



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MOZAMBIQUE LAND ADMINISTRATION PROJECT (TERRA SEGURA)
APPROVED ON DECEMBER 4, 2018
TO THE
REPUBLIC OF MOZAMBIQUE

URBAN, RESILIENCE AND LAND

EASTERN AND SOUTHERN AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

CENACARTA	National Centre for Cartography and Remote Sensing
CERC	Contingent Emergency Response Component
CERIP	Contingency Emergency Response Implementation Plan
CFJJ	Ministry of Justice’s Judicial and Legal Training Center
CORS	Continuously Operating Reference Stations
COVID-19	Coronavirus disease 2019
DelCom	Community Land Delimitation
DINAT	National Directorate of Lands
DINOTER	Directorate of Territorial Planning and Resettlement
DNDT	National Directorate of Land and Territorial Development
DUAT	Land Use and Benefit Rights
ESMF	Environmental and Social Management Framework
FNDS	National Fund for Sustainable Development
IDP	Internally Displaced People
IRM	Immediate Response Mechanism
LTR	Land Tenure Regularization
MADER	Ministry of Agriculture and Rural Development
MAEFP	Ministry of State Administration and Public Function
MITADER	Ministry of Land, Environment and Rural Development
MTA	Ministry of Land and Environment
PCU	Project Coordination Unit
PDO	Project Development Objective
SIGIT	Land Administration System



BASIC DATA

Product Information

Project ID P164551	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 04-Dec-2018	Current Closing Date 29-Mar-2024

Organizations

Borrower Ministry of Economy and Finance	Responsible Agency Ministry of Land and Environment, Ministry of Agriculture and Rural Development
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Project Development Objective (PDO)

Original PDO

The Project Development Objective is to strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D4010	04-Dec-2018	28-Dec-2018	02-Oct-2019	29-Mar-2024	100.00	4.45	97.60

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1) Project Status

- a) The Mozambique Land Administration (MozLand) Project is making progress on key activities, including the revision of the National Land Policy, the redesign of the Land Administration System (SiGIT), Community Land Delimitation (DelCom) and Land Tenure Regularization (LTR), and the distribution of agricultural kits to 30,000 Internally Displaced People (IDP) and members of host communities in the Cabo Delgado and Nampula provinces. Despite these achievements, the National Fund for Sustainable Development (FNDS) and the Ministry of Land and Environment (MTA) are reporting delays with project implementation, limited progress on project targets, and low disbursements. To date, IDA Grant No. D401-MZ is 4.45 percent disbursed, while none of the target 1,200 communities have had their land demarcated, and none of the target 700,000 Land Use and Benefit Rights (DUAT) have been formalized.
- b) Project implementation delays are mainly due to the FNDS's lack of staff to manage its growing project portfolio, which leads MozLand Project Coordination Unit (PCU) staff to take on other tasks, as well as the restrictions imposed to contain the Coronavirus disease 2019 (COVID-19). During the last Implementation Support Mission, which was conducted virtually from February 8-12, 2021, the World Bank and the Government agreed that PCU staff should give priority to project implementation, and that FNDS would strengthen the PCU with additional staff in the fields of procurement, financial management, safeguards, and land administration. FNDS and MTA plan to start DelCom and LTR during the second semester of 2021, while disbursements are anticipated to improve, with ongoing tenders amounting to US\$30 million, and over 30 contracts amounting to US\$11 million expected to be signed by October 2021.
- c) Progress towards the achievement of PDO and Overall Implementation Progress are Moderately Satisfactory. Compliance with Safeguards and Financial Management are Satisfactory. The FNDS is submitting regular unaudited Interim Financial Reports (IFRs) and submitted an acceptable IFR for the quarter ended December 31, 2020. The World Bank addressed the exceptional situation of the COVID-19 pandemic by granting a temporary extension of the deadline for submission of the audit reports for Fiscal Year (FY) 2019 by six months, from June 30 to December 31, 2020. The audit report for FY 2019 was submitted to the World Bank and is under review.
- d) The Project Mid-Term Review is scheduled for February 2022.

