



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

Appraisal Stage | Date Prepared/Updated: 14-Jul-2020 | Report No: PIDISDSA28809



**BASIC INFORMATION**

**A. Basic Project Data**

Country Mozambique	Project ID P172777	Project Name Conservation Areas for Biodiversity Conservation and Development	Parent Project ID (if any) P166802
Parent Project Name Mozambique Conservation Areas for Biodiversity and Development - Phase 2	Region AFRICA EAST	Estimated Appraisal Date 22-Jul-2020	Estimated Board Date 20-Aug-2020
Practice Area (Lead) Environment, Natural Resources & the Blue Economy	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Fundo Nacional de Desenvolvimento Sustentavel (National Sustainable Development Fund)

GEF Focal Area  
Multi-focal area

Proposed Development Objective(s) Parent

To improve management of target conservation area landscapes and enhance the living conditions of communities in and around these conservation areas.

Components

- Component 1: Strengthening Capacity and Financial Sustainability of National Conservation Institutions
- Component 2: Improving Conservation Areas Management in target landscapes
- Component 3: Promoting conservation-compatible rural development and integrated landscape management in target landscapes
- Component 4: Component 4: Contingency Emergency Response

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

**SUMMARY**

<b>Total Project Cost</b>	28.62
<b>Total Financing</b>	28.62
<b>of which IBRD/IDA</b>	0.00

For Official Use Only



Financing Gap	0.00
---------------	------

**DETAILS**

**Non-World Bank Group Financing**

Counterpart Funding	3.00
Borrower/Recipient	3.00
Trust Funds	25.62
Global Environment Facility (GEF)	23.12
Integrated Landscape & Forest Management MDTF	2.50

Environmental Assessment Category

B-Partial Assessment

‘Have the Safeguards oversight and clearance function been transferred to the Practice Manager?’ No

Decision

The review did authorize the team to appraise and negotiate

For Official Use Only

Other Decision (as needed)

**B. Introduction and Context**

Country Context

- Mozambique’s renewable natural resources provide global public goods, such as biodiversity and climate stabilization and nationally significant ecosystem services**, such as maintenance of water quality and quantity for irrigation and electricity generation. They also provide goods and services to the local population, such as freshwater, food, construction material, medical material and fuel sources. The rural population (70 percent of the total) is highly dependent on the direct use of natural resources.
- In recognition of the value of these resources and the need to preserve them, **Mozambique established a network of Conservation Areas (CAs) that cover around 25 percent of the country’s land surface**. The management of CAs and the dryland landscapes around them depend on several actors, including the National Administration for Conservation Areas (ANAC), the private conservation trust fund BIOFUND and the National Sustainable Development Fund (FNDS).
- Conservation Areas face several challenges to their long-term integrity and sustainability**, including



weak institutions and capacity to enforce forest, fisheries, and wildlife laws and to engage with local communities, insufficient human capacity and significant skills gaps, lack of financial sustainability that pose a risk to the sustainability of the system, human encroachment and poverty around CAs as well as climate change.

**4. Unsustainable dryland management and practices around CAs are particularly challenging.** Poor management, by CAs as well as local communities, not only undermines efforts for biodiversity conservation, rural development, social equity, food security and the sustainability of economic development, it also contributes to significant negative environmental impacts both at local and global level. At the local level it undermines ecological functions of ecosystems that communities depend on, such as soil fertility and water availability. As for the global level, it is one of the main contributing factors to Mozambique's overall greenhouse gas (GHG) emissions. The main threats and drivers of dryland degradation and deforestation include; unsustainable agriculture and grazing; wood extraction and trade in timber; encroachment due to poverty and land tenure uncertainty and uncontrolled fires

**5. The Government's approach to management of Conservation Areas is based on an Integrated Landscape Management approach (ILM) to natural resources management.** The ILM approach combines initiatives to foster rural development, such as access to financing, infrastructure, and land tenure security, with initiatives to promote sustainable management of natural resources, including biodiversity protection and restoration of degraded habitats.

**6. Mozambique's strategic commitment to conservation areas and biodiversity management is expressed in its Mozambique Conservation Areas for Biodiversity and Development (MozBio Program).** The MozBio Program aims to support the conservation of Mozambique's wildlife, biodiversity and ecosystems and contribute to the livelihood of local communities living in CA landscapes. It has four pillars: a) policies, legislation and institutions; b) financial sustainability; c) biodiversity conservation management; and d) community development.

**7. The MozBio Program is fully supported by the Bank through a Series of Projects (SoPs).** Bank's support to the MozBio SoP started in 2015 through the MozBio Phase 1 (US\$ 40m IDA and US\$ 6.3m GEF) project. MozBio1 closed on November 29, 2019 rated as Satisfactory. MozBio Phase 2 (parent project – US\$ 45m IDA ) – approved on September 20 2018 - builds on successful results and lessons learned from MozBio1. MozBio 1 started addressing several of the challenges above (institutions, capacity, financial sustainability, and community development), which MozBio 2 is taking forward, with a few modifications in approaches based on lessons learned.

**8. The AF will fund activities in the same target landscapes supported by the parent project.** These include: a) the Elephant Coast Landscape; b) the Chimanimani Landscape, and c) the Marromeu Complex Landscape. In these landscapes, the AF will focus activities aimed at strengthening land-use planning and governance, improving land restoration and activities reduce degradation and deforestation of miombo dryland forests through the engagement of communities to improve management of natural resources



**C. Proposed Development Objective(s)**

Original PDO

To improve management of target conservation area landscapes and enhance the living conditions of communities in and around these conservation areas.

