



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

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Concept Stage | Date Prepared/Updated: 27-Apr-2018 | Report No: PIDISDSC24223

**BASIC INFORMATION****A. Basic Project Data**

Country Mozambique	Project ID P166802	Parent Project ID (if any)	Project Name Mozambique Conservation Areas for Biodiversity and Development - Phase 2 (P166802)
Region AFRICA	Estimated Appraisal Date Jul 09, 2018	Estimated Board Date Sep 28, 2018	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Fundo Nacional de Desenvolvimento Sustentavel	

**Proposed Development Objective(s)**

To improve management of targeted Conservation Areas and enhance the living conditions of communities around these Conservation Areas.

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

<b>Total Project Cost</b>	40.00
<b>Total Financing</b>	40.00
<b>of which IBRD/IDA</b>	40.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	40.00
IDA Grant	40.00



Environmental Assessment Category

B-Partial Assessment

Concept Review Decision

Track I-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

1. **Mozambique has significant renewable natural resources, including forests, fisheries, and wildlife.** With 32 million hectares of forest cover (mainly miombo dry forests, but also large mangrove areas), the country is one of the most forested in Africa. Mozambique's oceans harbor extraordinary fish and habitat diversity, including lobsters, crabs, shrimps and prawns. Its coastline, the 4th longest in Africa, is unique in terms of environmental quality, diversity, and abundance of species, and has some of the most spectacular coral reefs in the world. The country has outstanding terrestrial, freshwater, marine and coastal biodiversity, counting more than 10,000 species, 10% of which are endemic or nearly endemic. These renewable natural resources provide global public goods, such as climate stabilization (5.6 billion tons of CO2 equivalent in its forests) and unique habitat to globally-relevant biodiversity. They also provide goods and services to the local population, such as freshwater, food and fuel sources. The rural population, which accounts for 70% of the total, are highly dependent on the direct use of the country's natural resources. It is estimated that, in some areas, for example in the Gorongosa district, miombo woodlands contribute approximately 19 % of household cash income and 40 percent of household subsistence (non-cash) income.

### Sectoral and Institutional Context

2. **Mozambique's network of Conservation Areas (CAs), makes up 23% of Mozambique's land surface.** It is currently made up of seven National Parks, ten National Reserves, one Environmental Protection Area, seventeen Controlled Hunting Areas (coutadas) and two Community Reserves. These CAs aim to preserve biodiversity and the ecosystem, and to contribute to the development and the socio-economic well-being of Mozambicans. CAs and their surroundings provide vital ecosystem goods and services to rural populations, and generate income to the national economy. The declared revenue from tourism (including both non-consumptive tourism and sports hunting) in CAs almost tripled from 2012 to 2013, from around US\$1 million in 2012 to almost US\$3 million in 2013 (Rylance, 2014). Revenues from Coutadas (wildlife utilization areas) increased by nearly 500% in the same period.

3. **Conservation Areas are under a lot of pressure.** A 'threats and pressures' analysis by the Government of Mozambique (GoM) in 2014 showed that uncontrolled forest fires, tree logging, conversion of land use to grazing and slash and burn agriculture, illegal hunting and fishery are currently posing severe pressures to CAs, and without action they are likely to remain the main threats to conservation in the coming years. **The revenues currently generated from tourism and sports hunting is largely insufficient to finance the management of CAs.** In addition, the levels of re-investment of Park-generated revenues are very low. As a result, CAs are still heavily dependent on donor funding and mechanisms to contribute to financial sustainability are sorely needed.

4. **The GoM prepared the MozBio Program in 2014 to address these challenges, and enhance the potential contribution of CAs to rural development (including to the livelihoods of communities around CAs).** The Program aims



to support the conservation of Mozambique's wildlife, biodiversity and ecosystems and contribute to the livelihood of local communities within and surrounding the conservation areas network. The MozBio Program builds on the two-phased Transfrontier Conservation Areas (TFCA) Program. Supported by the Bank and other development partners from 1996 to 2013, the TFCA Program raised the conservation agenda to a core development priority, It had significant achievements, including Conservation Policy and Law, the establishment of the National Administration for Conservation Areas (ANAC) and of the Foundation for Biodiversity Conservation (BioFund), increased management capacity of key TFCAs (including the Limpopo National Park, Maputo Special Reserve and Chimanimani Reserve), and promoted local community development initiatives.