2) Rationale for Restructuring

- a) The MozLand Project needs to be restructured to reflect the activation of the IDA Immediate Response Mechanism (IRM), for an amount of US\$9.7 million, which was processed on December 14, 2020. This is following the request of the Minister of Economy and Finance dated October 9, 2020, to activate the IDA IRM in response to the increasing armed insurgency in the Cabo Delgado province, and to help address its impact on the population of the Cabo Delgado and Nampula provinces. Per the Contingency Emergency Response Implementation Plan (CERIP) prepared on December 8, 2020, the main objective is to provide 30,000 farmers in the Nampula and Cabo Delgado provinces with agricultural kits by September 2021. The IRM Operations Manual, which was approved by the World Bank on March 11, 2016, was updated as part of the activation process. FNDS is moving forward with the implementation of the emergency activities.
- b) The Project needs to be restructured to reallocate US\$9.7 million to the Contingent Emergency Response Component (CERC), and adjust both the PDO and the Project Results framework.
- c) The proposed restructuring will also allow for the revision of the Project's institutional and implementation arrangement to reflect:
 - i) The 2020 government institutional reorganization. The latter institutional reorganization resulted in the restructuring of the Ministry of Land, Environment, and Rural Development (MITADER), and the transfer of the FNDS from the now Ministry of Land and Environment (MTA) to the Ministry of Agriculture and Rural Development (MADER).
 - ii) The Ministry of Justice's Judicial and Legal Training Center (CFJJ) will be added as a co-implementing agency along with the National Directorate of Land and Territorial Development (DNDDT), the National Centre for Cartography and Remote Sensing (CENACARTA), and the Ministry of State Administration and Public Function (MAEFP). This will allow FNDS to use Project funds



to cover the expenses incurred by CFJJ for the training of paralegals providing support to the communities and their members throughout the DelCom and LTR process.

II. DESCRIPTION OF PROPOSED CHANGES

The proposed restructuring will reallocate funds between Disbursement Categories, revise the PDO and Project's Results Framework, adjust the Implementation Arrangements, trigger the Operational Policy on Pest Management (OP 4.09), and revise the Legal Covenants.

1) IDA IRM activation

- a) The amount of US\$9.7 million will be reallocated from Disbursement Category 1 (Project Expenditures) to Category 2 (Emergency Expenditures), and Component costs will be adjusted accordingly.
- b) The PDO will be revised to capture the CERIP's objective of providing 30,000 farmers – Internally Displaced People (IDPs) and members of host communities – in the Cabo Delgado and Nampula provinces with agricultural kits. The revised PDO is to: a) strengthen land tenure security in selected districts, and improve the efficiency and accessibility of land administration services; and b) provide an immediate and effective response to the emergency in Northern Mozambique.
- c) The Project's Results Framework will be adjusted to add a PDO-Level Indicator related to the provision of agricultural kits to farmers, and drop the Intermediate Results Indicator related to the construction of 10 provincial and regional offices under Component 1 (Institutional Development and Strengthening of the Legal Framework), as the funds earmarked for this activity are being reallocated to the CERC. The name of the new PDO-Level Indicator is *Farmers reached with agricultural assets or services*. All other indicators and targets have remained the same.
- d) The cancellation of the construction of the 10 provincial and regional offices will impact neither the PDO indicators nor the Project Technical, Economic, and Financial Analysis because the core Project investments focus on DelCom-LTR and the upgrade of the Land Information System (SiGIT). These activities are not impacted by the IDA IRM activation. The objective remains to demarcate the land of 1,200 communities; provide 700,000 beneficiaries with DUATs; and ensure that SiGIT is upgraded, operational, and in use.
- e) The Safeguard Policy related to Pest Management (OP 4.09) will be triggered because the agricultural kits to be distributed under the CERC include fertilizers. The IRM-CERC Environmental and Social Management Framework prepared for the Idai Cyclone IRM has been updated to cover the activities implemented under the MozLand CERC, and was disclosed on FNDS's website on April 22, 2021. A Pest Management Plan has been prepared and was also disclosed on FNDS's website on April 22, 2021. The MozLand Project's Resettlement Policy Framework is being updated to cover the CERIP activities and will be disclosed prior to implementation.

