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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 14-Sep-2017 | Report No: PIDISDSC22572



BASIC INFORMATION

A. Basic Project Data

Country Mozambique	Project ID P164431	Parent Project ID (if any)	Project Name Smallholder Irrigated Agriculture and Market Access Project (P164431)
Region AFRICA	Estimated Appraisal Date Apr 13, 2018	Estimated Board Date Jun 19, 2018	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Economy	Implementing Agency Ministry Of Agriculture and Food Security	

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) "is to improve smallholder agriculture productivity and market access in areas developed with irrigation in selected regions of the country and provide immediate and effective response to an eligible crisis or emergency." This would be accomplished through investments to: (i) increase technical capacity to develop and operate the irrigation system for agriculture, (ii) expand the area under small-scale irrigation; (iii) introduce productivity enhancing technologies; and (iv) develop input and output market linkages and market access.

Financing (in USD Million)

Financing Source	Amount
Bank-Netherlands Partnership Program	10.00
IDA Grant	80.00
LOCAL: BENEFICIARIES	2.00
Total Project Cost	92.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)

B. Introduction and Context

Country Context

1. Mozambique's economic performance has been strong since the end of the civil war in 1992. Except for last few years, Mozambique's overall economic performance has been impressive as reflected by the GDP growth rate of 7.4 percent from 1995 to 2013. This growth has been made possible by sound economic management, political stability and significant donor support. However, the economic growth has not been inclusive and the link between economic growth and poverty reduction has been weak. The main reason for this phenomenon has been that the growth has been driven by few large-scale capital investment projects. Consequently, the bottom 40 percent of the estimated 28 million population, mostly living in the rural areas, have benefitted very little from the growth. Despite this strong historical economic growth performance, the Mozambique economy is facing significant short term economic challenges, including slow growth, high inflation, depreciation of local currency and high public debt. Falling foreign donor investment, falling commodity prices, falling exports and climate change have further added to the emerging national economic challenges. This is making it more difficult for the national policy makers to maintain economic stability while pursuing a strategy of inclusive growth through sectors such as agriculture.
2. The poverty incidence is high and persistent. Even though overall poverty rate has declined gradually over time, the level of poverty in Mozambique remains very high. The available information indicates that poverty in the country at the national level has declined from 68.4 percent in 1997 to 56.4 percent in 2003 and to 52.1 percent in 2009. However, the following three indicators of poverty reduction in Mozambique reflect a very slow progress and thus require an urgent attention. First, poverty in the rural areas (62 percent in 2009) is much higher than poverty in the urban areas (29.3 percent in 2009). Second, poverty is concentrated in the north-central part of the country. For example, Zambezia and Nampula together accounted for 48 percent of country's poor. Third, poverty remained unchanged over time in Nampula (that alone accounted for 22 percent) whereas poverty increased in Zambezia, Sofala, Manica and Gaza that accounted for about 70 percent of the country's poor. Clearly, poverty is a serious problem in rural areas (where most of the households depend on agriculture for their livelihood) as well as in provinces with large agricultural sectors. In other words, a strategy for sustainable poverty reduction at the national level must promote rapid agricultural growth and rural transformation.
3. The country's economy is highly vulnerable to climate related shocks. Agriculture is among the critical sectors at increasing risk and agricultural production in Mozambique is strongly influenced by weather conditions. The most recent major floods (January 2015) resulted in major crop losses and major infrastructure, underlining the need for developing climate-resilient infrastructure. In addition to floods in some areas, droughts are also frequent in other areas. The pattern, frequency and severity of floods and droughts are also changing over time with significant adverse implications for agriculture production.

