



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

Appraisal Stage | Date Prepared/Updated: 20-Jul-2018 | Report No: PIDISDSA24553



BASIC INFORMATION

A. Basic Project Data

Country Mozambique	Project ID P166802	Project Name Mozambique Conservation Areas for Biodiversity and Development - Phase 2	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 03-Jul-2018	Estimated Board Date 21-Sep-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 target conservation area landscapes and enhance the living conditions of communities in and around these conservation areas.

Components

- Component 1: Strengthening Capacity of National Conservation Institutions and Financial Sustainability of the CA system
- Component 2: Improving Conservation Areas Management in target landscapes
- Component 3: Promoting conservation-compatible rural development and sustainable landscape management in target landscapes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	45.00
Total Financing	45.00
of which IBRD/IDA	45.00
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Development Association (IDA)	45.00
IDA Grant	45.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Mozambique is richly endowed with natural resources.** The country has ample arable land, water, energy, mineral resources and recently discovered natural gas offshore, three deep seaports, and a relatively large potential pool of labor. Mozambique’s substantial natural capital includes 36 million hectares of arable land, 32 million hectares of natural forests (mainly miombo dry forests, but also large mangrove areas). Its 2,700 km-long coastline, the 4th longest in Africa, harbors some of the most spectacular coral reefs in the world and several highly productive estuaries. The country has outstanding terrestrial, freshwater, marine and coastal species biodiversity, counting more than 10,000 species, 10 percent of which are endemic or nearly endemic. Among the most significant terrestrial and coastal biodiversity areas are the Chimanimani massif, the Maputaland area and the wetland and tidal areas of the Zambezi estuary.

2. **Mozambique is one of the poorest countries in the world, despite recent economic growth and significant natural capital.** Mozambique’s economy has experienced some of the world’s fastest growth rates since the end of its devastating civil war in 1992, with annual average economic growth of approximately 7.5 percent in the last decade – largely driven by foreign investments. However, the country still ranks 181 out of 188 in the UNDP Human Development Index (2017), and has approximately 70 percent of its 28 million population living in extreme poverty (World Bank, 2016).

3. **Mozambique is in a transitional period.** The main challenges for the country are to restore macroeconomic stability and reestablishing confidence through improved economic governance and increased transparency, while carrying out structural reforms in support of the private sector. At the same time, Mozambique needs to ensure the use of its vast stocks of unrenowable natural resources (particularly natural gas) translates into sustainable development for its population, while ensuring that renewable natural resources (such as forests, wildlife and fisheries) are managed sustainably.

4. **Current and future impacts of climate change pose a threat to the nation’s economic development and livelihoods.** Mozambique is ranked the third most vulnerable country to climate change in Africa. Extreme



weather-related shocks pose a significant risk to growth and poverty reduction. It is estimated that climate change could cost Mozambique between US\$2.3 billion and US\$7.4 billion from 2003 to 2050. Climate impacts compound challenges facing communities lacking access to resources and techniques for maintaining agricultural productivity and coping with extreme weather events. Droughts are the most frequent disaster and pose a major constraint to most of the population (80 percent) relying heavily on rain-fed agriculture. Mozambique has a long history of catastrophic flooding, which occurs almost annually during the rainy season, while cyclones are common to the exposed coast line of Mozambique from October to April, which damage infrastructure, disrupt water sanitation and electricity supply systems, and degrade the coastal environment.

Sectoral and Institutional Context

5. **Mozambique's renewable natural resources provide global public goods, such biodiversity and climate stabilization** (5.6 billion tons of CO₂ equivalent are stored in its forests), **and nationally significant ecosystem services**, such as maintenance of water quality and quantity for irrigation and electricity generation. They also provide goods and services to the local population, such as freshwater, food, construction material, medical material and fuel sources. The rural population (70 percent of the total) is highly dependent on the direct use of natural resources. It is estimated that in some areas, such as the Gorongosa district, miombo woodlands contribute 19 percent of household cash income and 40 percent of household subsistence (non-cash) income.

6. **In recognition of the value of these resources and the need to preserve them, Mozambique established a network of Conservation Areas (CAs) that cover around 25 percent of the country's land surface.** It consists of seven National Parks, ten National Reserves, one Environmental Protection Area, seventeen Controlled Hunting Blocks (*coutadas*¹), over fifty privately-run Game Farms (*fazendas de bravio*), and two Community Reserves. Mozambique's total Ecosystems Services value was estimated at over US\$ 5 billion for 2009, half of the GDP for that year (Niquisse and Cabral, 2017).

7. **The management of Conservation Areas in Mozambique depend on several actors.** The **National Protected Areas Administration** (*Administração Nacional das Áreas de Conservação - ANAC*) is the main entity in charge of managing CAs, and of overseeing the work of entities in charge of co-managing CAs in partnership with ANAC. It was established in 2011 as a parastatal, and is guided by its Strategic Plan 2016-2024. It currently faces limited financial resources and human capacity. The **Foundation for Biodiversity Conservation (BIOFUND)** is a private foundation established in 2011 to promote conservation in Mozambique. BIOFUND manages a Conservation Endowment Fund to ensure long-term financing of biodiversity conservation as well as sinking funds that provide operating resources to the CA system. The **National Sustainable Development Fund (FNDS)** was established in 2016 to raise and channel funds related to environmental management and rural development. It currently manages several World Bank-financed projects and domestic revenues, including the MozBio 1 project², and plays an important role in the promotion of rural development activities around protected areas. Finally, private entities and NGOs provide significant support to the management of CAs, including through **long-term co-management agreements** (see below).

¹ Coutadas are State's public domain conservation areas of sustainable use, managed for the protection of species and ecosystems, in which sports hunting activities are allowed. Coutadas are managed by private companies (safari operators) through a concession contract between the State and the operator, and must comply with abate quotas determined annually by the Conservation Areas Administration / ANAC (Conservation Regulation Law of Mozambique).

² Mozambique Conservation Areas for Biodiversity and Development (MozBio Program) aims to support the conservation of Mozambique's wildlife, biodiversity and ecosystems and contribute to the livelihood of local communities living in CA landscapes. It is fully supported by the World Bank through a Series of Projects (SoPs), which started in 2015 with the approval of MozBio Phase 1 (US\$ 40m IDA and US\$ 6.3m GEF). More details are provided later in the PAD.



8. **Mozambique's CAs hold untapped potential for the development of tourism that can directly generate revenues for CAs and contribute more broadly to the local and national economies.** The travel and tourism industry is regarded as a key priority economic sector for the country, but its contribution to the economy is still modest. Despite its improving travel and tourism competitiveness, which relies heavily on the country's rich natural resources, Mozambique remains uncompetitive as a tourism destination internationally. In 2017 the direct contribution of the sector to GDP was 3.4 percent, and generated US\$ 1.6 million of direct revenues for the CA network. However, Mozambique is expected to be one of the 10 fastest-growing destinations for leisure travel spending between 2016 and 2026, and nature-based areas are expected to be the largest tourism growth areas in the coming decades. Tourism in Mozambique's CAs represents a significant opportunity for increased revenue generation across the CA network, as well as for generating income and jobs to rural communities. As a labor-intensive sector with high multiplier effects and backward linkages, tourism can provide opportunities for diverse skilled and unskilled employment generation, particularly in the services industries, increased production (e.g. processing of food and beverages, agriculture including fisheries), and greater entrepreneurship in areas with few other economic opportunities. However, an impediment to the growth of the sector is cumbersome visa acquisition process, which currently have to be secured at the tourist's home consulate or upon arrival in Mozambique (with a risk of being denied entry). Electronic visas would allow tourists to secure visas online, and facilitate entry into the country.