2) Institutional Restructuring

- d) The Project's institutional and implementation arrangements will be adjusted in view of the 2020 government institutional reorganization. When the Project was approved, FNDS was part of MITADER, along with the National Directorate of Lands (DINAT), and CENACARTA. Following the 2020 reorganization, FNDS was transferred to MADER. DINAT was merged with the Directorate of Territorial Planning and Resettlement (DINOTER) to form DNNT, which now sits along with CENACARTA within the MTA. As per the agreement reached during the June 2020 Implementation Support Mission, the Project's fiduciary responsibilities will remain with FNDS, while technical oversight will stay with DNNT and CENACARTA.
- e) The Ministry of Justice's CFJJ will be added to the Financing Agreement as a co-implementing agency along with DNNT, CENACARTA, and MAEFP. This will allow FNDS to use Project funds to cover expenses incurred by CFJJ for the training of paralegals providing support to the communities and their members throughout the DelCom and LTR process.

3) Other changes



- a) The balance of US\$399,749 under Disbursement Category 3 (Preparation Funds) will be reallocated to Disbursement Category 1 (Project Expenditures).

III. SUMMARY OF CHANGES

	Changed	Not Changed
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Overall Risk Rating	✓	
Safeguard Policies Triggered	✓	
Legal Covenants	✓	
Institutional Arrangements	✓	
Implementing Agency		✓
DDO Status		✓
PBCs		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
EA category		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓



IV. DETAILED CHANGE(S)

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The Project Development Objective is to strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services.

Proposed New PDO

The Project Development Objective is to a) strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services, and b) provide immediate and effective response to the emergency in Northern Mozambique.

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Institutional Development and Strengthening of the Legal Framework	22.40	Revised	Institutional Development and Strengthening of the Legal Framework	12.70
Systematic Land Regularization	64.90	No Change	Systematic Land Regularization	64.90
Project Management and Coordination	12.70	No Change	Project Management and Coordination	12.70
Contingent Emergency Response Component (CERC)	0.00	Revised	Contingent Emergency Response Component (CERC)	9.70
TOTAL	100.00			100.00

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-D4010-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: Goods, Works, NCS, and CS for the Project			
70,350,000.00	325,395.99	63,989,797.00	100.00	100



iLap Category Sequence No: 2	Current Expenditure Category: Emergency Expenditures under part D of the Project			
0.00	0.00	6,760,000.00	100.00	100
iLap Category Sequence No: 3	Current Expenditure Category: Refund of Preparation Advance			
1,350,000.00	950,202.54	950,203.00		100
Total	71,700,000.00	1,275,598.53	71,700,000.00	

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

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

COMPLIANCE

Safeguard Policies

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment (OP) (BP 4.01)	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats (OP) (BP 4.04)	Yes	Yes