5. **The MozBio Program has four pillars: a) policies, legislation and institutions; b) financial sustainability; c) biodiversity conservation management; and d) community development. The Bank has been a key partner to its implementation through a Series of Projects (SoP).** The 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 to facilitate the coordination needed to address challenges of cross-sectoral nature. The Program also adopt an integrated landscape management (ILM) approach that combines rural development operations in support of agriculture, forestry, transport, and other sectors within the administrative boundaries of a province. Such approach is very relevant to CAs, as most threats come from outside its boundaries, including population pressures.

6. MozBio1 (US\$40 million IDA, and US\$6.3 million GEF), the first phase of the SoP, started in 2015 to increase the effective management of conservation areas and to enhance the living conditions of communities in and around the CAs, targeting 11 protected areas. Currently 70% of funds are disbursed and 90% committed, while almost 70% of MozBio1 indicators have exceeded their target. Some results include (organized by MozBio Program pillars):

**a) Policies, legislation and institutions:** Promotion of capacity building to ANAC (Protected Areas Management Agency), and of BioFund, including support to increasing BioFund endowment, and disbursement to cover operational costs of seven CAs; ensured national compliance with international norms (e.g. CITES) to allow the sustainable use of wildlife in the hunting blocks (coutadas); signature of a co-Management agreement for the Bazaruto Archipelago National Park (PNAB) with African Parks, advanced negotiation for an agreement for Maputo Special Reserve; approval and revision of the Conservation Biodiversity Law and its regulation, as well as other ANAC and CAs legislations;

**b) Financial sustainability:** Preparation of several communication material for CAs, support to a community – private joint venture for a community lodge (in Bazaruto); designed and piloted a system for improving visitor counts and revenues collection; launch of the preparation of Special Plan for the Territorial Organization of the Coast of the Elephants (ongoing);

**c) Biodiversity conservation management:** Infrastructure construction to support conservation management and tourism promotion (pier bridges, drifts, gates, houses, offices), preparation of CAs Management Plans, of wildlife aerial surveys, re-introduction of wildlife, reduction in illegal hunting and wildlife trafficking, particularly in transfrontier areas. Since the beginning of MozBio1, 9 of 11 CAs improved their METT scores;

**d) Community development:** Almost 14,000 families assisted (project target surpassed by 38 percent), financing of thirteen sub-projects, including honey production, conservation agriculture, water supply, environmental awareness, sustainable fisheries and tourism (ongoing).

7. **The implementation of MozBio1 however faced several challenges; and achieving MozBio Program goals require continued investments.** Among challenges faced by MozBio 1 are:

**a) Policies, legislation and institutions:** ANAC's being stripped of its administrative and financial autonomy; increasingly



weak human resources at all levels due to the lack of a replacing cohort of qualified conservation leaders;

**b) Financial sustainability:** a reduction of the Government's budget for financing CAs due to a particularly difficult macro-economic context;

**c) Biodiversity conservation management:** a shift of development partners' resources (AfD, KfW, USAID, EU) from the multi-donor-financed programmatic approach intended for MozBio, to a project-level approach; a scale-up of wildlife crime in CAs, especially affecting elephant and rhino populations;

**d) Community development:** increased human pressure on CAs natural resources from its buffer zones and surrounding areas;

8. **MozBio 2 would continue to address these challenges, ensure continued support to the Program, and seize new opportunities that emerged. Developments** in the sector include:

**a) Policies, legislation and institutions:** Continued GoM commitment to protect biodiversity, and long-term vision for conservation. An example of such commitment is the rapid approval of an amendment to the conservation law that broadens wildlife crime penalties (2017). In addition, the GoM adopted the 10-year Strategic Plan for ANAC, which informs the MozBio Program, advances the vision, objectives, and priorities for the sector, and serves as a coordination mechanism for partners;