Current PDO

This Additional financing follows the same PDO as the original project, as described above.

Key Results

**PDO Indicators**

No indicators added.

**Intermediate results indicators**

While no indicators are dropped, the following six additional indicators have been adopted:

Name of Indicator	Targets For AF	Rationale
<b>Component 1</b>		
Increase of Endowment Fund through non-GEF Funds	US\$5,000,000	Added to measure activities related to BIOFUNDS capacity to attract other sources beyond GEF and hence it’s status of being a national reference for financing conservation
Amount of non-IDA funds disbursed by BIOFUND for sustainable dryland management in CAs	US\$900,000	A sub-indicator added to the existing indicator on BIOFUND’s disbursement to CA operations. Added to measure functionality of new financing mechanisms for sustainable dryland management in CAs
<b>Component 2</b>		
Number of community plans implemented	6	Added to measure activities related to strengthening community governance in and around CAs, including support to communities to design and implement local management plans
<b>Component 3</b>		
Area restored	6,700 hectares	Added to measure activities related to forest and land restoration
Area of landscapes under improved practices	520,000 hectares	Added to measure progress related to improving landscape management and conservation compatible

For Official Use Only



(excluding protected areas)		business opportunities
Emissions avoided from reduced deforestation (Metric tons/year)	-542,262 tCO2eq per year	1. Added to measure activities related to reducing emissions from deforestation and degradation in target landscapes. The indicator measures progress per year, yet is also calculated to measure the net carbon sink over a period of 20 years: <b>-10,845,249 tCO2-eq</b>
Number of beneficiaries aggregated by gender	35,000 (50% women)	Added to measure participation in activities such as MGS, PCR, ecological restoration, etc; disaggregated by gender

D. Project Description

For Official Use Only

9. **The AF maintains the same project design of the parent project.** The AF will use US\$23,115,776 from Mozambique’s GEF-7 STAR allocation multi-focal areas (MFA) i.e. across biodiversity (BD), land degradation (LD) and climate change (CC), and incentive funds from the DSL IP, as well as a 23,500,000 SEK (approx. US\$2.5 million) contribution from the ILM MDTF. While the components remain the same, the AF will help to scale up as well as finance specific new activities within them, specifically to: i) strengthen opportunities to CA landscapes to invest in and promote sustainable dryland management, by supporting capitalization of specific windows for such activities under the BIOFUND Endowment Fund; ii) provide direct support to ANAC and CAs to improve the capacity and investments needed for sustainable dryland management, iii) build capacity of communities in and around CAs and local stakeholders to identify and manage priority degraded dryland forests (miombo) and iv) expand the range of interventions aimed at promoting restoration in target landscapes. These activities are fully consistent with and aligned with government priorities and the World Bank Country Partnership Framework (CPF report number 114710 published on April 27, 2017), and are relevant to contributing towards reducing extreme poverty and boosting shared prosperity. They also consider lessons learnt and good global practices in similar projects.

10. **There will be no changes to the PDO.** It remains the same as the parent Project – to improve management of target conservation area landscapes and enhance the living conditions of communities in and around these conservation areas.

11. **Project Implementation Manual (PIM).** The parent project has a PIM that details the institutional, fiduciary, and implementation arrangements. The PIM will be revised considering the AF. A final version of the revised PIM acceptable to the World Bank, will be a condition for signing of the GEF Grant.

12. **Geographic targeting.** The AF will fund activities in the same target landscapes supported by the parent project. These include: a) the Elephant Coast Landscape; b) the Chimanimani Landscape, and c) the Marromeu Complex Landscape. The threat of land and forest degradation in these landscapes is particularly high, affecting the livelihoods of resource-dependent communities. Meanwhile these landscapes are also



capable of delivering multiple ecosystem services such as sequestering carbon, soil conservation, water provisioning and protecting rare and endangered biodiversity.

**Component 1: Strengthening Capacity and Financial Sustainability of National Conservation Institutions** (*Original amount: US\$15.0 million equivalent from IDA, Additional Financing: US\$13,821,510 million equivalent from GEF*).

13. **IDA Grant:** This component aims to improve the capacity of the three main national conservation institutions (ANAC, BIOFUND, and FNDS); create a cohort of conservation professionals; and foster nature-based **tourism** at the national level. These activities contribute to two pillars of the MozBio Program: (a) ensuring an enabling policy and institutional environment (governance) and (b) ensuring financial sustainability for the CA system.

14. *GEF Grant:* The AF would allow the Project to engage in following activities:

15. **Strengthening of ANAC (US\$1,1 million).** The AF will support ANAC in i) developing guidelines and standards of procedures on key management and operations issues including community governance, benefit sharing and biodiversity monitoring focused on drylands; ii) support ANAC, in coordination with the National Directorate of Environment (DINAB) to review the regulation on Access and Benefit Sharing from Genetic and Biological Resources and associated traditional knowledge, to facilitate sustainable commercialization of biological resources, including from dryland ecosystems, and gain better access to international markets and partners; iii) support the design and installation of an electronic permit system for CITES (Convention on Trade of Endangered Species) to improve transparency and efficiency in permits issuance and allow the exchange of information across borders, increasing transparency in wildlife trade, and iv) strengthen the capacity of ANAC's existing database to capture, store and utilize biodiversity data for decision-making and management, including on topics of common interest with neighboring countries to ensure improved management of cross-boundary ecosystems.