9. **Conservation Areas face several challenges to their long-term integrity and sustainability,** including:

- a) *Weak institutions.* Capacity to enforce forest, fisheries and wildlife laws, to monitoring biodiversity, and to engage with local communities in environmental protection is still insufficient, although increasing;
- b) *Insufficient human capacity.* Human resource capacity in biodiversity conservation, nature-based tourism (NBT) management and community development is critically low. The current CA system faces a significant skills gaps, which requires a a new cadre of conservation professionals.
- c) *Lack of Financial Sustainability.* The total annual budget for the CA system in recent years (2008-2014) has been between US\$ 20 and 26 million, with 81 percent provided by international donors, 10 percent by the State, and 9 percent by the revenues generated by the CAs, with more than half of the funds allocated to two CAs: Gorongosa and Limpopo National Parks. The remaining CAs receive minimum levels of funding, hence severely underfinanced. As an example, the average state funding of US\$ 34/km² is well below the average in the region: Zimbabwe (US\$ 187/km²), Kenya (US\$ 2,500/km²) and South Africa (US\$ 2,720/km²). Significant progress has been made with the capitalization of BIOFUND's endowment fund (currently at US\$24 million). At current rates of return (calculated on the basis of a five-year rolling average return), this capitalization can generate approximately 750.000 USD per year in perpetuity for the Protected Areas Network. While important, this amount is clearly still below what is needed for effective management of the CA system, which therefore continues to require additional donor support. Scaling up and diversification of income generation mechanisms are sorely needed to contribute to financial sustainability. Inadequate financing jeopardizes the achievement of such goals and limits the overall coverage potential as well as management effectiveness of established CAs.
- d) *Human encroachment and poverty around CAs.* National legislation allows for local people to live inside CAs, provided that their practices are in line with the CA management plan. With few and sometimes no formal employment opportunities, and a lack of access to public goods, social services,



credit, market access, these communities are among the poorest.³ There are also gender differences within communities in which women and young girls often face further limitations in managing the access and use of natural resources for their livelihoods. In addition, communities pose threats to CAs, given involvement in poaching, conversion and degradation of natural habitats (including slash and burn agriculture), overexploitation of natural resources (plants, and animals, including fish). Table 1 presents some key socio-economic statistics in the districts targeted by the project.

Table 1. Socio-economic statistics by target district

	Poverty % (2007)	Literacy rate %		Access to safe water %	Access to improved sanitation	Women headed households	Health units per habitants
		M	F				
Matutuine	78	67.5	45.4	40.9	16.9	9	1/1,700
Marromeu	47	70.8	23.9	47.7	7.7	11	1/21,400
Sussundenga	52	71.3	34.9	19.5	7.4	16	1/51,000

Source INE 2014

10. **To address these challenges, the Government of Mozambique (GoM) has taken several measures.** It adopted a Conservation Policy in 2010, passed an overarching Conservation Law in 2014, created ANAC in 2011 and facilitated the establishment of BIOFUND and the capitalization of the conservation endowment fund managed by BIOFUND. In 2015, the GoM adopted a 10 years Strategic Plan for Conservation Areas (CAs) Management, and in 2017 signed an amendment to the Conservation Law, which imposes hefty penalties on environmental crimes and approved a series of specific regulation to help operationalize this Law. The Ministry for Land, Environment, and Rural Development (MITADER) was established in 2015, to bring together several responsibilities over natural resources which were previously scattered throughout several ministries. MITADER, in turn, established the National Sustainable Development Fund (FNDS), aimed to collect, manage and invest funds linked to environment, forestry and land, and to manage donor-funded projects. FNDS has grown exponentially and currently manages over US\$ 400 million in different Bank-financed projects, including the MozBio 1 project.

11. **MITADER's approach to management of Conservation Areas is based on an Integrated Landscape Management approach (ILM) to natural resources management.** The ILM approach combines initiatives to foster rural development, such as access to financing, infrastructure, and land tenure security, with initiatives to promote sustainable management of natural resources, including biodiversity protection (mainly through conservation areas, but also through community-based and private-managed conservation areas) and restoration of degraded habitats. These initiatives take place in larger landscapes, which encompass different land uses, such as productive agriculture and forestry areas, conservation areas and urban settlements. This approach of managing the wider Conservation Areas Landscapes is highly relevant to CAs, as most threats, including population pressure, come from outside their boundaries. This approach also entails a stronger presence and decentralized coordination mandate at the local level, through the establishment of Landscape Management Units, and multi-stakeholder coordination platforms. The Units are supposed to coordinate and monitor ILM progress at the provincial level and coordinate with district authorities and other stakeholders. The

³ The conservation areas targeted by the project currently have people inside the PA. Maputo Special Reserve has around 830 people inside the PA, and 7,500 in the buffer zone. The National Chimanimani Reserve has around 380 people in the reserve, and 27,000 in the buffer. Maromeu Reserve has around 5,000 people inside the reserve, and 7,000 in its buffer. Source: ANAC (Survey Solutions data, 2018)



platforms, in turn, convene stakeholders around relevant issues in the landscape and help foster cooperation across projects, activities, and actors. The Conservation Law mandates the establishment of CA Management Councils, which have a similar goal of the multi-stakeholder platforms, and will be supported by this project.

12. The promotion of public-private partnerships (PPP) for the management of CAs is another element of Mozambique's emerging 'conservation model'. PPPs for conservation, also known as CA co-management, are agreements between the State and third parties to delegate certain responsibilities in managing a CA over an agreed time period, and under conditions established and monitored by the State. These agreements can be done through publicly-tendered concessions, as in the case of Coutadas, or through long-term co-management contracts, such as the case of the Gorongosa National Park. Co-management has shown to increase conservation effectiveness by increasing funding and human resources availability, creating opportunities for knowledge exchange and skills transfer to CAs, and also improving community benefits. In Mozambique, 65 percent of Parks and Reserves are under some type of co-management⁴, and there is Government interest in increasing this number.

13. Mozambique's strategic commitment to conservation areas and biodiversity management is expressed in its Mozambique Conservation Areas for Biodiversity and Development (MozBio Program). The MozBio Program aims to support the conservation of Mozambique's wildlife, biodiversity and ecosystems and contribute to the livelihood of local communities living in CA landscapes. It has four pillars: a) policies, legislation and institutions; b) financial sustainability; c) biodiversity conservation management; and d) community development. The MozBio Program, in turn, 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, and saw significant achievements including the development of the Conservation Policy and Law, the establishment of ANAC and of BIOFUND, increased management capacity of key TFCAs (including the Limpopo National Park, Maputo Special Reserve and Chimanimani Reserve), and the promotion of local community development initiatives.

14. The MozBio Program is fully supported by the Bank through a Series of Projects (SoPs). Bank's support to the MozBio SoP started in 2015 through the MozBio Phase 1 (US\$ 40m IDA and US\$ 6.3m GEF) project. As of June 2018, 75 percent of funds have been disbursed and 90 percent committed, while almost 70 percent of its indicators have exceeded their targets. MozBio Phase 2 (this project) builds on MozBio1 results, integrates lessons learned, and seizes emerging opportunities to contribute to the overall MozBio Program goals. MozBio 1 has started addressing several of the challenges above (institutions, capacity, financial sustainability, and community development) which MozBio 2 will take forward, with a few modifications in approaches based on lessons learned (see below). As of June 2018, MozBio 1 main achievements include:⁵

- Management effectiveness of 1.8 million hectares of 11 conservation areas improved;
- 38,000 direct project beneficiaries (nearly 40 percent of whom female), from community

⁴ Bazaruto and Gorongosa National Parks are under 'Integrated Co-management' agreements: shared governance and appointment of management, and long-term devolution of day-to-day authority. Gilé and Niassa National Reserves operate under 'Bilateral Co-management': shared governance and day-to-day management authority. Banhine, Zinave, Limpopo National Parks, and Maputo Special and Ponta Ouro Reserves operate under 'Financial-Technical Support to Government Management'. Quirimbas National Park and Chimanimani National Reserve have NGO collaborations that provide support to reserves, though not to core park management. Magoe, Marromeu, Niassa Lake and Primeiras and Segundas Islands are managed by the State, without partnerships.

⁵ These results refer to the PDO-level indicators, as reported by the GoM in March 2018. All indicators (including intermediary ones) are on good track to meet or exceed the end targets.



- development sub-projects, increased revenues from parks, and jobs in conservation and tourism;
- Two tourism concessions in the Bazaruto Archipelago National Park regularized.