Forests (OP) (BP 4.36)	Yes	Yes
Pest Management (OP 4.09)	No	Yes
Physical Cultural Resources (OP) (BP 4.11)	Yes	Yes
Indigenous Peoples (OP) (BP 4.10)	No	No
Involuntary Resettlement (OP) (BP 4.12)	Yes	Yes
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
IDA-D4010	<p>Schedule 2, Section I, A.1. No later than 60 days after the Effective Date, the Recipient shall maintain during implementation of the Project the Project Steering Committee (PSC) chaired by FNDS and composed of two representatives of DINAT, and one representative each of FNDS, CENACARTA, DNOT and the FCT Reflection Group. Representatives of the National Directorate of Territorial Planning and Resettlement, the National Directorate of Registration and Notary, and other entities as needed will participate as observers. FNDS will serve as the Secretariat of the Steering Committee and it will be responsible for (i) providing overall policy guidance and decision-making on all issues relating to the Project; (ii) facilitating coordination among the relevant agencies; (iii) reviewing and approving annual work and expenditure plans, and (iv) assessing risks of strategic impact and identifying solutions.</p>	Complied with	Revised
Proposed	<p>Schedule 2, Section I, A.1. No later than sixty (60) days after the Effective Date, the Recipient shall maintain during implementation of the Project, the Project Steering Committee (PSC) chaired by FNDS and composed of two representatives of DNDT, and one representative each of FNDS, MADER, CENACARTA, DNOT, CFJJ and the FCT Reflection Group.</p>	C	



IDA-D4010	<p>Schedule 2, Section I, A.2. No later than 30 days after the Effective Date, the Recipient, through FNDS, shall enter into a Memorandum of Understanding (MoU) among CENACARTA, DNOT and FNDS, establishing the roles and responsibilities of each entity for the collaboration on the implementation of the relevant activities under the Project.</p>	Complied with	Revised
Proposed	<p>Schedule 2, Section I, A.2. The Recipient, through FNDS, shall maintain a Memorandum of Understanding (MoU) among CENACARTA, MAEFP and FNDS, establishing the roles and responsibilities of each entity for the collaboration on the implementation of the relevant activities under the Project.</p>	C	
IDA-D4010	<p>Schedule 2, Section IV, A. Not later than 60 days after the Effective date, the Recipient shall customize its accounting software, for the purposes of maintaining separate records and ledger accounts for the Project.</p>	Expected soon	No Change
IDA-D4010	<p>Schedule 2, Section I, A.3. The Recipient shall:</p> <p>(a) maintain, until the completion of the Project: (i) a unit within FNDS (the PCU), responsible for the management, coordination, supervision, monitoring and evaluation of the Project; and (ii) not later than 60 days after the Effective Date establish and thereafter operate and maintain until the completion of the Project, three (3) provincial PCUs covering the Recipient's territory, responsible for the coordination and implementation of Project activities in the selected provinces, including the responsibility to ensure integration and quality of activities under the Project; and</p> <p>(b) cause the units mentioned in (a) above to maintain, until completion of the Project, a structure, responsibilities, and key staff with functions, experience, responsibilities and qualifications acceptable to the Association described in the Project Operations Manual, including: (i) for the PCU, a Project</p>	Complied with	No Change



	<p>coordinator and technical specialists in the areas of cadaster, land administration, land law, ICT, procurement, financial management, M&E, social development, gender, environment, and communication; and (ii) for the provincial PCUs each with a land administration specialist, a safeguards specialist and an accountant.</p>		
IDA-D4010	<p>Schedule 2, Section I, A. 4. The Recipient shall prepare and furnish to the Association for its approval, not later than November 15 of each year during the implementation of the Project, or such later date as the Association may agree, the Annual Work Plans and Budget containing all activities to be carried out in the following fiscal year, modified in a manner satisfactory to the Association, taking into account the Association’s comments and views on the matter.</p>	Complied with	No Change
IDA-D4010	<p>Schedule 2, Section I, A.5. The Recipient, through FNDS, prior to the launching of the bidding process for the systematic land regularization process under Part 2 of the Project, shall hire an independent process quality assurance entity, under terms of reference acceptable to the Association, for the purposes of ensuring quality in all phases of the regularization process, including: (i) carrying out independent quality verification of the regularization process, including assessing and confirming the readiness of communities to advance from one phase of the process to the next; (ii) ensuring safeguards compliance including support for the application of safeguards in specific cases; (iii) overseeing and supporting the implementation of the GRM and its coordination with related local mechanisms; (iv) sensitizing communities and service providers regarding the regularization process; and (v) training facilitators, paralegals and other technical and legal assistance providers on legal land rights and the program methodology and procedures.</p>	Expected soon	No Change
IDA-D4010	<p>Schedule 2, Section I, A.2. No later than thirty (30) days after the restructuring of the Project, the Recipient,</p>	Expected soon	New



through FNDS, shall enter into a Memorandum of Understanding (MoU) among CFJJ, MTA and FNDS, establishing the roles and responsibilities of each entity for the collaboration on the training and technical assistance to paralegals providing support to the communities and their members.