16. **Strengthening of Biofund (US\$12,4 million).** The AF will capitalize BIOFUND's Endowment Fund (US\$ 12 million) for three specific windows that promote financing for addressing drivers of dryland degradation in selected CAs and strengthens of the overall CA system in Mozambique<sup>1</sup>. The three specific windows will; i) finance investments for the protection and restoration of dryland forests in selected CAs that are either already degraded, or at high risk of becoming so; ii) create a basket fund that aims to increase retainment and attraction of new skills needed for the efficiency of ANAC and the CA system; and iii) implement a new private sector collaboration program in support of sustainable and equitable dryland management and that provide continued funding to Mozbio 2 targeted interventions for a period of 10 years. The principle objective of the third window is to attract private sector investments that contribute to LDN and SFM targets, i.e. that alter current land use practices from low-value and ecologically unsustainable activities to higher-value ones that are based directly on sustainable use of natural resources, such as game farming, sustainable wildlife use, non-timber forest products (NTFPs) extraction. The revenue stream from the third window (estimated at about US\$100,000 year) will also be used to support execution of activities in the target landscapes that have longer implementation periods than what the MozBio project can accommodate. This is an innovative way of using the specific feature of the Endowment Fund to align the needs of dryland management on the ground with funding time frames. Hence, the specific GEF funds' revenues will be used for this purpose immediately following the MozBio Project closure, for a period no

<sup>1</sup> The Endowment Fund is operational and performing well and has currently achieved capitalization of US\$35 million.



less than 10 years, contributing to financial sustainability of GEF investments. The results framework will include a new indicator measuring the amount of revenues generated by the endowment fund and re-invested in sustainable dryland management in CAs. The Project will also support institutional capacity of BIOFUND (US\$0.4 million) to improve diversification of their revenue streams. An indicator will be added to track BIOFUND's ability to leverage additional financing other than GEF to the endowment fund.

17. **Strengthening of FNDS (US\$0.3 million).** The AF will support project coordination, monitoring of results, regional cooperation on drylands, including using the Miombo Network and Southern Africa Development Community (SADC), and other bodies as deemed relevant by the Global DSL IP. It will also support participation of relevant stakeholders from Mozambique in global forums, which will allow to prioritize, coordinate and collaborate on efforts with other dryland countries in order to maximize relevance, impact and cost-effectiveness of interventions in transboundary ecosystems. It will also support participation in coordinating grant events and regional meetings with GEF and FAO, as well as production, dissemination and knowledge sharing derived from the project. Project management activities of FNDS also includes leading the fiduciary, procurement and safeguards implementation. The AF will also strengthen the existing capacity of FNDS' Monitoring Reporting and Verification (MRV) Unit, by providing resources for training, equipment and operational costs, to ensure robust monitoring of degradation and deforestation of dryland forests within the project target areas.

**Component 2: Improving Conservation Areas Management in Target Landscapes** (*Original amount: US\$17 million equivalent from IDA, Additional Financing US\$2,575,000 million equivalent from GEF and US\$1,800,000 million from the ILM MDTF*).

18. *IDA Project:* This component aims to improve biodiversity conservation management of target CAs, particularly the governance of CAs (including its relationship with surrounding stakeholders), human resources management, infrastructure establishment and maintenance, human-wildlife coexistence, research, resources control and patrolling, and promoting of environmental awareness and strengthening of community-based organizations (CBOs) among local communities. These activities contribute to two of the pillars of the Mozbio Program i) biodiversity conservation management and ii) community development.

19. *GEF Grant:* The AF would allow the Project to engage in following activities:

20. **Enhancing CA's human resources and fixed assets (US\$1.2 million).** The AF will finance i) the installation of the EarthRanger system, a powerful easy-to-use software tool built to collect, integrate and display historical and real-time data available from a CA which will empower CAs to take immediate, proactive actions to prevent and mitigate threat incidents to biodiversity and wildlife; ii) conduct awareness campaigns of legislation and rules of the CA Management Plans (to stakeholders in the landscape, including through the multi-stakeholder CA Management Councils; iii) support to cross boundary collaboration with neighboring countries, specifically South Africa, Zimbabwe and eSwatini through the Lubombo and Chimanimani Transfrontier Conservation Areas (TFCAs), including joint aerial surveys, monitoring and law enforcement programs, participation in TFCA coordination meetings and sharing and streamlining of research and management practices in regard to dryland and other endemic biodiversity.

21. **Supporting CA's operations (US\$1.3 million).** The AF will focus on strengthening community governance for sustainable dryland and natural resource management in the three CAs, following the





national CBNRM governance model, including support to i) identification and training of community facilitators; ii) establishment or strengthening of Community Governance Committees; iii) participatory identification and assessment on the degradation of dryland and critical habitats; iv) mapping and production of land and natural resource use plans to support dryland management and community development; v) implementation of the Gender Action Learning System (GALS) to address systemic gender inequality at household and community level; vi) expand Environmental Education in schools and vii) implement measures identified under the original project to reduce the levels of human wildlife conflicts, by supporting additional equipment and materials, training and operational costs. An indicator on the implementation of local community plans will be included to measure progress related to strengthening community governance around dryland and natural resource management.