**b) Financial sustainability:** Government's openness to the promotion of Private Public Partnerships (PPP) to manage conservation areas. An example is the recent (December 2017) signature of the Co-Management Agreement between GoM and Africa Parks for the management of the Bazaruto Archipelago National Park; Strengthening of BioFund, that recently increased its role in disbursing funds to CAs (including MozBio1), and in providing technical assistance to target CAs on management, M&E, and financial management;

**c) Biodiversity conservation management:** Establishment of the National Sustainable Development Fund (FNDS), an environmental fund established by MITADER in 2016, to raise and manage domestic and international funds in support of sustainable rural development. FNDS has been successfully implementing Bank-financed projects in the areas of natural resources management and agriculture.

**d) Community development:** Biodiversity conservation was recently recognized by the GoM and partners as a key element of a national rural development strategy, particularly community-based natural resources management, as evidenced in the recently concluded 5<sup>th</sup> National Conference on Community-based Natural Resource Management (CBNRM);

9. **MozBio2 will also build on lessons learned from MozBio1**, including:

**a) Policies, legislation and institutions:** Institutional reform is not completed, particularly regarding ANAC, and takes time. A more coherent approach to institutional strengthening with a strong emphasis on results should be pursued.

**b) Financial sustainability:** PPPs have great potential to attract additional finance and technical capacity to CA management. MozBio2 will actively seek them; Financial sustainability has advanced but is a long-term goal. The endowment fund (BioFund) continues to be a key instrument, to be supported further. Other sources of revenues (namely from tourism, environmental services, and sustainable use of wildlife) should be pursued;

**c) Biodiversity conservation management:** Supporting a large number of CAs is important to assist with preservation, but hampers the possibility of transforming them and enhancing their financial sustainability. MozBio2 would promote 'transformational changes' by focusing on a smaller number of areas, while continuing to support the enabling environment and financial sustainability of the overall CA system;

**d) Community development:** Implementation of value chain activities should be led by actors working outside CAs and in line with the integrated landscape management approach.



#### Relationship to CPF

10. The Country Partnership Framework for Mozambique FY17-FY21 is organized around three Focus Areas – (i) promoting diversified growth and enhancing productivity; (ii) investing in human capital; and (iii) enhancing sustainability. According to the CPF, MozBio2 falls under the third Focus Area within Objective 11: Improving Management of Climate Risk and Natural Resources. The project intends to contribute to wildlife conservation by bringing forward MozBio Program objectives, ultimately promoting sustainable use of protected areas through new income streams such as nature-based tourism, conservation agriculture, and non-timber forest products value chains. MozBio2 also touches upon other CPF focus areas and objectives: Objective 1: Improving Economic Management – MozBio2 intends to strengthen Biofund financing capacity to CAs, and ensure that revenues generated by CAs are invested back in the areas; Objective 2: Increasing Agriculture Growth – MozBio aims at developing natural resource-based value chains around CAs to promote integrated development; Objective 3: Improving the Business Environment for Job Creation – MozBio2 will support co-management agreements and leverage conservation investments through co-financing in CAs, and Objective 5: Enhancing the Skills Base – MozBio2 intends to improve the skill profile of conservation practitioners to enhance competitiveness, accelerate economic growth, and environmental sustainability.

### C. Proposed Development Objective(s)

To increase the effective management of the Conservation Areas and enhance the living conditions of communities around these Conservation Areas.

#### Key Results (From PCN)

11. The key **PDO indicators** are:
- 1) Area (ha) brought under enhanced biodiversity protection;
  - 2) Potential number of tourism days (total and per target CA)
  - 3) Index on local communities' living conditions around targeted CAs.

### D. Concept Description

12. **MozBio2 will be guided by the following principles:**
- i. Maximize Finance for Development: leverage private financing for managing protected areas through conservation PPPs, promotion of nature-based tourism investment, ecosystem services payments and sustainable wildlife management;
  - ii. Integrated Landscape Management: promotion of partnerships across stakeholders working in the landscape around the protected areas;
  - iii. Prioritize women and youth as elements of change at the local level.