15. **The MozBio SoP is part of the Bank’s “Integrated Landscape Management Portfolio” and delivers on the “Maximize Finance for Development” (MFD) approach.** The ILM portfolio includes Bank-financed projects implemented in a coordinated manner to maximize impact on: i) improved well-being of rural populations; and ii) Sustainable management of renewable natural resources (forestry, wildlife, fisheries and land). A particularly relevant project to MozBio 2 is the “Sustenta” (Agriculture and Natural Resources Management) project, a US\$40 million IPF project currently under implementation (2017-2021), which aims to “to integrate rural households into sustainable agriculture and forest-based value chains in the Project Area”. “Sustenta” is currently implementing a matching grant scheme that will be replicated through MozBio 2. MozBio 2 promotes MFD by promoting PPPs in CA management, private investment in tourism, capitalization of an endowment fund managed by a private foundation (BIOFUND) and promotion of SMEs through matching grants.

16. **MozBio 2 will target its interventions on Conservation Areas Landscapes.** These landscapes are made up of different land uses, with one or more conservation areas as a key type of land use, which in turn are heavily impacted by different types of land uses around it (such as agriculture, mining and livestock). Three landscapes have been selected on the basis of the availability and readiness to engage in co-management (PPPs) agreements, since MozBio 2 seeks to leverage PPPs as an important strategy to ensure the financial sustainability of targeted CAs. Other landscapes may be selected during the implementation of the project, in common understanding between the World Bank and the GoM. The targeted landscapes are presented as follows, and in the map on Annex 2:

- **The Elephant Coast Landscape** includes two CAs (Maputo Special Reserve [MSR] and Ponta do Ouro Partial Marine Reserve [POPMPR], including Inhaca Island) as well as the immediately adjacent land areas in the Matutuine District (including private and community areas). It is expected that MSR and POMR, including Inhaca Island, will undergo a legal consolidation to become a single CA (The Elephant Coast Conservation Area). The landscape is part of the Maputaland Centre of Endemism and Biodiversity Hotspot and is well recognized for its high conservation value. MSR is home to a breeding population of elephants, the last large population of elephants in the Maputo Province. It is dominated by a coastal plain area, longitudinally crossed by the Maputo and Futi rivers with important habitats associated with wetlands, in addition to marine and coastal habitat. Subsistence agriculture, and fishing are the main sources of income for local communities. The landscape has high tourism potential (nature, wildlife, beach and associated recreational activities), fostered by access to Maputo city, South Africa and Eswatini, and boosted by a new road to be completed by 2018.
- **The Chimanimani Landscape** includes the Chimanimani National Reserve (CNR), its buffer zone, three Forest Reserves (Maronga, Moribane and Zomba) and the adjacent land areas in the Sussundenga District. The landscape is part of the Chimanimani–Nyanga Center of Endemism. Its biodiversity richness comes from the perennial forest and the afro-montane pastureland, habitat for many species, including endemic flora and fauna resulting from a unique combination of altitude, soils, rainfall and fire, which is endemic to the area. The mountains have been inhabited for centuries, containing important historical sites such as Stone Age rock paintings and ruins dating back to the times of Great Zimbabwe in the fourteenth and fifteenth centuries. In 2010 the CNR Management Plan was developed, identifying opportunities, threats, and a management strategy. The recent (2014) upgrade of the Chimoio-Sussundenga road to a tarmac road has strongly boosted the



economic development of Sussudenga District, which resulted in the establishment of new large agriculture areas (mainly fruit trees) and livestock farming, including in the CNR buffer zone, which increases pressure in the CNR. Despite the high tourist potential, the new road has not yet led to tourism development, which was affected by the political and security instability (from 2012 - 2017) and is limited by the lack of tourism facilities. The main threats to the landscape include illegal gold mining with concomitant pollution and soil erosion, poaching and logging as well as itinerant slash and burn agriculture (particularly in the high slopes) and land clearance for establishment and expansion of new settlement areas. Other agriculture, or mostly livestock production, are located just outside the buffer zone.

- **The Marromeu Complex Landscape** comprises most of the Ramsar's Wetland of International Importance in the south bank of the Zambezi Delta, including the Marromeu National Reserve, Coutadas 10, 11, and 14, and adjacent land areas in Marromeu, Cheringoma, and Muanza Districts. The Landscape is part of the Zambezian Coastal Flooded Savanna ecoregion, a flat alluvial plain irrigated by the Zambezi River Delta. It includes a variety of habitats ranging from Zambezian coastal flooded savanna, coastal dunes, grassland, freshwater swamps, dambos associated with miombo forest, mangroves and seagrass beds. These habitats are of great importance for several avifauna species, but also for populations of buffalo and antelope amongst others. In the 1960's, the area's buffalo population was one of the largest in the world, although, during 1980's it sharply declined due to armed conflicts and slaughtering campaigns. In recent years the buffalo population has been growing significantly. Coutadas (mainly Coutada 11) have been active for more than 20 years, establishing a protection area around the MNR. Livelihoods are based on subsistence agriculture, complemented by extensive use of local resources to supplement diets and incomes and to fulfil basic needs. Along the coast, fishing is practiced both by local fishermen (mainly for subsistence) and by others from other provinces or even Tanzania. The Sena Sugar Company is the main employer which draws in from 3,000 to 4,000 migrants at peak periods of the year. The area is prone to floods.

Other cross-cutting issues: climate change and gender

17. **Climate Change represents an additional serious threat to Mozambique and its CAs.** The country's mean annual temperature has increased by 0.6°C between 1960 and 2006, as well as the rainfall proportion with intense rainfalls by 2.6 per cent per decade since mid-century. The interior of the country is prone to higher drought frequencies and the coastal regions to floods. In the future, temperatures are expected to increase by 1.4-3.7 °C by 2060. Seasonal level projections include decreased dry season rainfall (January-June) and increased wet season rainfall (July-September). Climate Models indicate future proportion of heavy rainfall concentrated in fewer events. However, due to the unpredictable incidents of El Niño and La Niña projections of future climate change are difficult to predict. Human health, agriculture and food security, biodiversity, freshwater, coastal zones, and infrastructure are the most vulnerable areas to climate change and the frequency of extreme weather incidents (droughts, floods and tropical cyclones). The impact of climate change on infrastructure and amenities is also significantly affecting productive sectors such as NBT. CAs hold the potential of supporting ecosystems, biodiversity and communities to cope with these challenges, while also contributing to avoiding/reducing greenhouse gas emissions (GHG) and enhancing carbon stocks through investing in forest conservation, sustainable land management and reforestation practices. An example of this is Gilé National Reserve, where the CA serves as a major barrier to deforestation. Deforestation in the surrounding area averaged 0.28 percent between 2005 and 2013 while it remained at a negligible 0.01 percent within the Reserve during the same period.

18. **Gender.** Addressing gender differences in communities in and around CAs offer opportunities to improve the sustainable management of CAs and maximize overall livelihoods benefits. Poverty, low education and access



to finance and asset scarcity is high among rural women in Mozambique. Gender gaps in access to education show a gender parity ratio of 0.91 at primary and secondary level and 0.69 at the tertiary level (WB CPF 2017). As an example, illiteracy rate in the Marromeu Landscape is more than double for women in comparison to men (29 percent among men and 76 percent for women). Women's lower education and skills make it more difficult for them to find work in the formal sector and negatively impact their potential as entrepreneurs. In addition, rates of early childbearing are extremely high in Mozambique, which has the 5th highest rate of births to adolescents in the world (42 percent of women aged 15-19 years have had at least one birth). Many female adolescents in Mozambique drop out of school by age 10-12 years, often due to early marriage and/or pregnancy, which feeds the intergenerational cycle of poverty (WB CPF 2017).

19. As demonstrated by evaluations of community projects in CAs under Mozbio 1, women and young girls often bear the burden of ensuring livelihoods for their households, while facing insufficient access, control and decision-making over the use of strategic natural resources (often due to cultural, educational, economic and institutional barriers). As a way to address the gender gap of disproportional low access to educational facilities in remote CA areas, Mozbio 1 piloted the establishment of girls' clubs and environmental education campaigns in schools in the Chimanimani National Reserve following a model created in Gorongosa National Park. The girls' clubs have demonstrated positive results in terms of improving reading, writing and numeracy skill as well as improving girls' self-esteem and developing communication skills. These kinds of initiatives that improve social skills and decision-making power over natural resource management can also further help to improve sustainable management of CAs, maximize agricultural productivity, food security and overall social benefits to communities.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

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

Key Results

21. The project performance toward the PDO will be measured through key outcome indicators (detailed below) as well as Intermediate Results Indicators. Details of each indicator baseline and targets are provided in the Results Framework and in the Indicator's Description Table.