1. *ILM MDTF Grant:* The AF would allow the Project to respond to COVID-19 impacts in the Conservation Area system, through the following three activities, implemented via BIOFUND's designated account:

- A. Support BIOFUND's COVID Emergency Fund (US\$1 million) to finance i) payment of ranger salaries employed by ANAC and the private sector (which are now at risk since they are usually financed by ANAC's revenues which have now been drastically reduced) for a period of 6-18 months, ensuring continuity of wildlife and biodiversity protection as well as job retention and income for more than 950 rangers and their families ii) operational costs for training and engagement of community rangers.
- B. Expand support to the programs on Environmental Education, Girl's clubs and scholarships (US\$500,000) to help the selected schools around CAs meet the adequate conditions of safe re-opening, support to distance learning including acquisition of material, community radios and mentoring to youth under the programs, who are affected by school closures and joint campaigns with the district authorities to ensure access to safe social and health services (incl. to girls clubs and scholarship girls) and scale up of GALS as a tool to address economic losses at the household level and associated GBV risks.
- C. Support community labor programs in CAs (US\$300,000) that employs informal workers, especially those who lost their jobs due to COVID-19 measures, in remunerated "eco-jobs", i.e. simple, low-skilled and short works aim at protecting and improving natural resources and the environment (i.e. beach plastic clean-ups, mangrove restoration and protection, maintenance works in conservation areas, reforestation, etc.). These programs would target vulnerable groups such as youth and women to find these jobs.

**Component 3: Promoting Conservation-compatible Rural Development and Integrated Landscape Management in Target Landscapes** (*Original Project: US\$13 million equivalent from IDA, Additional Financing US\$ 6,719,266 from GEF and US\$700,000 from the ILM MDTF*)

22. *IDA Grant:* This component aims to promote conservation-compatible rural development in target landscapes through support to sustainable value chains and Integrated Landscape Management (ILM), by financing land use planning, establishment of Landscape Management Units (LMUs), and capacity strengthening of targeted districts to reduce pressure on CAs. These activities contribute to all pillars of the



MozBio Program and require addressing several constraints, including limited access to credit, TA and inputs, and insufficient market access and employment opportunities.

23. *GEF Grant*: The AF would allow the Project to engage in following activities:

24. **Matching Grants and ILM**: The AF will scale up the component by: i) increasing the number of business plans supported by the Matching Grant Scheme (US\$1.7 million) targeting local entrepreneurs, micro, small, and medium enterprises (MSMEs) and local community associations, to promote sustainable dryland value chains, including for non-timber forest products and for sustainable agriculture and livestock management that aim to reduce the degradation of farm and pasture lands, and help to intensify and stabilize production thereby reducing processes of expansion and encroachment into natural ecosystems and fragile areas (such as from agroforestry systems); ii) support financial literacy of local communities (US\$0,2 million) through expanding Saving and Credit Groups (PCRs), which primarily comprise women, iii) support restoration activities, mainly led by communities and identified through assessments such as ROAM (Restoration Opportunities Assessment Methodology), (US\$3 million), including to forest reserves, grassland and rangeland, including *Assisted Natural Regeneration* to accelerate natural successional process by removing or reducing barriers to natural forest regeneration, mainly targeting areas for restoring the protective functions of the ecosystem (e.g. watersheds) and *Active Restoration* to support the planting of specific species that can either be native species or commercial species compatible with forest and grasslands (e.g. coffee, cashew nuts, etc); iv) support to the elaboration and implementation of the first Management and Business Plan for the Elephant Coast EPA (US\$1.6 million); and v) support to mainstream land restoration in the integrated district development plans (US\$0,2 million) to improve sustainable management of production landscapes, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security. Four indicators will be added to this component to track progress related to i) area of land restored, ii) area under improved management, iii) reduced emissions from deforestation and iv) number of beneficiaries in aforementioned activities, disaggregated by gender.

25. *ILM MDTF Grant*: The AF will scale up the COVID-19 specific call of the Matching Grant Scheme – Sustenta Bio Emergencia – for tourism and wildlife operators (US\$0.7 million), focusing on opportunities for job retention and providing a ‘lifeline’ for enterprises to continue their business operations, guaranteeing the least possible disruption. Enterprises supported will need to show their current relation to nature-based tourism/restoration/CAs and suggested solutions to meet the challenges of conservation and to improve livelihood conditions. Specific attention will be given to ensuring inclusion of women-led businesses.

## E. Implementation

### Institutional and Implementation Arrangements

26. **Institutional and implementation arrangements**. The implementation arrangements for the Project will remain the same in terms of having the same implementing agencies as parent project, and the use of a Project Steering Committee to oversee strategic planning. Yet, under the new government formed in January 2020, the former Ministry of Land, Environment, and Rural Development (MITADER), under which FNDS and ANAC were hosted, has been split up. The Rural Development component now goes into the Ministry of Agriculture and Food Security and is henceforth become the Ministry of Agriculture and Rural



Development (MADER). Meanwhile the Ministry of Land and Environment (MTA) was created. The National Sustainable Development Fund (FNDS) will be housed in MADER, while ANAC stays in MTA. See Annex 1 in the Project Paper for Implementation Arrangements.