#### Project components:

**Component 1 - Strengthening Conservation Areas Management (USD 25M).** The objective of this component is to conserve biodiversity, contribute to enhancing the quality of life of surrounding communities and improve the capacity of



key conservation institutions (ANAC and Biofund). Planned activities include:

*Promoting a “transformation” of targeted CAs through:*

- Biodiversity management: conduct wildlife surveys and monitoring programs; wildlife translocation, invasive species removal.
- Infrastructure: build key infrastructure for a) management, including headquarters, offices, houses, dorms, water provision, fences, and workshops; b) tourism, including access roads, tracks and trails, bridges, drifts, gates, kiosks, ablution facilities, visitors’ centers, interpretive signage;
- Equipment: provide field and communication equipment, such as radio systems, computers, vehicles, motorcycles, gps.
- Operational Cost: cover costs such as fuel, food rations, tents, uniforms, equipment maintenance and repairs.
- Strengthen CA governance: conduct strategic planning and participatory zoning in CAs (including buffer zones), establish CA management committees to provide strategic guidance to CA management and strengthen inter-institutional collaboration between CAs and other actors (district and provincial government, local community and the private sector)
- Human resources: strengthen the capacity of CA management staff.

*Strengthening the foundation of the CAs system through:*

- Institutional Strengthening: strengthen institutional capacity of the National Agency of Protected Areas (ANAC) and of the Foundation for Biodiversity (Biofund) through targeted training and short courses, on the job trainings and South-South exchange. This will be done through partnerships with the Wilson Lab at the Gorongosa National Park, South Africa’s Parks (SanParks) and Brazil’s protected areas agency (ICMBio);
- Partnerships with South Africa’s Parks / Sanparks and Brazil’s Protected Areas Agency / ICMBio;
- Biofund Endowment Capitalization. Capitalize the existing endowment fund (though GEF funds) so that Biofund can finance the operational costs of the CA system;
- Promotion of Conservation Leaders: enhance conservation skills of Mozambique’s youth through scholarships and training.

**Component 2 - Promoting sustainable financing of CAs (USD 10M).** The objective of this component is to increase the financial sustainability of CAs through nature-based tourism revenues, sustainable use of wildlife (including sports hunting), and payments for ecosystems services (PES). Planned activities include:

*Strengthening the enabling environment for nature-based tourism:* Develop new policies and regulations to fill regulatory or institutional gaps, review of the fee structure of CAs, build ANAC’s capacity to prepare, negotiate, and execute tourism concessions contracts, support the National Institute of Tourism (INATUR) in marketing tourism, implementation of marketing & branding strategy for CAs with high tourism potential.

*Promote tourism investments in targeted CAs:* Promote private investments in nature-based tourism, implementing strategic elements of CAs tourism development plans, including building and/or repairing key infrastructure, developing tourism products (such as accomodaiton, trails, etc.), as co-financing with the private sector.

*Sustainable use of wildlife:* the component will strengthen ANAC’s capacity to promote sustainable use of wildlife, both through in sports hunting and sales of wildlife.

*Payment for Environmental Services:* Identification of opportunities for potential payment for ecosystem services in CAs, including payments for carbon (including REDD+), water supply and watershed protection, and beach erosion prevention



services.

**Component 3. Promoting community development around CAs (USD 15M).** This component aims to improve livelihoods of the communities around the CAs and promote change in behavior and attitude towards biodiversity conservation and the sustainable use of natural resources. Planned activities include:

*Promotion of environmental education:* Raising local communities’ awareness about natural resources issues (fires, poaching, fishing, etc.), human rights training and women empowerment, documentation of local legends, oral histories, significance of natural sites, through scholarships, environmental clubs promoting environmental education for promising students to become conservation leaders, girls clubs, youth events and recreational activities. Youth and children will be targeted.

*Skills development for community based-tourism:* Strengthen community members’ in developing the skills for tourism development, including negotiation and technical skills.

*Promote SMEs around CAs:* Promote training, mentorship and seed capital through credit and savings schemes for SMEs led by communities around CAs.

**Component 4. Project Management (USD 5M).** Financing of staff of a Project Management Unit (PMU) at FNDS for project coordination, monitoring and evaluation, and financing of audits.

