2, the Borrower has prepared an upstream Environment and Social Impact Assessment (ESIA), and Environment and Social Management Plan (ESMP), and a Resettlement Action Plan (RAP) for the 70 km section of roads N1 and 10 between Quelimane and Namacurra. According to the ESIA, the area along the road is already degraded and the road does not pass through any high value biodiversity and habitats or impact animal or plant species or natural forests. The ESIA subsections on Fauna and Natural Reserves (under Biophysical Environment) state that “there are no records of significant or threatened species along the road under analysis” and “no conservation area was identified along the rehabilitation route”. The ESIA and ESMP will be updated by the OPRC contractor based on the final design. Prior to construction, the revised ESIA and ESMP will be reviewed by the Bank and disclosed nationally and on the World Bank external website prior to the start of construction.

Combined social and environmental risk is rated “High”. Despite relatively low influx of workers and moderate to high absorptive capacity communities in the project areas , the project has a high risk of sexual exploitation and abuse due to the prevalence of SEA drivers such as high levels of poverty, the reported rates of SEA and social acceptance of at least one reason for spousal abuse , and high levels of child marriage. While SEA risks cannot be eliminated, the project is undertaking several measures, such as requirements for local hiring, use Codes of Conduct, and SEA mitigation Action Plans to reduce SEA risks. Also, the OPRC will track environmental and social safeguards compliance on a regular basis during both construction and maintenance phases, and penalties will be applied to OPRC payments if environmental and social safeguards are not fully complied with. The project will mitigate the risk of traffic accidents through specific road safety interventions on the project roads, capacity building activities, education and



enforcement. The Environmental Risk is moderate because the safeguards instruments prepared are sufficient to mitigate the expected risks associated with rehabilitating and upgrading existing roads in Nampula and Zambezia provinces.

The project activities may involve displacement of people or their livelihoods activities, and the Involuntary Resettlement (OP/BP 4.12) policy was therefore triggered. The borrower prepared a Resettlement Policy Framework (RPF) to guide the preparation of site-specific Resettlement Action Plans (RAPs) acceptable to the World Bank once such details are known. All such RAPs will be fully completed and cleared by the Bank as part of subproject preparation, and fully implemented before construction begins on the corresponding feeder roads.

The Borrower has also prepared a RAP for the section of N1 and 10 between Quelimane and Namacurra. The RAP, which is based on a 2014 census (which identified approximately 1000 PAPs), is being updated based on an ongoing census and the updated RAP will be disclosed by May 14, 2018. Most impacts are on commercial activities along the roadside, including in the ROW, and in some cases to structures that are part of residential parcels, but no physical relocation of households is currently included). Further adjustments to the RAP may be needed if the footprint is changed once design is finalized. The RAP will be fully implemented prior to the commencement of works.

The World Bank has reviewed the RPF and the RAP for the Quelimane-Namacurra segment, and they will be redisclosed publicly both in country and on the World Bank's external website.

The World Bank notes that this project falls under environment screening Category B for World Bank purposes as the ESIA states that "It can be concluded that the negative impacts of this project on the environment and socially are low to moderate, localized and of short duration", which is typical for World Bank Category B project. Nevertheless, a full ESIA and ESMP have been prepared..

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:  
The project activities are not expected to have long-term negative environmental or social impacts.

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

The two alternatives considered for IFRDP are carrying out needed rehabilitation or conducting no rehabilitation thus maintaining the current, degraded, road conditions. The alternative chosen is to conduct the planned rehabilitation, which will improve road quality and implies improved integration between production and consumption zones. The improved roads also imply increased traffic and speed, requiring an emphasis on road safety during the operation and maintenance period of the OPRC.

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

The Borrower has prepared an Environment and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) to cover works under the project including the feeder roads to be identified and upgraded under Component 1 and the 70 KM section of N1 and N10 between Quelimane and Namacurra. As required by the ESMF, once a feeder road is identified, a site specific ESIA/ESMP, and where needed a RAP, will be prepared as part of the final design process and integrated into the implementation of the works contract. The ESMF and RFP and the site-specific ESIA, ESMP, and RAP for the 70 km sections of N1 and N10 which will be rehabilitated under Component 2 of the project have been disclosed nationally and on the World Bank External website.



As mentioned above, the Borrower has also prepared preliminary ESIA, ESMP, and RAP for the 70 km section of roads N1 and N10 between Quelimane and Namacurra based on the feasibility report. The ESIA indicates that the civil works are expected to have a low to moderate impact on the biophysical environment. The ESIA and ESMP will be updated by the OPRC contractor based on the final design to come up with site-specific impact assessment and measures to be implemented during construction and O & M of the road. Prior to construction, the revised ESIA, ESMP, and adjusted RAP will be reviewed by the Bank and disclosed nationally and on the World Bank external website prior to the start of construction.