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

Activities will be implemented in three conservation areas landscapes, which encompasses conservation areas, their buffer area and adjacent land areas. These landscapes have been selected on the basis of the availability and readiness of co-management (PPPs) opportunities (interested partners), as a way of ensuring financial sustainability of the targeted CAs. Other landscapes may be selected during the implementation of the project, in common understanding between the World Bank and the GoM. The three landscapes are: (i) Elephant Coast Landscape – includes four CAs (Licuáti Forest Reserve [LFR], Maputo Special Reserve [MSR] and Ponta do Ouro Partial Marine Reserve [PPMR] which includes Inhaca Island and the recent gazetted Maputo Environmental Protection Area) as well as the immediately adjacent land areas in the Matutuine District (including private and community areas). The landscape is part of the Maputaland Centre of Endemism and Biodiversity Hotspot and as is well recognized for its high conservation value. (ii) Chimanimani Landscape – includes the Chimanimani National Reserve [CNR], its buffer zone, three Forest Reserves (Maronga, Moribane and Zomba) and the adjacent land areas in the Sussundenga District. The landscape is part of the Chimanimani–Nyanga Center of Endemism. (iii) Marromeu Complex Landscape – comprises most of the Ramsar’s Wetland of International Importance in the south bank of the Zambezi Delta, including the Marromeu National Reserve, Coutadas 10, 11, and 14, and adjacent land areas in Marromeu, Cheringoma, and Muanza Districts. The Landscape is part of the Zambezian Coastal Flooded Savanna ecoregion, a flat alluvial plain irrigated by the Zambezi River Delta.

For Official Use Only

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

- Salma Omar, Social Specialist
- Bruno Alberto Nhancale, Environmental Specialist
- Paulo Jorge Temba Sithoe, Environmental Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	As with the parent project, the proposed activities of MozBio 2 Additional Financing have potential



adverse environmental impacts that are considered minor, site specific, reversible, and can easily be managed. These impacts will largely result from the scale-up of activities, for example the increasing number of business plans supported by the Matching Grant Scheme under Component 3. The scheme will finance green value chains that are conservation-compatible (e.g. natural resources sustainable harvest [honey, charcoal], conservation agriculture and livestock production and nature-based tourism [NBT] initiatives) which in doing so can unintentional generate negative impacts. The construction and repairs of small scale business infrastructures will involve earthworks, excavation, machinery, solid wastes, vegetation clearing and fauna disturbance; the agricultural and livestock activities will involve use of pesticides, leakage, or spill of hazardous materials; the private sector investments in NBT will increase tourism activities and resources requirements by tourists can be expected and may include fauna disturbance, littering, emissions from vehicles, and increased road traffic which could lead to road safety risks to community and fauna. Moreover, new activities under Component 2 to support community labor programs and rangers salaries and operations cost in CAs have been added that require additional mitigation measures (use of PPE and safe work practices to protect from venomous and poisonous wildlife as well as infectious diseases including COVID-19) in the ESMF. A Component 4 (Contingency Emergency Response) has been also introduced to be activated following an eligible adverse natural or man-made event that causes a major disaster. The impacts stemming from this component are also expected to be minor, site specific, reversible and easily managed. The mitigations measures are outlined in the updated ESMF including a negative and positive list for eligible activities. As such, the AF is not expected to raise the project safeguard category B or trigger any new safeguard risks or policies. Hence, OP/BP 4.01 Environmental Assessment remains triggered but because specific details of the AF investments will only be known during implementation, the Borrower updated the Environmental and Social Management



For Official Use Only

		Framework (ESMF), Process Framework (PF), Resettlement Policy Framework (RPF) and the Pest Management Plan (PMP) to reflect the scale-up of activities and therefore potential cumulative impacts, mitigation measures, new institutional arrangements, budget and capacity building implications. These updated instruments have been publicly consulted, were cleared by the World Bank and disclosed in-country before appraisal on July 8.
Performance Standards for Private Sector Activities OP/BP 4.03	No	Neither does the Bank-supported activity qualifies as a Private Sector Activity nor does the entity carrying out the Bank-supported activity qualifies as a Private Entity.
Natural Habitats OP/BP 4.04	Yes	Similar with the parent project, the AF will generate significant positive impacts on natural habitats, as the project will finance the protection and restoration of habitats including forests that are either already degraded, or at risk of becoming so. Despite this, the financing of agricultural business plans through the Matching Grant Scheme (Sustenta Bio and Sustenta Community) poses risks to conversion of natural and critical habitats. To address this risk, the updated ESMF includes specific guidance and procedures to address OP/BP 4.04.
Forests OP/BP 4.36	Yes	As indicated in the original project ISDS, there are no major activities envisaged that will impact on health and quality of forests, or the health and safety of people who depends on forests, and this continues to be the case for the AF. However, some of the proposed activities under Component 3 will also finance green value chains which may include use of wood products and non-forest wooded products and its derivatives. All identified impacts will continue to be managed through the measures provided in the ESMF and RPF which were updated as well as in the individual activity/subproject ESMPs/ESIAs.
Pest Management OP 4.09	Yes	OP/BP 4.09 was triggered for the parent project despite noting that activities to be supported would not necessarily involve the massive use of pesticides. The same approach is being taken with the AF since Component 3 may include the use of small quantities of pesticides to manage pest and improve agriculture productivity. Under MozBio 1 and MozBio 2 parent project, the Borrower prepared and implemented a Pest Management Plan (PMP) which



For Official Use Only

has proven to be functional in promoting and supporting safe, effective, and environmentally sound pest management practices. Hence, the existing PMP was slightly updated to reflect the scale-up of activities, consulted upon, cleared by the World Bank and publicly disclosed prior to appraisal on July 8.

Physical Cultural Resources OP/BP 4.11 Yes

It is unlikely that the project will affect or involve physical cultural resources. However, the ESMF includes provisions to apply "Chance Finds" procedures in compliance with this policy requirements if necessary.

Indigenous Peoples OP/BP 4.10 No

This policy does not apply to Mozambique, as there are no populations and/or communities that meet the definition of Indigenous Peoples as set forth in the policy.