22. CAs with improved management effectiveness (number; annual)

- a) Elephant Coast CA (Maputo Special Reserve and Ponto do Ouro Partial Marine Reserve)
- b) Chimanimani National Reserve;
- c) Marromeu Complex (including: Marromeu Reserve, and Coutadas 10,11, 14).

23. Key species population maintenance, and/or increase. (Yes/No; annual)

- a) Elephant Coast (MSR and POPMR) (1. Elephant, 2. Reedbuck, 3. Serranidae family (reef fish));
- b) Chimanimani National Reserve (1. *Apalis chirindensis* (Passerine Bird) 2. *Olea Chimanimani* (Olive shrub);
- c) Marromeu Complex (1. Buffalo, 2. Sable)

24. Target landscapes with positive variation in local communities' perception of CAs' impact in wellbeing



(number; biennial)

D. Project Description

25. MozBio2 finances activities at the national and CA landscape levels, addressing the four pillars of the GoM's MozBio Program. Component 1 has a national scope and focuses on strengthening the three key institutions promoting biodiversity conservation (ANAC, BIOFUND and FNDS) and human resources for the entire CA system through the “Conservation Leadership Program”, and facilitating nature-based tourism. This addresses MozBio Pillars of 1) *policies, legislation and institutions* and 2) *financial sustainability*. Component 2 and 3 are implemented at the level of the target CA landscapes. Component 2 addresses MozBio Pillar 3) *biodiversity conservation management*, focusing on activities within the Conservation Areas. Component 3 addresses pillar 4) *community development* by promoting activities outside CAs, in the broader landscape.

26. Component 1 – Strengthening Capacity of National Conservation Institutions and Financial Sustainability of the CA system (US\$ 15 mi IDA). This component will improve the capacity of the three main national conservation institutions (ANAC, BIOFUND and FNDS), create a cohort of conservation professionals, and foster nature-based tourism at the national level. These activities will strengthen technical and institutional capacity at national level to conserve biodiversity and to increase the financial sustainability of the CA system. These activities contribute to two pillars of the MozBio Program: (i) ensuring an enabling policy and institutional environment (governance), and (ii) ensuring financial sustainability for the CA system. Expected results include: strengthened institutional capacity at ANAC, BIOFUND and FNDS; increased availability of funds for conservation, including through NBT; and a cohort of conservation professionals trained and available to work for institutions in the CA system. Specific activities are described below.

27. Strengthening of ANAC. The project will support ANAC to become a reference conservation institution in southern Africa, by strengthening its business development capacity to attract investments in support of conservation. The project will finance: a) establishment and functioning of a “Business Unit” to identify, market, manage and monitor public private partnerships for CA management (co-management) and to promote tourism concessioning within CAs, particularly new tourism concessions in the targeted CAs; b) development and piloting of an electronic visa (e-visa) system to facilitate tourists’ entry in the country through an online application process; c) participation in national, regional and international conservation meetings to guarantee exchange of knowledge with other partners and institutions; d) technical assistance (firms and individual consultants) to draft regulations (such as for human resources and gender guidelines for CA Management among others); e) office equipment and operating costs (especially for utilities, stationaries, travel to field among others). ANAC will also be supported through the Conservation Leadership Program (below).

28. Strengthening of BIOFUND. The project will strengthen BIOFUND’s capacity to become an international reference on sustainable financing of CAs. The project will finance: a) part of the salaries and operating costs of the BIOFUND secretariat, which will permit full use of the endowment fund for distribution to the operating costs of the CAs thus improving CA management. This will also allow for the endowment fund to continue to build and foster future self-sustainability; b) studies to explore sources of sustainable financing for CAs and to secure such opportunities, including a funds mobilization strategy, assessing the real value of conservation areas for national and local economies, opportunities for payments of ecosystem services, and piloting a biodiversity offset initiative with the private sector. The project intends to contribute to the conservation endowment fund managed by BIOFUND, through GEF 7 funding once available, through an additional finance to the current project.



29. Strengthening of FNDS. The project will support FNDS to strengthen its role of promoting sustainable rural development, including within the target conservation areas landscapes, and to ensure proper fiduciary and safeguards management for this project. The project will finance: a) salaries of key project management staff (such as the coordinator, a protected area management officer (to oversee Component 2), value chains specialists (to oversee Component 3), community development specialists (to oversee community activities in Components 2 and 3), M&E officers, safeguard officers, financial managers, accountants, and procurement officers (part of FNDS fiduciary support unit); b) operating costs at the national level for equipment maintenance, utilities, travel, communication, and subsistence on the field; c) vehicles, field and office equipment.

30. Promotion of the Conservation Leadership Program. The project will establish and maintain a Conservation Leadership Program to promote a cohort of skilled professionals in biodiversity conservation who is expected to work for the different organizations in Mozambique's CA system. This will be promoted through: a) long- and short-term trainings delivered by national and international organizations, b) professional experience in national and international conservation institutions. The Program will teach a broad set of skills, including leadership (conservation management, planning, monitoring, financial management, etc.), science (ecology, botany, zoology, etc.), and climate change risks. The Program will establish an internship program, grant scholarships and promote an annual conference on biodiversity to raise awareness of conservation skills needs and offers in the country. Targeted beneficiaries are staff currently employed at key conservation institutions (ANAC, BIOFUND and FNDS) and young Mozambicans engaged in conservation. Beneficiaries will be selected through a robust transparent and merit-based process (with at least 10 percent of staff beneficiaries being women and 50 percent of the broader public beneficiaries being women), led by ANAC and BIOFUND. The Program will establish partnerships with international agencies, such as South Africa's Parks (SANParks) and the Brazilian Park's Agency (ICMBio), and collaborate with regional training institutions, such as Southern Africa Wildlife College (SAWC), Mweka Wildlife College, and others, and with domestic knowledge centers, particularly the E.O. Wilson Lab in the Gorongosa National Park and other relevant academic partners.

31. Component 2 - Improving Conservation Areas Management in target landscapes (US\$ 17 mi IDA). This component will improve biodiversity conservation management of target CAs, particularly the governance of CAs (including its relationship with surrounding stakeholders), human resources management, infrastructure establishment and maintenance, research, resources control and patrolling, promoting environmental awareness and strengthening of community-based organizations (CBOs) among local communities. Activities to be financed will be in line with the CA management plan. Biodiversity conservation management is a pillar of the MozBio Program, to which this component contributes directly. Expected results include significantly improved management effectiveness of the targeted CAs (an average increase of 20 percent in the Management Effectiveness Tracking Tool score across the targeted CAs), ensuring that key species populations are maintained or increased, among others.

32. Enhancing CAs' human resources and fixed assets. The project will support: a) human resources development, including salaries and training of key staff; b) climate smart and resilient infrastructure, including construction, repair or maintenance of infrastructure mainly for management (headquarters, staff and rangers housing, roads, drifts, fencing, small works for the promotion of human-wildlife co-existence) and tourism (access road, viewing structures, camp site, trails, signage); d) technical assistance for management plans; d) equipment, including vehicles, boats, field equipment, tents, radios, repeaters; e) research and surveys, including climate change risks to CA management, integrated wildlife and ecosystem management, and pilot a registry of



ecosystem degradation and efforts of restoration to feed into the biodiversity offset system; f) translocation of wildlife. These activities will be implemented by FNDS.

33. Supporting CAs' operations. The project will finance: a) operational costs to strengthen CA governance, including the establishment and functioning of CA management councils; b) resource protection including patrol costs (ration, fuel, bonus, etc.); c) delivery of environmental awareness and education campaigns⁶ through the use of cultural activities including local community radio programs (including family planning messages), support to girls' and environmental clubs, scholarships to local youth, and promotion of vocational training; d) strengthening community-based organizations among local communities; ; and e) a pilot of payments for ecosystem services (PES) in Maputo Special Reserve. These activities will be implemented by BIOFUND.