Description	Amount (US\$ million)
Component 1: Strengthening Conservation Areas Management	25
Component 2: Promoting sustainable financing of Conservation Areas	10
Component 3: Promoting community development around CAs	15
Component 4: Project management	5
<b>TOTAL</b>	<b>55</b>

Sources	Amount (US\$ million)
IDA (grant)	40
GEF (grant)	15
Project Preparation Advance (PPA) required?	No

**Intervention area**





13. MozBio2 will finance a subset of CAs financed by MozBio1, to be identified in dialogue with GoM. The following criteria will be used to identify the targeted areas:

- Concentration of efforts for optimization of results: Concentrate use of available resources for a limited number of CAs (4 CAs max). The choice is aimed at maximizing potential results, and reducing risks and cost associated with working with too many CAs at the same time;
- Enabling environment for generation of transformational impact: Local context (institutional etc.) is favorable for project funds to be invested and generate the desired impact by project closure;
- Integrated Landscape approach: Possibility of integrating project CAs with other ongoing World Bank interventions in buffer and surrounding areas, to align with GoM ILM approach, leverage synergies, and enhance potential impact;
- Potential for attracting co-Management and co-financing: Probability of selected areas to attract additional co-Management and co-financing, a key element to ensure long-term support to CAs after project closure;
- Potential to generate revenues: Target CAs should have the potential to generate revenues from tourism, ecosystem services, wildlife economy, among others. These are major contributors to the long-term sustainability of CAs.

The following have been pre-identified as possible target locations:

Pre-Identified Conservation Areas	Rationale for pre-identification
Maputo Special Reserve / Ponta do Ouro Marine Reserve	The CA is highly attractive for nature-based tourism: it has marine and terrestrial pristine habitats, strategically situated 100 km of Maputo., and it lays along the tourist corridor to iSimangaliso World Heritage Site in South Africa. Added to this is the potential signature of a Co-Management Agreement in near future, which will leverage investment and secure a well management for the long-term.
Chimanimani National Reserve	The CA already has a local partner supporting the work in the area, and has the potential of linking with other international NGOs to further boost the conservation of biodiversity and the economic and social development of the CA and its buffer areas. It is remotely located in the mountains, therefore reducing threats linked to proximity to cities, and its rustic environment is an attraction for certain type of tourism. Added to this, there are other World Bank development projects in the area, which ensure alignment with the ILM approach, maximizing the benefits to the local communities and environment.
Marromeu National Reserve	The Reserve was once known to hold the largest population of buffalo in the world. This potential for sustainable use of wildlife, together with the potential link with the nearby Gorongosa National Park, will promote an integrated landscape development approach for the region. Moreover, there is already an established conservation partner in the region that is pursuing the model of conservation and socio-economic development and could partner with MozBio.

**Risks**

Risk Category	Rating
1. Political and Governance	L
2. Macroeconomic	L



3. Sector Strategies and Policies	L
4. Technical Design of Project or Program	M
5. Institutional Capacity for Implementation and Sustainability	L
6. Fiduciary	L
7. Environment and Social	M
8. Stakeholders	L
<b>OVERALL</b>	<b>L</b>

14. The overall risk is rated **Low**, mainly due to the following:
- Continuation of successful implementation of MozBio1, following the same institutional arrangements (Implementation Progress rating: Satisfactory);
  - Moderate and rapidly increasing institutional capacity of highly committed PIU, which constitutes a favorable enabling environment for the generation of desired impact. BioFund capacity satisfactory;
  - All required project management systems are already in place, including M&E and Safeguards management;
  - Project prepared as part of an ongoing dialogue with all stakeholders, including the private sector.