Involuntary Resettlement OP/BP 4.12 Yes

No or minimal resettlement is expected. Activities will be screened to avoid physical resettlement entirely and economic displacement as much as possible. The project triggers OP/BP 4.12 as it may cause situations involving involuntary restrictions of access to land and natural resources in conservation areas and minor economic displacement impacts. Access restrictions to natural resources in core areas of the CA for local communities may be caused (i) reinforced restrictions and implementation of strategies to regulate the use of natural resources within the protected as per CA management plans (legally approved); and (ii) restrictions resulting from the implementation of tourism or production related activities.

The livelihood restoration of people affected by the project will be addressed through a Process Framework (PF) reviewed and updated by the Borrower when preparing the parent project.

The AF will promote skills development and enterprise development activities outside the boundaries of the Conservation Areas (CAs) to encourage people to choose to relocate voluntarily to areas outside the CAs with better livelihood opportunities. No one will be required to move. The Conservation Area co-management partner (PPF) may offer additional incentives and support for people who decide to relocate, independently from



For Official Use Only

MozBio.

The AF will not finance infrastructure construction. For project activities that result in any involuntary land acquisition or displacement the RPF will be applied. The simplified RPF was prepared, consulted upon and disclosed on July 18, 2018A to mainly address screening procedures and criteria for infrastructure projects.

Community partnerships with the private sector supported by the project will follow guidelines prepared by the Government and used in other Bank-financed projects. Those guidelines – that will be attached to the PIM - require these partnerships to include community agreements to ensure equitable and sustainable conditions in accordance with OP 4.12.

Safety of Dams OP/BP 4.37	No	MozBio2 AF is not expected to finance activities that will include construction or rehabilitation of large dams and/or support other investments related with services of existing dams.
Projects on International Waterways OP/BP 7.50	No	None of the related investments will be located on international waterways so this policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	None of the related investments will be located in disputed areas so this 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:

Like its predecessors MozBio 1 and MozBio 2, the Additional Financing was rated Category B project due to the site specific nature of its foreseen environmental and social impacts, that could be readily addressed through the use of appropriate safeguards instruments. Such impacts will mainly result from the scale up of Component 3 which will increase the number of financed business plans through the Matching Grant Scheme. These businesses may involve rehabilitation or minor construction of essential and necessary facilities ( agriculture shops or small markets, warehouses, livestock water troughs, irrigations water tanks, etc.) in selected conservation areas landscapes. The construction of these facilities is expected to produce localized adverse environmental and social impacts that are minimal , whilst rather avoiding or mitigating, to the maximum possible any impacts from physical displacement. Such impacts include, soil and vegetation disturbance, dust emission, noise and vibration, land clearance, waste generation and risks to the health and safety of contractor’s workers and communities. The Borrower updated the Environmental





and Social Management Framework (ESMF) for MozBio 2 that includes a draft Environmental and Social management plan (ESMP) for managing adverse impacts. Consequently, compliance with the World Bank Safeguards policies and applicable national regulations, including the preparation of supportive safeguards documents will be built on the positive experience of and lessons learnt from the previous projects.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Minor temporary indirect environmental impacts on natural resources use, such as water, vegetation and soil may occur as a result of the anticipated repairs and small civil works of essential business facilities in the CAs Landscapes, mainly during the construction phase. Such impacts may include soils erosion/pollution with solid wastes, leakage or spill of hazardous materials; water resource pollution due to oil spills, etc.; air quality, pollution by dust generated from the various construction/rehabilitation and project operations as well as by pollutant (including greenhouse gases) emissions from vehicles, machinery (including diesel generators); noise pollution: generated from the various activities during civil works as well as during some project operations; vegetation clearance for construction/rehabilitation activities, tourism and community development projects; fauna and landscape disturbance during construction and operation activities. The updated ESMF includes lists of potential impacts and mitigation measures that could result from the parent project and AF investments. Investments will be further screened and reviewed during implementation, in order to include specific mitigation measures in planning and design phases to ensure environmental and social sound designs, as well as during construction and operation phases to avoid or minimize to the maximum possible any adverse impacts.

Socially, the AF will promote community governance; gender equity; and skills development and enterprise development activities around the conservation areas aiming to encourage people to relocate to areas outside the CAs. No resettlement is expected, as the AF will not finance infrastructure construction. The AF will adopt the PIM designed by the parent project, which is inclusive and ensures community participation in the design of subprojects to guarantee communities benefit from these sub-projects. For project activities that result in any involuntary land acquisition, displacement or restriction of access the RPF and/or PF will be applied. The RPF and the updated PF were consulted upon and disclosed on July 18, 2018,

Social impacts and mitigation measures:

The main social risks of the project relate to (a) access restrictions to forests and natural resources; (b) human-wildlife conflict; (c) indirect impacts of private sector investments on communities in CAs as well as increase in NBT activities and resource requirements of tourists have also been identified as sources of potential impacts; and (d) increase of GBV risks as a result of the economic empowerment of men and women beneficiaries participating in project activities as well as project related representatives entering target communities.

Access restrictions to natural resources in core areas of the CA for local communities may be caused by (a) reinforced restrictions and implementation of strategies to regulate the use of natural resources within the protected according to CA management plans (legally approved); and (b) restrictions resulting from the implementation of tourism- or production-related activities. The livelihood restoration of people affected by the project will be addressed through a Process Framework (PF). The Borrower reviewed and updated the PF that was approved for MozBio 1.