34. Activities specific to the targeted CAs are as follows:

- a) **Elephant Coast Landscape (Maputo Special Reserve and Ponta do Ouro Marine Reserve).** The project will finance: *I. Related to human resources and fixed assets:* a) staff salaries and training; b) infrastructure development, including a connection road to the park entrance/headquarters building and an all-weather game loop in its vicinity, construction of additional staff housing and rehabilitation of a training center; c) equipment, including field equipment; d) translocation of animals. *II. Related to CAs' operations;* a) supporting operational costs linked to the governance of the CA, including the establishment of its management council;; b) enhancing environmental awareness, promotion of girls' clubs, provision of scholarships, community trainings and campaigns including on family planning; c) support to CBOs; d) operating costs, including fuel, rations, equipment maintenance; Peace Parks Foundation⁷ (PPF) will act as the co-manager for these CAs through an agreement signed with the GoM.
- b) **Chimanimani Landscape (Chimanimani National Reserve).** The project will finance: *I. Related to human resources and fixed assets:* a) staff salaries and training; b) infrastructure construction and maintenance, including staff housing, camps, roads, drifts, trails, signage, c) equipment, including field equipment; d) translocation of animals. *II. Related to CAs' operations.* a) operational costs linked to the governance of the Reserve, including the establishment of its Management Council, b) updating the management plan, c) enhancing environmental awareness, promotion of girls' clubs, provision of scholarships, community trainings and campaigns including on family planning; d) operating costs, including fuel, rations, equipment maintenance. A partnership for the co-management of this CA will be pursued by ANAC.
- c) **Marromeu Complex Landscape (Marromeu Reserve and Coutadas 10, 11, 14).** The project will finance *I. Related to human resources and fixed assets:* a) staff salaries and training; b) infrastructure construction and maintenance, including staff housing and office, water and electric access, and road improvement, c) equipment, including field equipment; d) translocation of animals. *II. Related to CAs' operations.* a) operational costs linked to the governance of the Reserve, including the establishment of its Management Council, b) updating the management plan, c) enhancing environmental awareness, promotion of girls' clubs, provision of scholarships, community trainings and campaigns including on family planning; d)

⁶ These Environmental Education Activities will be part of a quota of 20% of the Local Education Curriculum which schools already must comply with.

⁷ PPF is a non-profit organization that advocates for the creation of transfrontier conservation areas (TFCAs) in Africa, and provides services to these TFCAs such as political support-building, planning, project management, fundraising, and management training in various areas.



operating costs, including fuel, rations, equipment maintenance; e) research and survey work, including on estuarine and marine ecosystems, considering climate change impacts. A partnership for the co-management of this CA will be pursued by ANAC.

35. Component 3 – Promoting conservation-compatible rural development and integrated landscape management in target landscapes (US\$ 13 mi IDA). This component will promote conservation-compatible rural development in target landscapes through support to sustainable value chains, and promote integrated landscape management, by financing land use planning, establishment of Landscape Management Units, and capacity strengthening of targeted districts to reduce pressure on CAs. Restoration of degraded habitats will be promoted once GEF 7 funds are available. These activities contribute to a pillar of the MozBio Program, and requires addressing several constraints, including limited access to credit, technical assistance and inputs, insufficient market access and employment opportunities, and human-wildlife conflict (HWC). This can only be achieved through an integrated set of interventions across the landscape (integrated landscape management), including spatial planning, and restoration of degraded habitats (land, forests, mangroves, etc.). Conservation-compatible rural development aims to improve the livelihoods of communities living in these landscapes while also reducing pressure on CAs from surrounding communities and restoring degraded habitats. Expected results include an increase in the number of rural households and local communities connected to sustainable value chains, reduction in HWC, and restoration of degraded habitats. This component draws on the implementation tools of the ongoing Sustenta Program, financed by the Bank. Expected results include: increased number of households included in sustainable value chains, in particular of women-headed households, rural population's financial literacy increased, local land use plans completed, and area of degraded habitats restored.

36. Promoting conservation-compatible rural development through access to finance and technical assistance (matching grant scheme – *Sustenta Biodiversidade*). The project will finance a) a matching grant scheme (see Annex 3) targeting local entrepreneurs, community-based organizations (CBOs) and micro, small and medium enterprises (MSMEs) to promote conservation-compatible value chains, including financial literacy of local communities through the establishment of Saving and Credit Groups (PCRs), which primarily comprise women and represents one of the few working mechanisms that help women to increase their financial credit and savings.

37. Promoting integrated landscape management, particularly landscape zoning, restoration of degraded habitats and reduction of habitat loss in the targeted landscapes. The project will finance: a) operational costs and consultancy to develop participatory and gender sensitive land use zoning plans for the target landscapes, including consultation, mapping, field work, and dissemination; b) operational costs and equipment to establish Landscape Management Units; c) operational costs and equipment to strengthen the capacity of Districts in the targeted landscapes; c) operational costs, equipment, and consultancy and small works (e.g. fencing) for implementation of human-wildlife co-existence actions. e) operational costs, equipment and consultancy to restore degraded habitat, including land restoration, and to halt the loss of critical habitats through the adoption of sustainable land use practices (such as conservation agriculture, agroforestry and reforestation). These sustainable land management activities are expected to be financed through GEF 7 (as additional financing to this project).⁸ Land restoration activities will be entered in the national registry to facilitate the financing of

⁸ GEF-7 Replenishment concluded on June 30, 2018, and funds will be made available by the end of calendar year 2018. The GEF Focal point in Mozambique has confirmed the intent to use Mozambique's allocation, once funds are made available. These resources will be processed as an Additional Financing to MozBio2 Project and further discussed with the GEF as GEF-7 becomes effective.



ecological restoration activities by the private sector as a potential biodiversity offset asset.

38. Activities specific to each landscape are mentioned below.

- a) **Elephant Coast Landscape.** The project will support: a) value-chain activities, possibly including: fisheries associations in the bay area of the marine reserve, nature-based tourism private or community/private joint ventures, sustainable wildlife management and cattle farming, conservation-compatible livestock schemes, crab farming, handcrafting, beekeeping; (b) establishment of Savings and Credit Groups. A Special Land Use Plan (PEOT) for the landscape will be the base for the Elephant Coast Management Plan (currently under preparation). With GEF 7 financing, habitat restoration efforts will be conducted (including clearance of alien invasive species in Maputo Special Reserve), as well as reduction of habitat loss in critical areas (such as the Licuati forest reserve) potentially through the establishment of a community conservation area.
- b) **Chimanimani Landscape.** Potential value-chain to be promoted include: a) NBT private or community/private joint ventures, wildlife and cattle farming, forestry, including small-scale plantations; conservation agriculture—e.g. macadamia, coffee, beekeeping, soy, maize, sesame, which also provide opportunities for improved adaptive capacity to manage climate related risks. b) New Savings and Credit Groups will be formed. A detailed land use plan for the Sussudenga District will be conducted.⁹ With GEF 7 financing, land restoration, including restoration of areas along the key rivers of the watershed, will be promoted as well as reduction of habitat loss in critical areas potentially through the establishment of community conservation areas.
- c) **Marromeu Complex Landscape.** Potential value-chains to be promoted include: a) fisheries in the estuary and coastal area; private or community/private joint ventures in game farming; forestry, non-timber forest products; conservation agriculture—e.g. cashew nuts, sugar cane, beekeeping, wildlife products; crab farming; b) new Savings and Credit Groups will be formed. A detailed land use plan for the Marromeu District will be conducted, which complements the already existing Zambezi Valley land use plan. With GEF 7 financing, land restoration activities will be promoted, including mangrove and wetland restoration, as well as the reduction of habitat loss in critical areas.

39. **The Matching Grant Scheme (MGS) will provide matching funds to local entrepreneurs, community-based organizations (cooperatives, associations, and natural resources committees, among others), small and medium enterprises and individuals for revenue-generating businesses.** At least 30 percent of beneficiaries will be women and/or youth. Businesses to be supported have to be (i) conservation-compatible, (ii) consistent with the approved zoning for the landscape, (iii) economically viable. Types of businesses to be promoted include value chains based on wildlife products, such as buffalos and crocodile farming, on forest products (timber and non-timber forest products), NBT, agriculture and livestock. The project will provide assistance for the identification, preparation and implementation of the business plans. MGS will follow the procedures currently implemented by the Sustenta project (P149620).¹⁰ Details in Annex 3.