15. The main project risks relate to the Technical Design of Project (Moderate rating), and to Social Safeguards (Moderate rating). Risks and planned mitigation actions are described below:

Type of Risk	Description of Risk	Mitigation Action
Technical Design	Limited ANAC capacity.	During preparation, the project will agree with the Government on new ANAC structure.
	Business environment for nature-based tourism development is weak.	The project will identify key actions to improve the enabling environment, strengthen the dialogue with Ministry and Institute of Tourism, and promote more coordination between MITADER and tourism authorities. It will also support actions to encourage policy changes (such as the international conference on tourism and forum on investment promotion, scheduled for June 2018).
Social Safeguards	Potential restriction of access to natural resources.	- Improve livelihoods opportunities outside CAs (Sustenta Biodiversidade) and conservation practices and orderly land use and occupation within the CAs where appropriate - Promote voluntary relocation of community members including coordination with districts to support alternative sites availability - Skills development in tourism, conservation and other professions to increase employment opportunities and diversify income generating activities
	Conflicts resulting from the voluntary relocation process	Define a safety net/safe zones for groups that choose to remain in the CAs, including efforts to integrate them in tourism related activities, site interpretation and stewardship
	Human-wildlife conflict.	Implement technical training to reduce the impacts of wildlife on community activities including mitigation measures (chili pepper plant fences, bee hives fences, watering holes away from key community sites, etc.); and carry out risk mapping to prioritize interventions by the CA Management, and disseminate the results to incentivize community co-management of the risks

**Institutional arrangements**

16. The National Sustainable Development Fund (FNDS) will serve as the overall Project Implementation Unit (PIU). ANAC will have an important role in executing Component 1 and 2 activities. BioFund will execute some of Component 1 activities. MITADER Rural Development Directorate will execute some of Component 3 activities. At the provincial and district levels, FNDS Landscape Management Units will coordinate activities around the CAs with the engagement of District and Provincial governments.

17. Identified partners will implement training activities, including the Gorongosa Wilson Lab, SanParks, and the Southern Africa Wildlife College. The institutional arrangements with these partners will be clarified during project implementation.

**SAFEGUARDS**

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

The following criteria will be used to identify the MozBio2 target areas: Concentration of efforts for optimization of



results; Enabling environment for generation of transformational impact; Integrated Landscape approach; Potential for attracting co-Management and co-financing; Potential to generate revenues. Based on these, the following CAs have been pre-identified:

Maputo Special Reserve – falls under the Maputland Coastal Forest ecoregion and is well recognized for its high conservation value being listed as part of the Maputland Biodiversity Hotspot and Centre of Endemism. Three ecological zones are present – alluvial, coastal plain and coastal dunes - that holds an impressive variety of terrestrial plant communities and ecosystems: floodplain, mangrove, swamp forest, sand dry forest, woodlands, coastal dune forest, dry and hygrophilous grasslands. The reserve also supports at least three fish species which are endemic or near endemic, three bird species and 47 subspecies which are near-endemic. The large mammal populations have been increasing in the MSR contains a breeding population of over 300 elephants.

Chimanimani National Reserve - falls under the Eastern Afromontane ecoregion and contains many endemic or near endemic plants, birds, and reptiles making this area a Centre of Endemism. Thus, in general, all the vegetation types covered in the Reserve, particularly the grasslands, scrublands and montane rainforest on the Chimanimani Mountains must be conserved as they harbour most of the endemic plant species. The evergreen forests and woodlands of low to mid-altitude also deserve to be as much as possible conserved. These forests represent the largest swath of tropical lowland rainforest of Southern Africa. These vegetation formations also harbours the largest concentrations of larger mammals of the conservation area such as elephants, blue duikers, bush pigs, pangolin and clawless otters.

Marromeu National Reserve – fall under the Zambezi Coastal Flooded Savanna ecoregion, a flat alluvial plain irrigated by the Zambezi River Delta that sustains one of the densest concentrations of African buffalo on the continent as well as other nationally-significant populations of large mammal trophy species and regionally threatened reptile, bird, and mammal species. The reserve has four ecosystems types: Mangrove and Associated Communities, Coastal Dune Communities and Beaches, Zambezi freshwater river-floodplain system, and Pans and drainage lines.