B. Sectoral and Institutional Context



4. In Mozambique, the agricultural sector (largest economic sector) accounts for about 24 percent of GDP and employs about 72 percent of the work force. Crop production alone accounts for about 78 percent of agriculture GDP. In the rural areas, agriculture is the main source of livelihood. However, agriculture is dominated by subsistence smallholders who farm primarily under rain-fed conditions. Per a 2012 survey, there are a total of 3.9 million farms in Mozambique and 99 percent of them are smallholders. The remaining 1 percent are medium and large scale commercially-oriented farms who are involved in competitive value chains, primarily for cash crops. However, more recently, there is emerging trend and potential for the involvement of commercially-oriented smallholders in the value chains of horticulture and other crops. Zambezia, Sofala, Manica and Nampula provinces are not only important agriculture regions but also account for almost 60 percent of all the smallholder farmers in the country.
5. Mozambique is endowed with 36 million ha of arable land but only about 10 percent (3.6 million ha) is under cultivation. Thus, far, agricultural growth is largely driven by area expansion rather than productivity growth. Agricultural productivity remains low for the following reasons: limited use of seeds of improved crop varieties (less than 3 percent of farmers); limited use of fertilizers (less than 5 percent of the farmers); inadequate agricultural support services, including extension (there are only 1,200 extension officers employed by the public sector in the country); very small area under irrigation (2.5 percent of the cultivated area); limited access to credit; limited access to mechanization and animal traction services (less than 9.5 percent of farmers used animal traction in 2014); and low connectivity and limited access to market for both inputs and outputs (road networks only provide access to 33 percent of rural population). To increase agricultural productivity and inclusive economic growth, for which there is substantial scope, there is a need to address these critical constraints. To achieve this, there is a need to bring more agriculture area under assured irrigation, increase the use of productivity enhancing inputs and services, facilitate access to markets for inputs and outputs, promote critical value chain development, and implement pro-agriculture policies.
6. Furthermore, assured irrigation is critical to increase agriculture production, enhance productivity and strengthen resilience to adverse weather conditions, particularly frequent droughts. However, according to the National Irrigation Institute (INIR), the inventory of current irrigation system in the country is about 180,000 ha, out of which only about 90,000 ha are in use. In addition, about 3,000 ha is expected to be brought under irrigation under the World Bank financed PROIRRI – Sustainable Irrigation Development Project that is scheduled to close in June 2018. In other words, only a very small share (about 2.5 percent) of the cultivated land is under irrigation. Almost 60 percent of this irrigated area is under sugarcane, 18 percent under horticulture, 10 percent under rice and the remaining 12 percent under other crops. However, there is a substantial scope to bring more arable land under irrigation. Mozambique has significant water resources (22 river basins and 8 priority river basins in the country).
7. The current Mozambique Government, which took office in February 2015, has given a strong emphasis to agriculture and rural development, as reported in the Five-Year Government Plan (2015-2019). The Ministry of Agriculture and Food Security (MASA) is responsible for formulating and implementing agricultural policies at the national level. MASA's strategy and investment priorities in the agricultural sector are designed to increase rural income and improve food security. MASA's agriculture strategies and priorities are reflected in several Government documents, including: (i) The Strategic Plan for Agriculture Development (2011-2020); (ii) The National Agricultural Investment Plan (2014-2018); (iii) The Five-Year Government Plan (2015-2019); and (iv) The



National Action Program for Climate Change Adaptation in Agriculture (2015-2020). The National Irrigation Institute (INIR), was created in 2012 to promote the development of efficient and sustainable irrigation sub-sector in the country. INIR has already prepared the National Irrigation Program (PNI) for the development of the irrigation sector in Mozambique and it covers a 25-year period from 2017 to 2042. INIR is also responsible for the implementation of PROIRRI irrigation project.

8. Considering the prevailing country, economic and agriculture situation and objectives of the Mozambique Government, the proposed project is designed to focus on smallholder irrigated agriculture development and market access. The three critical aspects of the project are: (i) capacity development of the irrigation institutions since INIR lacks the necessary capacity to design and technically supervise construction of new irrigation schemes as well as newly established Water Users Associations (WUAs) lack the necessary capacity for on-farm water management, and operations and maintenance (O&M) of the new irrigation schemes; (ii) irrigation development for smallholders by linking them with the existing or emerging private agri-business companies in the country by using the concept of out-growers or contract farmers for these companies in Manica, Nampula, Sofala, and Zambezia provinces; and (iii) promote agriculture intensification, enhance agriculture productivity and strengthen market access for smallholders on the irrigation schemes that have already been completed under the PROIRRI irrigation project in Zambezia, Sofala and Manica provinces.