⁹ This land use plan will build on the “restoration opportunities assessment” (ROAM) conducted in the Chimanimani Landscape, which aims to map of degraded areas, identifying effective restoration models and prioritizing interventions. The methodology combines geospatial analysis, ground truthing and a consultative process, with strong participation of key land-users and stakeholders within the landscape, such as the CNR administration, local Government bodies, the Mozambique Electricity Company (EDM), academia, and the private sector involved forest, agriculture and mining value chains in the Chimanimani landscape. The assessment will be finalized by July 2018.

¹⁰ The MGS is a mechanism that aims at enabling value chains to be more inclusive and efficient, by improving the productivity of small-emerging commercial farmers (PACES) and micro, small, and medium enterprises (MSMEs) in agricultural and forestry-



40. **Contribution to climate change.** As described in the components above, the Project will enable CAs to play a crucial role in improving resilience and enhancing adaptive capacity of local communities, by promoting climate smart approaches in the different landscapes, ensuring infrastructure is developed to climate resilient standards and building measures to address climate risks. **Adaptation co-benefits** include:

- Diversifying livestock and crops through the promotion of conservation agriculture and monitoring and control of pests and diseases will help to increase crop yields, improve soil structure and reduce soil erosion as well as loss of nutrients. Improved access to finance for communities to develop conservation-compatible value chains help build their natural assets and reduce their vulnerability to climate and non-climate risks. Although certain climate risks will persist, such as drought and floods, these interventions contribute to managing long-term negative impacts of climate hazards. For example, access to credit can help community farmers buy inputs (seeds, fertilizers, etc) that increase agricultural productivity, replace climate sensitive crops with drought resistant or short cycled varieties, building infrastructure to collect rainwater and invest in small-scale irrigation schemes. The project will also support smallholder capacity building to manage and cope with climate risks.
- Sustainable Land Management, agroforestry, and restoration activities (including reforestation and assisted natural regeneration) will help reduce social vulnerability to climate hazards, enhancing their coping mechanism, improve food security and diversify their livelihood options. Protecting soils from erosion increases soil organic matter and regulate water for more resilient production systems. Agroforestry systems will also help generate side-incomes or securing food supply (if the main crop production has been damaged due to extreme weather events). For reforestation practices, the project will make use of native species and natural regeneration involving the communities, as much as possible.
- Coastal resilience through reforestation/restoration of mangroves will help reduce storm surges, erosion and tidal floods, provide protection of wildlife habitat and benefit coastal communities including the fisheries sector. The project will also support capacity building of fisheries communities to manage climate risks.

41. **The project will also mitigate climate change by contributing to the loss of carbon-rich habitats** (particularly deforestation of miombo forests and mangroves). The project will address the causes of deforestation (such as slash and burn agriculture) and enhance the effectiveness of CA management, which reduces greenhouse gas emissions. It will also enhance carbon stocks through sustainable land management, land restoration and reforestation. The project will contribute to a protection of around 1 million hectares among the three different CAs. In total the project will help generate net emissions reductions of 11 million tons CO₂-eq over a period of 20 years. For more information on the GHG assessment please see Annex 5.

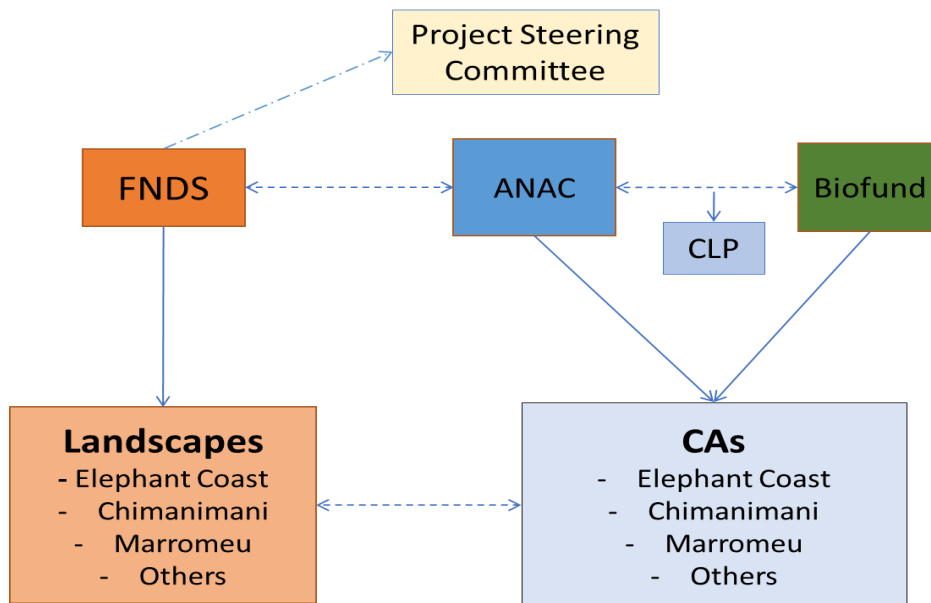
E. Implementation

based value chains. Specifically, the MCS aims to strengthen the ability of small holders, PACEs, and MSMEs to participate in the commercial banking sector, as well as improve producer access to information, technology, practices and inputs. Sustenta MCS supports two types of trade linkages: i) smallholders to agribusiness value chains through investments by PACEs; ii) supporting MSMEs in expanding key agribusiness and forestry value chains. This is done through two financing windows: a) Window 1: designed for business plans between US\$ 5,000 and US\$ 100,000, with 50% donation and 50% personal contribution; b) Window 2: designed for business plans between US\$ 100,001 and US\$ 1,000,000, with the same rules of Window 1.



Institutional and Implementation Arrangements

41. **The project will be managed by a PIU within the National Sustainable Development Fund (FNDS), supported by Landscapes Management Units (LMUs) at the landscape level.** Please refer to the graph below. MITADER, through the FNDS, will be the coordinating institution for the Project. FNDS will have the overall responsibility for project management (including preparation of annual work plans), procurement and financial management, safeguards compliance, and monitoring and evaluation (including the preparation of quarterly and annual implementation progress reports). The project will be managed by FNDS' Project Management Unit, which is currently managing several other Bank-financed projects (refer to the organogram below). Key positions at FNDS for the management of MozBio 2 include a Project Coordinator, a Conservation Area Management Specialist, Community Specialist, and a Value Chains Specialist who will support and supervise the technical implementation of activities led by other institutions (e.g. ANAC, BIOFUND and CA co-managers). FNDS will enter a MoU with the Ministry of Interior for the implementation of activities related to the e-visa pilot (Component 1). The project will adopt a Project Implementation Manual (PIM) that details the institutional, fiduciary and implementation arrangements. A final version of the PIM acceptable to the Bank will be a condition for Effectiveness of the IDA Grant.