Results framework

COUNTRY: Mozambique

Mozambique Land Administration Project (Terra Segura)

Project Development Objectives(s)

The Project Development Objective is to strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
To strengthen land tenure security in selected districts			
Community delimitation certificates recorded in SiGIT in the name of the community, including an approved micro-zoning plan (Number)		0.00	1,200.00
Beneficiaries who received a DUAT recorded in SiGIT (Number)		0.00	700,000.00
Women who received a DUAT recorded in SiGIT in their name or jointly (Percentage)		0.00	40.00
To improve the efficiency and accessibility of land administration services			
Satisfaction of DUAT beneficiaries with respect to land tenure regularization (LTR) (Percentage)		0.00	75.00
Satisfaction of women who are DUAT beneficiaries with respect to land tenure regularization (LTR) (Percentage)		0.00	75.00
Reduction of cost to record a DUAT in SiGIT under a systematic regularization process (Amount(USD))		50.00	35.00
SiGIT is upgraded, operational and available to use, including a Web Portal that enables public access to the national land cadastre data (Percentage)		0.00	90.00



Indicator Name	PBC	Baseline	End Target
To provide immediate and effective response to the emergency in Northern Mozambique (Action: This Objective is New)			
Farmers reached with agricultural assets or services (CRI, Number)		0.00	30,000.00
<i>Action: This indicator is New</i>	<i>Rationale: This PDO level indicator is added to reflect the activation, on December 14, 2020, of the IDA Immediate Response Mechanism (IRM) to address the emergency in Northern Mozambique. The IRM amounts to US\$ 9.7 million and targets the provision of immediate support to approximately 30,000 households. Beneficiaries are IDPs and members of host communities in the provinces of Cabo Delgado and Nampula. They will be provided with agriculture kits to help restore their livelihoods.</i>		
Farmers reached with agricultural assets or services - Female (CRI, Number)		0.00	15,000.00
<i>Action: This indicator is New</i>			

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Institutional Development and Strengthening of the Legal Framework			
The final draft of land policy reform is submitted to the Council of Ministers (Yes/No)		No	Yes
Final draft proposal and business plan for the creation of an autonomous Land Administration entity is submitted to the Council of Ministers (Yes/No)		No	Yes
New Provincial/District offices built and operational (Number)		0.00	10.00



Indicator Name	PBC	Baseline	End Target
Action: This indicator has been Marked for Deletion			
Quality Assurance and Quality Control procedures for land regularization are developed and implemented (Yes/No)		No	Yes
Systematic Land Regularization			
DUATs regularized and recorded in SIGIT (Number)		0.00	2,000,000.00
Community awareness and communication campaign is implemented (Percentage)		0.00	100.00
End users who received training to use SiGIT (Number)		0.00	100.00
Civil society actors and local government officials trained in legal and safeguard aspects related to land tenure regularization process (gender disaggregated) (Number)		0.00	500.00
Women part of civil society actors and local government officials trained in legal and safeguard aspects related to land tenure regularization process (Percentage)		0.00	40.00
Districts where land regularization process was finalized (Percentage)		0.00	80.00
Identified land conflicts adressed within the established conflict resolution mechanism at DINAT and Project level (Percentage)		0.00	80.00
Women participating in the consultation process (Percentage)		0.00	40.00
Project Management and Coordination			
Household survey completed (Number)		0.00	3.00



The World Bank

Mozambique Land Administration Project (Terra Segura) (P164551)