Relationship to CPF

9. The proposed project is consistent with the FY17 to FY21 Country Partnership Framework (CPF). The CPF for Mozambique is designed to create more inclusive growth through employment promotion and improve productivity and competitiveness in a sustainable manner. In other words, the focus of CPF is on growth, inclusiveness and sustainability. CPF has identifies three focus areas and 11 objectives. Out of the three focus areas of CPF, the first one deals with promoting diversified growth and enhanced productivity, partly through increasing agriculture growth and productivity with a focus on smallholders and emerging commercial farmers. To achieve this objective, the World Bank has indicated support for a national program in Mozambique that includes (i) capacity development at the national and local levels; (ii) research and improved technology dissemination; (iii) irrigation infrastructure and service development; (iv) value chain upgrades to increase crop yields; (v) agri-business development; and (vi) improved access to markets. The CPF is also consistent with the Government of Mozambique objective of growth and poverty reduction as well as with the stated objectives and strategy of MASA.
10. The proposed project will have geographical focus to Central and Northern major agriculture provinces in the country (Manica, Nampula, Sofala, and Zambezia). The activities of the proposed project will complement actions initiated by projects in other sectors, including agriculture, water, trade and competitiveness, and environment and natural resources management.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.



- 11. The proposed Project Development Objective (PDO) "is to improve smallholder agriculture productivity and market access in areas developed with irrigation in selected regions of the country and provide immediate and effective response to an eligible crisis or emergency." This would be accomplished through investments to: (i) increase technical capacity to develop and operate irrigated agricultural production systems, (ii) expand the area under small-scale irrigation; (iii) introduce productivity enhancing technologies; and (iv) develop input and output market linkages and market access.
- 12. The proposed project will enhance inclusiveness by focusing on the smallholder farmers as the basis of addressing poverty. Agriculture is the primary economic sector that supports the livelihood of more than 90 percent of the rural population. The proposed project will increase irrigation investments to address the risk of reliance on rain fed systems, support access to productivity enhancing inputs and link famers to markets. The primary target group of the proposed project are smallholder farmers, including women and youths and aims to improve the market linkages of the beneficiaries with the private agribusinesses for agriculture services, input and output markets. Under PROIRRI, the average farm size per beneficiary is about 0.26 ha. The proposed project will target farmers’ groups and associations with land holding between 0.25-5 ha. Although most smallholder are subsistence farmers with high incidence of poverty and food insecurity, the potential for increased production is large through both expansion of cultivated area per famer and increased productivity per unit of land. With improved access to inputs (e.g. seeds and fertilizer), diffusion of technologies and improved market access, smallholder can improve their farm incomes in relatively short period.

Key Results (From PCN)

- 13. The key expected results from the proposed project are to increase: (i) productivity of selected commodities; (ii) marketed volume of selected commodities; (iii) area provided with improved irrigation and drainage services; (iv) number of farmers adopting improved agricultural technologies promoted by the project; and (v) number of farmers reached with agricultural assets or services. Table 1 below provides a summary of the key results and the PDO level indicator.
- 14. The main beneficiaries of the proposed project are the smallholder farmers, including women and youths, and the rural communities in the selected target provinces. INIR staff and WUAs members will benefit from training, skill development and technical assistance. Private agri-business companies will benefit from assured supply of agriculture commodities for their operations. Other stakeholders, including private sector and civil society will benefit from improved economic opportunities. Staff of implementing agencies and agriculture extension agents will benefit from capacity development activities.