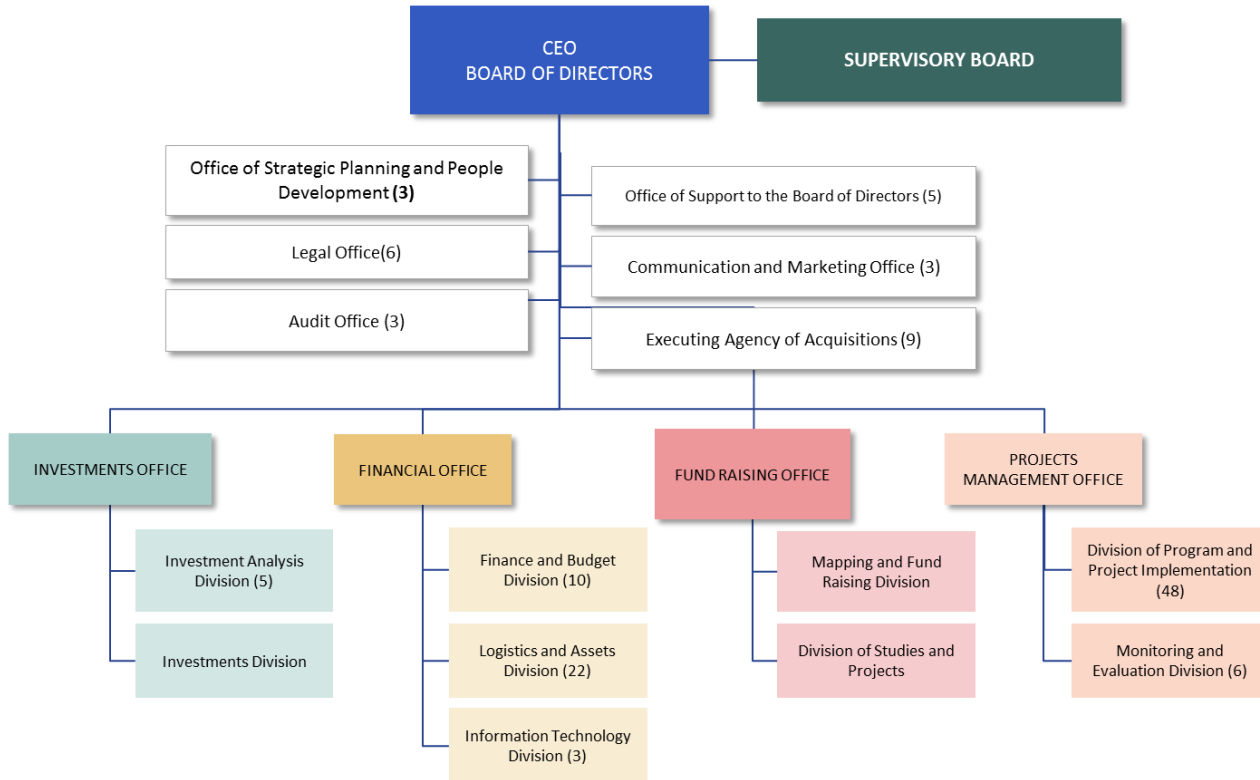


42. **Landscape Management Units (LMU).** MozBio 2 will finance the establishment of LMUs in target landscapes, which will coordinate project implementation activities in their respective landscapes. They will be staffed with a project coordinator; and three specialists (fiduciary, safeguards and value chain). They will coordinate their activities with Provincial authorities, particularly the Provincial Directorate of Rural Development, and District authorities, particularly the Economic Activities Services (SDAE – *Serviço Districtal de Actividade Económica*)..

43. A **Project Steering Committee (PSC)** will be established and functional during project implementation. It will be chaired by the CEO of FNDS, and comprising representatives from ANAC, Ministry of Environment, Land and Rural Development (MITADER), Ministry of Culture and Tourism (MICULTUR), Ministry of Agriculture and Food Security (MASA), Ministry of Seas, Interior Waters and Fisheries (MIMAIP), BIOFUND, the private sector, and civil society organizations.



44. **National Administration for Conservation Areas (ANAC).** ANAC will implement a PPP Unit to promote private investments in Conservation Areas, and will collaborate with BIOFUND in the implementation of the Conservation Leadership Monitor. ANAC will ensure the timely preparation of Annual Work Plans for the target CAs, and will monitor and report on their implementation.



45. **BIOFUND.**¹¹ Under MozBio 2, BIOFUND’ will (a) disburse project funds to target CAs to cover their operational costs, (b) manage and distribute an additional contribution to the fund’s endowment (from GEF 7); and (c) lead and manage the implementation of the “Conservation Leadership Program”; (d) explore sources of sustainable financing and secure such opportunities.

The Conservation Leadership Program (CLP): A CLP Unit will be set up within BIOFUND, led by a Program Coordinator, in charge of day-to-day management of Program, including procurement, fund-raising, partnerships, communication and M&E. A CLP Advisory Board will be set up to provide strategic guidance to the Program, and will be made up of ANAC, BIOFUND, co-management partners and academia.

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

Activities will be implemented in three conservation areas landscapes, which encompasses conservation areas, their buffer area and adjacent land areas. These landscapes have been selected on the basis of the

¹¹ A Subsidiary Agreement between the Ministry of Economy and Finance and BIOFUND was prepared and signed for MozBio 1. This Agreement will be updated for the purposes of MozBio 2, and will be a condition of project effectiveness.



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

G. Environmental and Social Safeguards Specialists on the Team

Bruno Alberto Nhancale, Environmental Safeguards Specialist
 Paulo Jorge Temba Sithoe, Environmental Safeguards Specialist
 Maria Do Socorro Alves Da Cunha, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Like MozBio 1, it is anticipated that potential 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 the design details and specific location of subprojects are unknown at this point, the Borrower updated the Environmental and Social Management Framework (ESMF) of MOZBIO 1, based on previous implementation experiences, to not only include a draft Environmental and Social Management Plan (ESMP) but also a Good Practices Guide for managing adverse impacts for both Category B and C subprojects, respectively. Hence, the ESMF provides the basic procedures in the earlier preparation phase of the subprojects, by using an Environmental and Social Screening Checklist, that builds on the Checklist used by MOZBIO 1, and tailored for expected subproject types to be supported by MOZBIO 2 (building, roads, agriculture, forestry and forest products, livestock, tourism and processing). The Checklist will facilitate the identification of potential environmental and social impacts, determination of their significance, proposal of appropriate hierarchical mitigation measures and assignment of the appropriate subproject category. The ESMF also includes a Grievance Redress Mechanism as well as the minimum requirements of an Environmental, Social, Health and Safety (ESHS) Clauses and Code of Conduct for contractors. The ESMF outlines implementation arrangements, proposes measures for institutional capacity building, and estimates the budget for its implementation.

Social Assessments (SA) will be carried out during implementation to evaluate the potential social impacts of the specific activities selected in each of the target landscapes and to inform project implementation and monitoring in each landscape and the application of safeguards instruments. The TOR of the SA will be integrated in the PIM. While the 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 design and implementation of community activities, stakeholder engagement, and impact management, and can also be included as updates to the PIM if necessary.



The preparation of zoning plans for the Marromeu Complex Landscape (MCL) and Chimanimani Landscape (CL) may have environmental and social implications associated with limitations of access to land and the use of natural resources. As such these zoning plans will follow the same approach undertaken in MozBio 1 where the Special Land Use Plan (PEOT) for Elephant Coast Landscape included a Strategic Environmental and Social Assessment (SESA). Thus, the MCL and CL zoning will be conducted through the District Land Use Plans (PDUT) and its associated SESA to ensure the proper integration of environmental and social issues

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, therefore the overall impacts will be positive. However, some activities will take place within conservation areas, containing natural habitats. The ESMF includes 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 provides mitigation measures for potential negative impacts, such as deforestation or forest degradation.

Pest Management OP 4.09

Yes

The livelihood activities supported under the Component 3 – Facilitating Conservation-compatible rural development in targeted landscapes (“Sustenta Biodiversidade”) - could support agricultural or livestock subprojects in the Conservation Areas Landscapes that may lead to small quantity use of agro-chemicals (fertilizers, pesticides and acaricides). Therefore, similarly to MOZBIO 1, this policy was triggered to ensure project’s compliance with this Policy. The Borrower has prepared and implemented



		under MOZBIO 1 a Pest Management Plan (PMP) which was proven to be functional in promoting and supporting safe, effective, and environmentally sound pest management practices: conservation agriculture, use of natural pesticides, safe pesticide storage, handling, and disposal, etc. Hence, the existing PMP was slightly updated, and has been 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 and earth movements. Therefore, the ESMF includes provisions to apply "Chance Finds" procedures in compliance with this policy requirements
Indigenous Peoples OP/BP 4.10	No	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.
Involuntary Resettlement OP/BP 4.12	Yes	<p>No or minimal resettlement is expected. Activities will be screened to avoid physical resettlement entirely and economic displacement as much as possible. The project triggers OP/BP 4.12 as it may cause situations involving involuntary restrictions of access to land and natural resources in conservation areas and minor economic displacement impacts.</p> <p>Access restrictions to natural resources in core areas of the CA for local communities may be caused by (i) new constructions and investments – mainly related to CA operations and tourism- that will be guided by updated CA management and business plans, (ii) reinforced restrictions and implementation of strategies to regulate the use of natural resources within the protected as per CA management plans (legally approved); and (iii) restrictions resulting from the implementation of tourism or production related activities.</p> <p>The livelihood restoration of people affected by the project will be addressed through a Process Framework (PF). The Borrower reviewed and updated the PF that was approved for MozBio1.</p>



MOZBIO 2 will promote skills development and enterprise development activities outside the boundaries of the Conservation Areas (CAs) to encourage people to choose to relocate voluntarily to areas outside the CAs with better livelihood opportunities. No one will be required to move. The Conservation Area co-management partner (PPF) may offer additional incentives and support for people who decide to relocate, independently from MozBio.