## **B. Borrower's Institutional Capacity for Safeguard Policies**

The PIU will be based at the FNDS at the MITADER. This is the same PIU that has been implementing MOZBIO1 for four years, in accordance with an Environment and Social Management Framework (ESMF), a Pest Management Plan (PMP) and a Process Framework (PF). The ESMF, the PMP and the PF will be reviewed and updated - considering lessons learned under MozBio1 - to provide the guidelines for the implementation of the project. Currently, the PIU has one environmental and social specialist and 6 community officers based at central level and CAs level respectively, who work on safeguards issues. The FNDS has three additional safeguards specialists at central level and three at provincial level to oversee other World Bank-financed projects (MOZFIP and Sustenta). This allows for the use of the same systems in geographic areas that overlap. The Bank has been supporting the increase of safeguards capacity of the MOZBIO and FNDS teams; for instance in 2017 one national and four regional safeguards training workshops were administered to FNDS and other institutions. In addition to complying with WB policies and guidelines, the FNDS has to implement the project and subprojects according to national legislation. The National Directorate for Environmental (DINAB) is responsible for reviewing environmental and social impact studies and issuing environmental permits. Environmental and Social inspection and auditing is overseen by AQUA (National Agency for Environmental Quality). These institutions, and others at provincial level, were also capacitated to help improve both the awareness of safeguards policies and other crosscutting issues related to gender, inclusion of vulnerable groups, and understanding how to implement mitigation and inclusion measures. The current MOZBIO, MOZFip, and Sustenta projects will continue to support improving the capacity and systems of the FNDS. Therefore, new training workshops are planned for the next years, in addition to using a coaching approach and hands-on training to address specific issues and gaps. Screening, supervising, monitoring and reporting tools in line with WB requirements are applicable to all projects in the Integrated Landscape and Forest Management Portfolio. These tools are currently being reviewed and improved by the World Bank and the FNDS safeguards teams. A common Grievance and Redress Mechanism has also been designed for all projects in the WB ILFM



portfolio and is in the early stages of implementation.

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

Paulo Jorge Temba Sithoe, 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	<p>Like MozBio 1, it is anticipated that potential direct negative environmental and social impacts will be minor, site specific, reversible and easily manageable. Project environmental and social impacts will largely result from construction of civil works for essential and necessary facilities, which will include administrative buildings, small bridges and access roads in selected conservation areas. The construction of these facilities is expected to produce localized adverse environmental and social impacts that are low to moderate while also minimizing impacts of physical displacement. Potential negative impacts include, soil and vegetation disturbance, dust emission, noise and vibration, land clearing, waste generation and risks to the health and safety of contractor’s workers and communities. Since details of project footprint are unknown at this point, the Borrower will update the Environmental and Social Management Framework (ESMF) for MOZBIO 1 that will be publicly consulted upon and disclosed in country prior to appraisal.</p> <p>The project will also have social impacts resulting from potential access restrictions to forest and natural resources (see also OP 4.12 below), potential social conflicts resulting from the voluntary relocation process and human wildlife conflict. As the project will promote private sector investments in nature-based tourism and other developments in conservation areas, environmental and social impacts resulting from the increase in tourism activities and resources requirements by tourists can be expected. To evaluate these potential social impacts to inform project design in each CA and the application of safeguards instruments, a Social Assessment will be conducted for each CA during project implementation. A ToR for the SA will be annexed to the updated ESMF While the</p>



team intends to initiate these as soon as possible, it is not necessary to complete them before appraisal, as the results can be taken into account in the ongoing implementation of community projects, stakeholder engagement, and impact management, and can also be added as updates to the PIM if necessary.

Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	The project primary objective is to protect natural habitats. Activities will largely take place within conservation areas, containing natural habitats. The ESMF will include guidance to mitigate potential impacts, such as avoiding land transformation activities in critical natural habitats, reducing generation of waste and emission of effluents, mitigating erosion and runoff impacts during construction (such as sediment traps), and compensating habitat losses by restoring habitats and vegetation cleared by project activities.
Forests OP/BP 4.36	Yes	The project will protect natural forests. Some activities may affect forests within conservation areas, or in their buffer zones. Some community development activities might involve the use of forest resources. The ESMF will provide mitigation measures for potential negative impacts, such as deforestation or forest degradation.
Pest Management OP 4.09	Yes	The livelihood activities supported under Component 3 – Facilitating Conservation-compatible rural development in targeted landscapes (“Sustenta Biodiversidade”) - could support agricultural sub-projects in the vicinity of Conservation Areas (CAs) that may lead to the use of small quantities of agro-chemicals (fertilizers and pesticides). Therefore, similarly to MOZBIO 1, this policy is triggered to ensure the project’s compliance with this Policy. Under MOZBIO 1, the Borrower prepared and implemented a Pest Management Plan (PMP) which has proven to be functional in promoting and supporting safe, effective, and environmentally sound pest management practices. Hence, the existing PMP will be slightly updated, consulted upon and publicly disclosed prior to appraisal.
Physical Cultural Resources OP/BP 4.11	Yes	It is possible that the project will affect or involve physical cultural resources due to civil works that may imply some excavations of earth movements.



		<p>Therefore, the ESMF will include provisions to apply “Chance Finds” procedures in compliance with this policy requirements.</p>
Indigenous Peoples OP/BP 4.10	No	<p>The policy is not triggered because there are no populations/communities in Mozambique that correspond to the definition of Indigenous Peoples as described per the policy.</p>
		<p>MozBio2 will not finance activities requiring physical resettlement. Activities will also be screened to avoid physical resettlement entirely and economic displacement as much as possible. The project may cause situations involving involuntary restrictions of access to land and natural resources in conservation areas. The livelihood restoration of people affected by the project related to resource access restrictions will be addressed through a Process Framework (PF). For MozBio2, the team will review and update the PF that was approved for MozBio1. The revised PF will be consulted upon and disclosed before appraisal.</p> <p>No or minimal resettlement is expected with respect to infrastructure construction. A simplified RPF will be prepared to address (i) screening procedures and criteria for infrastructure projects: (1) seeking to avoid any physical resettlement and livelihoods impacts, to the extent possible, (2) limiting potential direct asset losses to local communities to less than 20% of the PAP’s assets/income; and (3) providing the conditions to address any unavoidable impacts. The RPF will be prepared before appraisal and will be included as an Annex to the PIM.</p> <p>The simplified RPF and updated PF will be consulted and disclosed prior to appraisal.</p> <p>MozBio2 will promote skills development and enterprise development activities around the conservation areas aiming to encourage the voluntary relocation of people to areas outside the CAs. Although this process is expected to be mostly voluntary, as an integral part of its design, the project will include voluntary resettlement guidelines based on the principle of livelihoods maintenance, restoration and, where feasible, enhancement. These guidelines will also include provisions to address cases of relocation due to high vulnerability or community</p>
Involuntary Resettlement OP/BP 4.12	Yes	



fragmentation resulting in loss of viability of subsistence strategies or access to basic services. The guidelines will be mandatory and will be integrated as a chapter of the Project Implementation Manual (prior to effectiveness), and will include comprehensive framework and protocols to: (i) guide and document the voluntary relocation of community members to areas outside the targeted CAs; (ii) set out identification criteria for cases where people may have to be relocated involuntarily, if the voluntary relocation programs result in significant deterioration (due to withdrawal of services or erosion of social networks) of the standards of living of the people who remain in the CA, especially those who are unable to relocate voluntarily due to vulnerability factors; and (iii) indicate that if any involuntary resettlement cases are identified they will be treated pursuant to the RPF. The collection of baseline data for each area cannot be carried out in advance and will be included as part of the process set out in the guidelines. The guidelines will be prepared in draft prior to appraisal and will be finalized, approved and disclosed prior to effectiveness as par of the PIM.

Safety of Dams OP/BP 4.37	No	MozBio2 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.

### E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jul 02, 2018

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

All studies related to safeguards (e.g. Community Development Plan for Conservation Areas, Identification of Infrastructure to be built) will be completed by 30/05/2018.

The updated ESMF, PF, PMP and simplified RPF will be approved and disclosed before appraisal; for the Voluntary





Resettlement Guidelines, a draft will be disclosed before appraisal and the final guidelines will be approved and disclosed prior to effectiveness and incorporated in the PIM.

## CONTACT POINT

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## APPROVAL

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### Approved By

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