Table 1. Summary of the proposed key results and result indicators

Key Results	PDO Level Indicators
Productivity of selected commodities	Average yield of selected commodities
Marketed volume of selected commodities	Volume in tons or <i>Meticais</i> of marketed commodities
Area provided with improved irrigation and drainage services	Area in hectares developed with improved irrigation and drainage
Farmers adopting improved technology	% of participating farmers adopting improved technology promoted by the project



D. Concept Description

15. The proposed project is expected to provide improved irrigation services and agriculture intensification and market linkages to smallholder farmers cultivating 10,000 hectares in Manica, Sofala, Namupla and Zambezia Provinces. About 3,000 ha will have been developed under PROIRRI and it is expected that the proposed project will continue to assist the establishment and strengthening of WUAs, improve service delivery and improve the market linkages to increase the sustainability of the irrigation systems. The new areas to be developed with irrigation (7,000 ha), will be in coordination and involvement of the private sector. It is expected that most of the irrigated area will be developed under gravity fed systems. Pumping will be considered only for high value crops. The project will also support the institutional development of INIR, including its transformation into Irrigation Development Agency with financial autonomy.
16. PROIRRI project is scheduled to close in June 2018 and the project is expected to complete 32 irrigation schemes covering 3,162 hectares. PROIRRI was also instrumental in supporting the establishment of INIR in Mozambique with the responsibility for sustainable irrigation development; preparation and government approval for WUAs legislation; initiation of the establishment of WUAs in all irrigation schemes that have been completed to date; preparation and government approval for the National Irrigation Program (PNI) from 2017 to 2042 (25 years period) and initiate its implementation; provision of necessary training to agriculture extension agents, other service providers, smallholders and other stakeholders related to modern agricultural practices, water management and agriculture marketing; and developing and strengthening linkages of smallholder farmers specializing in rice, horticulture and out-grower crop production as contract farmers to agri-business companies such as Vanduzi for horticulture crops in Manica.
17. The proposed project will adopt a gender-sensitive framework for all activities. Special attention will be given to women participation in the management bodies, specially the Water Users Associations to promote women involvement in the decision-making process along the entire chain of productive activities. The project indicators and reporting tools will also be disaggregated by gender.
18. The proposed project builds on the PROIRRI achievements, incorporates the key lessons and implements key priorities that have emerged from the relevant analytical work, including the Sector Performance and Policy Priorities and Institutions and Investment in Agriculture as well as from discussions with the government, MASA, INIR, the smallholder farmers and other stakeholders considering the prevailing constraints to develop and transform irrigated agriculture.
19. The main lessons from the ongoing PROIRRI include the following: (i) Need to strengthen the capacity of the local institutions to implement the National Irrigation Plan. The proposed project will improve the capacity of the INIR to design, undertake the work supervision and develop local irrigation norms. Under PROIRRI most of these functions were delegated to contractors and very limited capacity was developed for the local institutions. (ii) Need to improve the development of irrigation infrastructure with private sector and agribusiness operators. Under PROIRRI the development of horticulture and sugar cane was in most cases integrated with the private sector. This resulted in improved use of the irrigation systems as the private sector could provide the agriculture inputs to the smallholders and purchase the crop output. (iii) Development of irrigation systems takes time but it is a critical input to facilitate the overall agricultural development in Mozambique. (iv) Lot more needs to be done



to improve the agriculture productivity, strengthen the WUAs and improve the linkages to the markets after construction of irrigation schemes is complete. The handing over of PROIRRI irrigation schemes to beneficiaries started only 2-3 years before the project's expected closing date. This transfer of irrigation systems to beneficiaries needs more time to expedite the achievements of benefits from irrigation.

20. The proposed follow up project, the "Smallholder Irrigated Agriculture and Market Access Project", is expected to be implemented over six years from July 2018 through December 2024, and is designed by take into account the main lessons learned under PROIRRI and is intended to have five components: (i) Capacity Development of the Irrigation Institutions; (ii) Development of Irrigation Systems; (iii) Agriculture Intensification and Market Linkages; (iv) Project Management and Monitoring and Evaluation; and (v) Contingency and Emergency Response. The scope and contents of these components will be further refined during project preparation.