As mentioned above, the contractors and supervising consultant will be required to maintain social and environmental safeguards staff throughout implementation. The contractors will also be required to have a qualified Environmental Officer, Health and Safety Officer, and community liaison officer on site for the proper implementation of the ESMPs.

The project is undertaking specific measures to reduce, minimize and/or mitigate the risks related to sexual exploitation and abuse, including requirements for local hiring, use of codes of conduct and contractual sanctions, and preparation and implementation of Labor Influx Management Plan and an SEA action plan.

The ANE GRM procedures will be consolidated with those of the OPRC contractor, and also be expanded and enhanced to cover all project related impacts, including SEA, and improve its accessibility and systematic monitoring prior to signature of the first road civil works contract. The GRM procedure will be disseminated in affected communities to create awareness and enable project-affected people to file complaints. Additionally, the project has identified an NGO (JHPiego) with demonstrated capacity addressing SEA and related challenges in the project areas – including work on HIV prevention dating to 2004 and subsequent work – to partner with the GRM. When the GRM receives a complaint on SEA, it will only record information on (i) the nature of complaint (what the complainant says in hers/his own words); and, (ii) if, to the best of their knowledge, the survivor believes the perpetrator was associated with the project. The GRM will refer the survivor to the NGO to ensure the adequate provision of case management (while always maintaining the survivor’s confidentiality). If the survivor needs to be referred to other services, the NGO will provide consistent case-level support and advocacy.- The NGO will also sensitize the public on SEA, raise public awareness about the different entry points to place complaints with the GRM, train stakeholders (contractors, communities, PIU), assist and refer survivors to appropriate service providers, and monitor implementation of the SEA mitigation and response measures (i.e. that Codes of Conduct for contractors and workers are in place and signed, and that the GRM and PLC are maintaining case confidentiality and acting in conformance with the response protocol). The supervision engineer will monitor that the courses for contractors regarding the Code of Conduct obligations and awareness raising activities to the community are in place. The information so gathered will be monitored and reported to the World Bank and other stakeholders by the implementing agency.

The above actions are integrated in the project ESMF; therefore, for Component 1, they will be reflected in the specific ESMPs for subprojects, and for Component 2, are integrated into the preliminary ESIA and ESMP and will continue to be integrated into the final design ESIA and ESMP.

Both the RF and the ANE have experience in successfully delivering similar IDA-financed projects through the implementation of ESMFs and RPFs. The ANE’s central Monitoring Unit is staffed with professional environment and social specialist (four) who are well-versed in both national regulations and World Bank safeguards requirements and will be responsible for the overall safeguards implementation of the project. The ANE currently has ESHS focal points in their provincial offices and is also in the process of strengthening their environment and social presence in the provinces. The ANE will ensure that the site-specific ESMPs and RAPS for individual roads being rehabilitated are incorporated into the works and supervisory contracts and that reporting on safeguards implementation is timely and detailed enough to be useful for project monitoring and supervision. Capacity building in ESHS management is included in Component 4.





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

The key stakeholders include local communities in Zambezia and Nampula Provinces, local NGOs working in the project area, those two respective Provincial Governments, and the National Government (RF and ANE).

As part of the preparation of the ESMF and RPF, ANE, the Bank team and consultants conducted numerous site visits to Nampula and Zambezia beginning in January 2014 to identify the main environmental and social impacts of the feeder road project as well as to assess the capacity of provincial and district authorities to implement and monitor the ESMF and RPF. Teams have visited each of the districts identified in the project - for example a visit in May 2017 visited two districts in Nampula (Memba and Erati) and two districts in Zambezia (Maganja da Costa and Murrumbala).

Consultations in Nampula and Zambezia for the ESMF and RPF were held between May 31 and June 2, 2017. Consultations on the N1/N10 ESIA and RAP were then held in Nicodala, Zambezia on July 11, 2017.

Additional consultations including relevant authorities, traditional leaders and project proponents and affected persons will be held in accordance with Mozambican and Bank Requirements during the design and implementation stages for all works under the project.

The ESMF and RPF contain provisions for stakeholder identification and participatory project screening and assessment.

**B. Disclosure Requirements**

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
11-Aug-2017	02-Oct-2017	

"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	Date of submission for disclosure
11-Aug-2017	02-Oct-2017

"In country" Disclosure



Mozambique

31-Aug-2017

Comments

The documents will be available on the ANE Website ([www.ane.gov.mz](http://www.ane.gov.mz)) as well as ANE offices in Maputo, Nampula, and Zambezia. Additionally, advertisements in national newspapers will indicate the documents availability.

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

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

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**The World Bank Policy on Disclosure of Information**



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

Yes

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

No

### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**APPROVAL**

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**Approved By**

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**Note to Task Teams:** End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*