The AF will support the mitigation of human wildlife conflict in each targeted CA to reduce the impacts of wildlife on community activities. These measures include risk mapping to prioritize interventions by the CA management and dissemination of the results, signaling hot spot areas, fencing (chili pepper plant fences, bee hives fences, ...) locating watering holes away from key community sites, and raising awareness and technical training among others.

Community partnerships with the private sector supported by MozBio 2 will follow guidelines prepared by the government and used in other World Bank-financed projects. Those guidelines—that will be attached to the PIM—





require these partnerships to include community agreements to ensure equitable and sustainable conditions in accordance with OP 4.12. Participatory processes will emphasize community agreements to reduce impacts and implement mitigation measures where required.

To address the GBV risks identified, the Project will support intensive training on gender including GBV prevention and response for all the stakeholders of the project including FNDS and LMUs staff, Conservation Areas staff, service providers and local government, and will also implement the Gender Action Learning System (GALS) Methodology. In addition, the AF will prepare a Stakeholder Engagement Plan (SEP) aiming to ensure effective engagement between various stakeholders throughout the lifecycle of the Project. The SEP will be designed taking into account the legal requirements for public consultation in Mozambique and the GEF guidelines. Thus it will be ensured the project meets best international practice and specifically the requirements for stakeholder engagement and public consultations, The specific elements of the SEP include (a) identification the stakeholders for engagement and methods of communication to ensure inclusive participation and consultation; (b) stakeholders expectations and concerns analysis to ensure there is enough support for the Project to address them; (c) making information available to the public to allow stakeholders to get to know and understand both the environmental and social risks and impacts associated with the project, as well as opportunities provided by the Project; and (d) monitoring and reporting as a management tool which provides an opportunity to know whether results are being achieved as planned, what corrective action are needed to ensure delivery of the intended results and how they are making positive development contributions.

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

MozBio Program was launched in a new institutional environment, with the establishment of an integrated Ministry for Land, Environment, and Rural Development (MITADER), bringing together responsibilities that were previously spread across several ministries, and facilitating the coordination needed to address cross-sectoral challenges. Recently, with the general election of 2019 a new governmental structure was established and MITADER was extinguished and the FNDS moved to Ministry of Agriculture and Rural Development (MADER) but working closely with the Ministry of Land and Environment (MTA). The Program also adopts an integrated landscape management (ILM) approach that combines rural development interventions in the areas of agriculture, forestry, transport, and other sectors within the administrative boundaries of a province. Such an approach is particularly relevant to CAs, given that most threats come from outside their boundaries, including population pressures. MozBio2 and AF will promote ‘transformational changes’ by focusing on a smaller number of conservation areas, while continuing to support the enabling environment and financial sustainability of the overall CA system. MozBio2 and AF will promote conservation compatible community development initiatives, while also promoting partnerships among stakeholders working in the landscape around the protected areas. This aims to reduce the pressure from communities within and around conservation areas, hence reduce potential conservation-livelihood sustainability conflicts.

Under the AF no additional areas of intervention were chosen, partly in order to avoid having adverse impacts in new landscapes and hence to take advantage of existing environmental and social management capacities that have been established under the original financing. Moreover, the development of CAs fixed assets and medium-large infrastructure construction under Component 2 were dropped for the AF project.

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.

MITADER, through the FNDS will continue to lead the implementation, and day-to-day management of AF, as it has been implementing MOZBIO 1 and 2 for five years now, in accordance with an Environment and Social Management Framework (ESMF), a Pest Management Plan (PMP) and a Process Framework (PF). These safeguards instruments were reviewed and updated to provide the guidelines for the implementation of the AF project. A simplified Resettlement Policy Framework (RPF) was also prepared in addition to address screening procedures and criteria for



infrastructure subprojects. Moreover, since BIOFUND, a private foundation, will be disbursing MOZBIO 2 project funds to target CAs to cover their operational costs, their Manual of Operational Procedures will be reviewed to ensure compliance with World Bank Safeguard Policies.

FNDS is currently implementing environmental and social safeguard requirements using an integrated approach in dealing with several Bank-funded projects (MozFIP, MOZBIO, Sustenta projects). FNDS currently has 4 specialists at central level, who are responsible for particular projects or thematic areas but support each other in an integrated manner; and 6 safeguards assistants at provincial level (Landscape Management Units). These safeguards specialists are further assisted by 3 Community Officers, and 42 Rural Development Extensionists at local level. Given MOZBIO 2 focus on few areas with transformational potential, the safeguards staff for the project consists of: (i) 1 environmental and social safeguards specialist at central level, part of the FNDS safeguards team ; and (ii) 3 environmental and social safeguards assistants and 12 Rural Development Extensionists at landscape level; (iii) 3 CA Community Officers at protected area level.. A total of 7 senior specialists supported by the community facilitators will be directly involved in implementing and monitoring MozBio2 safeguards instruments. This team will be assisted by the FNDS Safeguards team at national level.

Under MOZBIO 1 a total number of 18 infrastructural and community livelihoods projects were successfully screened for Environmental and Social impacts from which one third had their ESMPs prepared, disclosed and successfully implemented in a way deemed satisfactory to WB. The remaining two thirds consisted of Category C subprojects with their associated Good Practice Manual which also showed successful implementation. MOZBIO 2 is in its initial stages but has already screened 1 infrastructure subproject and is conducting 25 and 7 Matching grants subprojects for individuals beneficiaries as well as micro, small and medium enterprises, respectively. A common Grievance and Redress Mechanism – called Dialogue and Grievance Mechanism (MDR) - was designed for all the projects in the World Bank Integrated Landscape and Forest Management Portfolio. Since the system became fully operational in February 2018, 18 grievances were registered through different channels (e.g. mobile phone, email, letters, personal communication) out of which all were resolved.