Component 1: Capacity Development of the Irrigation Institutions (US\$8 million)

21. The objective of this component is to support the Ministry of Agriculture and Food Security to develop capacity for planning, designing, supervising design and constructing irrigation schemes as well as capacity to manage, operate and maintain existing irrigation systems. The National Irrigation Institute (INIR) was created in 2012 with support from the PROIRRI project. One of the major achievements of INIR has been the preparation and approval by Government of the National Irrigation Program (PNI) which aims to develop about 300,000 ha of new irrigation systems in Mozambique within the next 25 years. However, INIR currently lacks the capacity to fulfill its mandate, given the limitations in engineering and technical personnel and adequate management structures. This component will finance the restructuring of INIR and recruitment of consultants to provide capacity building in the following areas: (i) capacity to design and carry out technical inspection/supervision for the construction of appropriate irrigation systems; (ii) development of construction norms and guidelines for the irrigation sector, including methodology for collection of hydrological data, guidelines for market pricing, wages and expenditure required for operation of construction equipment, and drafting of technical specifications for construction works; (iii) development of capacity for drafting TORs for designing new schemes, approval of preliminary and final designs, and development and implementation of procedures for acceptance of completed construction sites and transfer to smallholders; (iv) development of capacity for appropriate irrigation asset management; (v) development of adequate capacity for related appropriate skills such as economic and financial analysis, agronomic and management practices and crop budget preparation; and (vi) development of a support team to provide continuous support to WUAs on issues related to water management, water measurement, O&M of the system, planning and budgeting and legal issues.
22. Following capacity development, the restructured INIR will also be able and responsible for operation and maintenance of all irrigation headworks, major reservoirs, major pump stations and all the irrigation infrastructure not yet transferred to private operators/WUAs. Existence of such entity and capacity would help INIR for accounting of irrigation water and improve the collection rate of water charges.
23. Related to the implementation of this project, the restructured INIR will be responsible for leading all the preparatory work for the construction of irrigation system planned under component 2, organize the WUAs for the selected schemes and hand over the schemes after construction. The main activities include the following: (i) pre-identification of sites, including pre-feasibility studies to help the decision-making process of sites that should



be considered for support; (ii) participatory diagnosis and scheme development planning; (iii) training of producer organization and WUAs; and (iv) transfer of the scheme to the WUAs. Considerable part of the activities related to design will be contracted to private sector but the preparation of the TORs and supervision of design and works will be under direct supervision of INIR.

24. Initially, eligible sites for investments will be selected from the 4,000 ha pre-identified under PROIRRI. Additional areas will be selected from existing studies including the outcome of the studies that are being undertaken in 10 river basins under the Agriculture and Natural Resources Landscape Management Project, until a target of the 7,000 ha is met. During the preparation of the project, the team will discuss the selection criteria for the areas to be considered for development. The criteria will include social, economic and environmental feasibility studies. In addition to the extent possible, the beneficiaries of the new schemes will be operationally linked with private agribusiness companies. This linkage will enable smallholder farmers to have immediate access to market once the schemes are built and handed over. This model was tested under PROIRRI and worked well for horticulture and sugarcane.

Component 2: Development of Irrigation Systems (US\$56 million)

25. The objective of this component is to finance the development of 7,000 ha of irrigated land. These areas will be assessed before investment is considered to ensure social (including gender, employment generation and involvement of youth), economic and environmental feasibility of the investments. It is expected that initial areas developed by the project will be handed-over to beneficiaries (WUAs) from the second year of the project implementation. Overall the development of irrigation systems will consist of (a) upgrading the area around the intake and the main canal; (b) construction of water collection structures and/or rehabilitation of damaged embankments; (c) installation of control structures like water gates; (d) upgrading of the main canals and, where necessary, lining critical stretches of the distribution system; and (e) use of local plants/grass to control canal erosion. In places, where the installation of buried pipes is feasible, hand-dug earthen canals may be substituted by pipes, if water losses warrant this. Considering the higher unit cost of installing gravity-buried pipe systems, the costs and benefits of this option will be evaluated and discussed with the community before installation of any such system.