No or minimal resettlement is expected with respect to infrastructure construction financed by MozBio2. A simplified RPF has been prepared to address screening procedures and criteria for infrastructure projects: (i) seeking to avoid any physical resettlement and livelihoods impacts, to the extent possible, (ii) limiting potential direct asset losses to local communities to less than 20% of the PAP's assets/income, (iii) providing the conditions to address any unavoidable impacts in accordance with OP 4.12.

Community partnerships with the private sector supported by MozBio 2 will follow guidelines prepared by the Government and used in other Bank-financed projects. Those guidelines – that will be attached to the PIM - require these partnerships to include community agreements to ensure equitable and sustainable conditions in accordance with OP 4.12.

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



KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

Like its predecessor, MozBio 2 was rated as a Category B project due to the site specific nature of its foreseen environmental and social impacts, that could be readily addressed through the use of appropriate safeguards instruments. Such impacts will mainly result from the construction of 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 minimal to moderate, whilst rather avoiding or mitigating, to the maximum possible any impacts from physical displacement. Such impacts include, soil and vegetation disturbance, dust emission, noise and vibration, land clearance, waste generation and risks to the health and safety of contractor's workers and communities. The Borrower will update the Environmental and Social Management Framework (ESMF) for MozBio 1 that includes a draft Environmental and Social management plan (ESMP) for managing adverse impacts. Consequently, compliance with the World Bank Safeguards policies and applicable national regulations, including the preparation of supportive safeguards documents will be built on the positive experience of and lessons learnt from the previous project.

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

Socially, MozBio2 will promote skills development and enterprise development activities around the conservation areas aiming to encourage people to relocate to areas outside the CAs. No or minimal resettlement is expected with respect to infrastructure construction. A simplified RPF contains 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 percent of the PAP's assets/income; and (3) providing the conditions to address any unavoidable impacts in accordance with O 4.12. The simplified RPF was prepared before appraisal. The PIM will also be designed to be inclusive and to ensure community participation in the design of sub-projects, to ensure they benefit from these sub-projects. For project activities that result in restriction of access to resources, a PF provides for processes to reach community agreements to reduce impacts and implement mitigation measures where required.

Social impacts and mitigation measures:



- 1) Potential restriction of access to natural resources by local communities, which would negatively impact their livelihoods: The project will promote livelihoods opportunities outside CAs through the matching grant scheme; promote skills development in tourism, conservation and other professions to increase employment opportunities and diversify income generating activities. Use the PF to identify and to mitigate the main risks. Impacts of zoning and specific projects will be addressed according to the PF.
- 2) Human-wildlife conflict: The project allocates funds for the mitigation of human wildlife conflict in each targeted CA to reduce the impacts of wildlife on community activities. These measures include risk mapping to prioritize interventions by the CA management and dissemination of the results, signaling hot spot areas, fencing (chili pepper plant fences, bee hives fences, ...) locating watering holes away from key community sites, and technical training among others.
- 3) Impacts of infrastructure projects: expected to be minimal and will be screened out and addressed through the RPF
- 4) Other potential social impacts: Social assessments of the communities around the targeted CAs will be conducted to evaluate the potential social risks and inform project implementation, including mitigation.

Community partnerships with the private sector supported by MozBio 2 will follow guidelines prepared by the Government and used in other Bank-financed projects. Those guidelines -that will be attached to the PIM-require these partnerships to include community agreements to ensure equitable and sustainable conditions in accordance with OP 4.12. Participatory processes will emphasize community agreements. Where any involuntary land acquisition, displacement or restriction of access is identified the RPF and/or PF will be applied.

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

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

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

MITADER, through the FNDS will continue to lead the implementation, and day-to-day management of MOZBIO 2, as it has been implementing MOZBIO 1 for four years now, in accordance with an Environment and Social Management Framework (ESMF), a Pest Management Plan (PMP) and a Process Framework (PF). These safeguards instruments were reviewed and updated to provide the guidelines for the implementation of the project. A simplified Resettlement Policy Framework (RPF) was also prepared in addition to address screening procedures and criteria for infrastructure subprojects. Moreover, since BIOFUND, a private foundation, will be disbursing MOZBIO 2 project funds to target CAs to cover their operational costs, their Manual of Operational Procedures will be reviewed to ensure compliance with World Bank Safeguard Policies.



FNDS is currently implementing environmental and social safeguard requirements using an integrated approach in dealing with several Bank-funded projects (MozFIP, MOZBIO, Sustenta projects). FNDS currently has 4 specialists at central level, who are responsible for particular projects or thematic areas but support each other in an integrated manner; and 3 safeguards specialists at provincial level (Landscape Management Units). These safeguards specialists are further assisted by 6 Community Officers and 30 Rural Development Extensionists at local level. Given MOZBIO 2 focus on few areas with transformational potential, the safeguards staff for the project will consist of: (i) 1 environmental and social safeguards specialist at central level, part of the FNDS safeguards team ; and (ii) 3 social safeguards, 3 CA Community Officers and a network of community facilitators based in the 3 targeted landscapes . A total of 7 senior specialists supported by the community facilitators will be directly involved in implementing and monitoring MozBio2 safeguards instruments. This team will be assisted by the FNDS Safeguards team at national level.

Under MOZBIO 1 a total number of 18 infrastructural and community livelihoods projects were successfully screened for Environmental and Social impacts from which one third had their ESMPs prepared, disclosed and successfully implemented in a way deemed satisfactory to WB. The remaining two thirds consisted of Category C subprojects with their associated Good Practice Manual which also showed successful implementation. A common Grievance and Redress Mechanism – called Dialogue and Grievance Mechanism (MDR) - was designed for all the projects in the World Bank Integrated Landscape and Forest Management Portfolio. The MDR was tested in the Maputo Special Reserve and is becoming operational in all the project sites.

13 grievances were registered through different channels (e.g. mobile phone, email, letters, personal communication) since the system became fully operational in February 2018, out of which 7 were resolved and 6 forwarded to the relevant authorities.

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

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

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



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

National level – Government, development partners and private sector (tourism). They were consulted during project preparation through meetings in Maputo, and during the Nature-Based Tourism Conference that took place in June 2018).

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

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

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

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 12-Jul-2018	Date of submission for disclosure 17-Jul-2018	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Mozambique
17-Jul-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 12-Jul-2018	Date of submission for disclosure 17-Jul-2018
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"In country" Disclosure

Mozambique
16-Jul-2018

Comments



Pest Management Plan

Was the document disclosed prior to appraisal?	Date of receipt by the Bank	Date of submission for disclosure
Yes	12-Jul-2018	17-Jul-2018

"In country" Disclosure

Mozambique

17-Jul-2018

Comments

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

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

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

OP/BP/GP 4.01 - Environment Assessment

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

Yes

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

Yes

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

Yes

OP/BP 4.04 - Natural Habitats

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

No

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

NA

OP 4.09 - Pest Management



Does the EA adequately address the pest management issues?

Is a separate PMP required?

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

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

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

Yes

OP/BP 4.12 - Involuntary Resettlement

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

Yes

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

Yes

OP/BP 4.36 - Forests

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

Yes

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

Yes

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

No

The World Bank Policy on Disclosure of Information

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

Yes

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

Yes



All Safeguard Policies

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

Yes

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

Yes

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

Yes

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

Yes

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Borrower/Client/Recipient

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APPROVAL

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