The safeguard procedures at FNDS are currently considered to be satisfactory and are being further strengthened. Moreover, FNDS interacts with other Directorates within MTA and MADER to ensure compliance with national environmental legislation. For instance, today the Provincial Directorates of Land, Environment and Rural Development (DPTADER) are the local institutions responsible for implementing measures for integrated and sustainable management of the rural, urban and marine-coastal environment and will play a significant role in screening, reviewing and issuing Category B and C environmental permits to subproject investments under MOZBIO 2. All participating government (ANAC) and non-governmental (BIOFUND) executing agencies in MOZBIO 2 will continue to report to FNDS with respect to AF safeguards issues.

The Bank has been supporting the strengthening of the capacities of the FNDS safeguards team, including the MozBio safeguards specialist; for instance in 2017 one national and four regional safeguards training workshops were administered to FNDS and other institutions, including provincial and district government and service providers. In addition to complying with WB policies and guidelines, the FNDS has to implement the project and subprojects according to national legislation. Therefore, DINAB, AQUA, DPTADERS and local institutions were also trained to help improve both the awareness of safeguards policies, as well as of other crosscutting issues related to gender, the inclusion of vulnerable groups, and the understanding of how to implement mitigation and inclusion measures. Moreover, the current MozFIP and Landscape projects continue to support improving the capacity and systems of the FNDS. Ongoing training workshops are planned during Project execution, in addition to using a coaching approach and on the job training to address specific issues and gaps.



For Official Use Only

Screening, supervising, monitoring and reporting tools in line with WB requirements are applicable to all projects in the Integrated Landscape Management Portfolio and are being updated and/or improved (ESMF, PMP, PF) in coordination with the World Bank and the FNDS safeguards teams for use by MozBio2 and AF.

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

The AF will prepare a Stakeholder Engagement Plan (SEP) that will identify the stakeholders for engagement and methods of communication to ensure inclusive participation and consultation. In principle the stakeholders of the AF include:

National level – Government, development partners and private sector (tourism). They were consulted during project preparation through meetings in Maputo, and during and missions/meetings in the target landscapes, including the Elephant Coast, Chimanimani and Marromeu. The safeguards instruments were also consulted with PAPs during project preparation in the 3 landscapes..

Local level – Provincial and District Governments, local communities and NGOs. They were consulted during project preparation through meetings and missions in the target landscapes, including the Elephant Coast, Chimanimani and Marromeu. The safeguards instruments were also consulted with PAPs during project preparation in the 3 landscapes.

Furthermore, project design and application of the PIM and the PF will support ongoing consultation.

The ESMF has been consulted upon and disclosed on July 18, 2018. Small updates on additional health and safety measures related to community labor programs described under OP/BP 4.01 will be adjusted in the ESMF, which will be redisclosed before signing.

Estimate of Project Affected People (PAP): 700, estimated on 5% of the effective population of the CAs (13,100) and refers to access restriction as a result of improve regulatory enforcement, while the physical displacement impacts are expected to be completely screened out.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank  20-Mar-2020	Date of submission for disclosure  July 13, 2020	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
--	--	--

**"In country" Disclosure**

Mozambique  
July 8, 2020

Comments

<http://www.fnds.gov.mz/index.php/pt/documentos/salvuardas-artigos>



**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank

20-Mar-2020

Date of submission for disclosure

July 13, 2020

**"In country" Disclosure**

Mozambique

July 8, 2020

Comments

<http://www.fnds.gov.mz/index.php/pt/documentos/salvuardas-artigos>

**Pest Management Plan**

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

20-Mar-2020

Date of submission for disclosure

July 13, 2020

**"In country" Disclosure**

Mozambique

July 8, 2020

Comments

<http://www.fnds.gov.mz/index.php/pt/documentos/salvuardas-artigos>

**If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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

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

No

**OP/BP 4.04 - Natural Habitats**

For Official Use Only



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?

NA.

**OP 4.09 - Pest Management**

Does the EA adequately address the pest management issues?

Yes, the ESMF include provision and makes reference to Pest Management Plan.

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes the PMP has been reviewed by a safeguards specialist and approved by the WB. The project does not include a dedicated Pest Management Specialist but his roles will be performed by the PIU's Environmental and Social Specialist assigned to the project.

For Official Use Only

**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

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

Yes

Provide estimated number of people to be affected 700

**OP/BP 4.36 - Forests**

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?



Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

**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?

Yes

**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

For Official Use Only

**CONTACT POINT**

**World Bank**

Franka Braun  
Sr Natural Resources Mgmt. Spec.

**Borrower/Client/Recipient**

Ministry of Economy and Finance

**Implementing Agencies**



Fundo Nacional de Desenvolvimento Sustentavel (National Sustainable Development Fund)  
Momade Nemane  
Chief Executive Officer  
momade.nemane@fnds.gov.mz

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

For Official Use Only

**APPROVAL**

Task Team Leader(s):	Franka Braun
----------------------	--------------

**Approved By**

Safeguards Advisor:	Peter Leonard	15-Jul-2020
Practice Manager/Manager:	Africa Eshogba Olojoba	15-Jul-2020
Country Director:		