The proposed project is expected to endorse a mix of construction methods, including both plant-based and labor-intensive construction methods that are designed to: (a) build local capacity in irrigation construction and maintenance; (b) create local entrepreneurship for sustainable delivery of irrigation services; and (c) deliver planned irrigation construction investments on time, of high quality, and at potentially significantly lower cost than contractor and equipment-based constructions experienced in past irrigation projects in Mozambique. The choice of construction method will be made on a case-by-case basis at the feasibility stage, as this will determine subsequent stages of design/supervision and tendering. The cost for small-scale gravity-fed irrigation scheme rehabilitation or development is expected not to exceed US\$6,000-\$8,000/ha, preferably lower amount.

Component 3: Agriculture Intensification and Market Linkages (US\$10 million)

26. The objective of this component is to support the value chain development of selected crops and facilitate the establishment of new or extension of the existing out-growers' schemes through value chain financing. This



component will support value chain development of selected crops through demand-based matching investment grants to smallholder farmers' groups and WUAs to improve agricultural productivity, production, and access to inputs and output market. Initially, this component will directly build on the achievements of PROIRRI project and it aims at bringing the research services, extension and improved technology to areas developed under PROIRRI. Gradually, as new areas are being developed under Component 2 will be added. At the end of project implementation, it is estimated the project have a potential of covering beneficiary smallholders in 10,000 ha under this component of which 3,000 ha would have been developed under PROIRRI and 7,000 ha will be new area developed under Component 2 of the proposed project. Under PROIRRI, a total of 3,000 ha of agricultural land is expected to be brought under irrigation by June, 2018; out of which 1,700 ha under rice, 800 ha under horticulture and 500 ha under out-grower crops. The proposed project would continue to focus on the following aspects of irrigated agriculture under PROIRRI: (i) strengthening the WUAs on each of the 30 irrigation schemes and make them fully functional; (ii) strengthening the water management and O&M capacity of WUAs; (iii) addressing the issue of payments for water use by the smallholders; (iv) providing and disseminating critical information related to improved agricultural practices through demonstrations of agricultural technology and agronomic practices; and (v) developing and strengthening market linkages for both inputs and outputs.

27. The project will provide finance to eligible subprojects in the form of matching grant to two major groups of activities: (a) agricultural production and productivity improvements; and (b) post-harvest management, value addition, including storage, and marketing facilities. The eligibility criteria will be defined during project preparation but the investments will be based on the economic and financial feasibility and beneficiaries will be required to cover part of the cost.
28. The project will hire an experienced and competent service provider to: (a) support eligible farmers' and beneficiaries to prepare subproject proposals for competitive funding; (b) provide specialized technical assistance to smallholder beneficiaries of irrigation schemes to strengthening the WUAs; (c) strengthening the water management and O&M capacity of WUAs; (d) provide implementation support to smallholder beneficiaries of subprojects to ensure that the objectives of each subproject funded under the project are achieved; and (e) strengthen the capacity of local NGOs and agricultural input suppliers to respond to the smallholder demands with the necessary support during the implementation of this component. The services provider will work at the technical level with the National Directorate of Agriculture and Forest Services, Extension at MASA and the Research Institutes (IIAM).

Component 4: Project Management and Monitoring and Evaluation (US\$6 million)

29. This component will define the project management and coordination arrangements as well as monitoring and evaluation aspects of the project. The key lessons from the PROIRRI will be incorporated in defining the management and coordination arrangements for this project. However, the arrangements will be finalized in consultation with the major stakeholders and implementing agencies at both the national and provincial levels.

Component 5: Contingency and Emergency Response (US\$0)



30. This component will provide immediate response in the event of an eligible crisis or emergency. This will be a “zero-dollar” Contingency and Emergency Response Component. In the case of an adverse event that causes a major disaster, the Government of Mozambique may request the Bank to channel some resources from this component.

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is expected to be implemented in four provinces: Manica, Nampula, Sofala, and Zambezia. Specific sites are not yet known.

B. Borrower’s Institutional Capacity for Safeguard Policies

The Borrower has implemented in the past a Bank funded project, the Sustainable Irrigation Development Project (PROIRRI) and is familiar with the World Bank safeguard policies. However, PROIRRI was designed with the environment and social safeguard roles to be performed with support from the technical staff of the Ministry of Land, Environment and Rural Development (MITADER), and this arrangement has not been effective. PROIRRI showed poor safeguards performance, due to two factors as identified in its mid-term review: i) MITADER is a regulating body and cannot regulate and implement policies at the same such as issuing environmental licenses and supervising their implementation; ii) increasing safeguards demand in the project that required the allocation of dedicated safeguards specialists to the project. Hence, a full-time safeguards specialist was hired to perform the social and environmental functions in the project followed by a session of dedicated training on Bank safeguards policies to the specialists and the PIU. This decision was taken in the past 12 months of the project implementation. Consequently, safeguards awareness within project management staff was raised and systematic performance reports have since been prepared and submitted to the Bank. Nonetheless, both the Bank and client were still not satisfied with the results. The performance of the recruited staff was less than desirable and actions were taken to and assign a new specialist who is expected to be hired on board by September 2017. Because of that PROIRRI social and environmental safeguards implementation continues to face some challenges. In the following 11 months, the project will have a full ESHS review to bring the phase one projects up to date, including an action plan to address any safeguard risks or liabilities posed by project activities that might be identified by the review.

The main lessons learned are: (i) The function of the safeguard should not be performed exclusively by Government entities (e.g. MITADER) (especially when these are the PIU) but should be supported by dedicated consultants directly linked to the implementation agency; (ii) The project must provide resources and terms of reference to hire full-time consultants to perform the functions of the environment and social safeguards. Budget provision and capacity building strategy will be included in the design of the new operation.

C. Environmental and Social Safeguards Specialists on the Team

Augusto Ferreira Mendonca, Environmental Safeguards Specialist



Maria Do Socorro Alves Da Cunha, Social Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Smallholder Irrigated Agriculture and Market Access Project (SIMAP) is a Category B project, because the project will mainly involve rehabilitation of existing systems and therefore environmental and social impacts are envisaged to be manageable and site-specific. The proposed project activities in Components 2 (Development of Irrigation Systems); and Component 3 (Agriculture Intensification and Market Linkages), are likely to raise some environmental and social concerns that would require due safeguards attention. Since during project preparation details and specific locations of activities are unknown, an Environmental and Social Management Framework (ESMF) is proposed to be the main instrument that will be prepared, consulted upon and disclosed prior to appraisal. The existing ESMF for the PROIRRI will be updated to comply with the requirements of the policy. The ESMF will include both an environmental and social screening form (ESSF) and a set of Environmental and Social Clauses (ESC) for project implementers. It will also provide steps to be followed for the preparation of site specific environmental and social management plans (ESMP) once subprojects are selected and their sites are known. The ESMF will include provisions for stakeholder engagement, review of small holder schemes, and grievance redress mechanisms. The ESMF will be reviewed and quality controlled by the project social and environmental safeguards specialists, and cleared by the Regional Safeguards Advisor (RSA), and ultimately disclosed both in-country and the World Bank's Intranet prior to Appraisal.
Natural Habitats OP/BP 4.04	Yes	The irrigation schemes supported by the project will have minor to moderate impacts on natural habitats such as rivers, tributaries among others. The ESMF will provide appropriate measures to address any potential impacts on natural habitats.



Forests OP/BP 4.36	No	The OP/BP4.36 is not triggered. SIMAP will not have any direct or indirect impacts on health and quality of forests, or on people who depends on forests, as activities will mainly involve rehabilitation of existing schemes.
Pest Management OP 4.09	Yes	Provision of improved inputs under Component 3 may include the use of pesticides (though at a low scale to boost agriculture productivity) which affect the health and safety conditions of beneficiary communities in targeted zones. The existing Pest Management Plan (PMP) of the PROIRRI project will be updated and will be used to support this new activity. Like the ESMF, the PMP will be reviewed and the quality controlled by the project social and environmental safeguards specialists, and cleared by the RSA, and ultimately disclosed both in-country and at the Bank's Intranet prior to Appraisal.
Physical Cultural Resources OP/BP 4.11	Yes	The proposed project will involve civil works and could potentially involve chance finds of PCR during construction. The ESMF will include Chance Find Procedure.
Indigenous Peoples OP/BP 4.10	No	The policy is not triggered, and does not apply in Mozambique as there are no IPs that would meet the defining criteria of the policy.
Involuntary Resettlement OP/BP 4.12	Yes	The exact nature and specific location of the project interventions (in Manica, Nampula, Sofala and Zambezia provinces),will be determined during implementation, and because the project will finance some activities such as civil works for irrigation schemes, OP 4.12has been triggered. Consequently, the Ministry of Agriculture and Food Safety (MASA) will update the existing Resettlement Policy Framework (RPF) of the PROIRRI Project to adequately address issues of land acquisition and compensation and/or the physical displacement of people. The RPF will be duly consulted upon cleared by the Bank and adequately disclosed both in-country prior to appraisal. The RPF will include specific provisions to guide the borrower in the preparation and implementation of site specific Resettlement Action Plans (RAPs) prior sub-project implementation, and before any construction works for the respective subproject. Such RAPs will also be consulted upon, approved by the Bank, and adequately disclosed prior



		to the physical implementation of any of such given activity.
Safety of Dams OP/BP 4.37	Yes	This policy is triggered since SIMAP supported activities will involve rehabilitation of dikes and drainage systems, rehabilitation of water storage or water control structures and rehabilitation of small dams/water diversion weirs. The project will not involve any large dams. The ESMF will provide guidelines on how to address environmental impacts from rehabilitation of small dams and will make sure that the design of small dams will be reviewed by qualified engineers.
Projects on International Waterways OP/BP 7.50	Yes	SIMAP will support construction and rehabilitation of irrigation schemes along Buzi and Zambezi River basins. However, the activities supported by the project will have a low likelihood of interference in intentional watershed, given the downstream location of the areas of the project intervention relative to riparian countries. LEGEN has determined that the project qualifies for an exception to the notification requirement in OP 7.50. A memo will be sent to the RVP requesting an exception to notification.
Projects in Disputed Areas OP/BP 7.60	No	The OP/BP 7.60 is not triggered. The area in which the SIMAP will be implemented is not known to include any disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Nov 06, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

To comply with World Bank safeguards, the Government will update PROIRRI's ESMF, RPF, and PMP. This may take up to four months to prepare after the PCN review meeting. It was determined that a RPF, rather than a RAP, would be appropriate since the exact location of the project interventions is still to be determined and the exact area of impacts and the PAPs affected will not be known by appraisal. At an early stage of implementation, a technical study and a survey will be conducted to determine the exact location of the project interventions within the project area, and a record of the people and assets affected will be developed. Based on the results, a site specific RAP or an Abbreviated RAP (ARAP) to address all impacts on PAPs will be prepared, approved, disclosed and implemented before the start of any investment and construction works.



CONTACT POINT

World Bank

Aniceto Timoteo Bila
Sr Agricultural Spec.

Borrower/Client/Recipient

Ministry of Finance and Economy
Adriano Umbisse
Director of Treasure
adriano.umbisse@mef.gov.mz

Implementing Agencies

Ministry Of Agriculture and Food Security
Paiva Munguambe
General Director
kensydoge@yahoo.com

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>

APPROVAL

Task Team Leader(s):	Aniceto Timoteo Bila
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Approved By

Safeguards Advisor:	Nathalie S. Munzberg	19-Sep-2017
Practice Manager/Manager:	Dina Umali-Deininger	19-Sep-2017
Country Director:	Raymond Bourdeaux	13-Feb-2018



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