

**INTEGRATED SAFEGUARDS DATA SHEET  
(FCPF READINESS FUND)  
CONCEPT STAGE**

Report No.: 106533

**Date ISDS Prepared/Updated: May 7, 2013**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: Republic of Mozambique	Project ID: P129413
	Additional Project ID <i>(if any)</i> :
Project Name: Reducing Emissions from Deforestation and Forest Degradation (REDD+) Readiness Preparation Support	
Task Team Leader: Dinesh Aryal/ André Aquino	
Estimated Appraisal Date: N/A	Estimated Board Date: N/A
Managing Unit: AFTN3	Lending Instrument: Grant under the Forest Carbon Partnership Facility
Sector: ENVIRONMENT	
Theme: Climate Change and Forestry	
FCPF Amount (US\$m.): US \$ 3.6 million	
Environmental Category: B	
Simplified Processing	Simple [ X ] Repeater [ ]
Is this a transferred project	Yes [ ] No [ X ]

**B. Project Objectives:**

1. The Project Development Objective is to contribute to the preparation of national REDD+ strategy and of its legal and institutional framework.

**Key Results**

2. The achievement of the PDO will be measured through the following results indicators:
- A national strategy to reduce emissions from deforestation and forest degradation (REDD+) is prepared and validated by national stakeholders;
  - The legal and institutional framework for the implementation of the strategy is prepared and validated by national stakeholders; and
  - An Environmental and Social Management Framework (ESMF) is prepared and validated through the use of a Strategic Environmental and Social Assessment (SESA).

### C. Project Description:

3. **The Government of Mozambique (GoM) has developed and submitted an R-PP.** This REDD+ Readiness Preparation grant will provide additional funding to support the Country in carrying out the activities outlined in its R-PP. The grant will fund only a portion of the R-PP activities, but will help the Country towards achieving REDD+ Readiness, even though the Country may not reach this stage until well after the grant closes. Based on the activities outlined in the R-PP, it is expected that the Country would be able to participate in REDD+ carbon transactions, including under the FCPF Carbon Fund.

4. **Mozambique and the FCPF.** Mozambique's Readiness Preparation Proposal (R-PP) was endorsed by the FCPF Participants Committee in March 2012. The Committee requested the World Bank to conduct its due diligence with view of signing a grant of up to US\$ 3.6 million to allow Mozambique to implement the activities presented in the R-PP. The R-PP includes activities related to: (i) the preparation of national REDD+ strategy and a legal and institutional framework; (ii) the design and implementation of a national Measurement, Verification and Reporting (MRV) system to allow the country to monitor and report on emissions arising from deforestation and forest degradation; and (iii) the preparation of a national reference level of emissions from deforestation and forest degradation.

5. **REDD+ Readiness in Mozambique.** The FCPF will contribute with a US\$ 3.6 million grant, which will finance the formulation of a National REDD+ Strategy and of its implementation framework through a participatory consultative process as well as contribute to increasing national institutional and technical capacity on REDD+. The FCPF grant will finance analytical studies, consultation processes at the national and provincial levels, and capacity strengthening and technical assistance to the GoM. However, the FCPF grant will not finance the implementation of REDD+ pilot investment activities on the ground.

6. **Other Development Partners support to REDD+ Readiness in Mozambique.** As the FCPF grant will not fund all activities expect to make Mozambique 'ready' for REDD+, other development partners have committed to support the GoM. In particular, activities related to the creating of Measuring, Reporting and Verification (MRV) system, and to the preparation of a national reference scenario of emissions (i.e., reference emission level – REL) from deforestation and forest degradation, the governments of Japan and Norway have been supporting the GoM. The Government of Japan and JICA have committed US\$ 10.5 million to the implementation of the activities related to MRV and REL. The Government of Norway is providing US\$3.27 million additional resources through the International Institute for Environment and Development (IIED) for research at the subnational level in particular to establish baseline, identify drivers of deforestation, devise specific investment activities and draw lessons. These lessons will help national level REDD+ agenda.

7. **Activities to be financed by the FCPF grant.** The table below summarizes the activities to be financed by the FCPF grant. These activities have been selected based on: (i) discussions with the Government authorities and national priorities for the REDD+ Readiness process; (ii) World Bank comparative advantages; (iii) existence of financing by other development partners.

### **FCPF Components and Activities (US\$ million)**

<b>Project Activities</b>	<b>Costs</b>
<b>1. Strengthening the national readiness management arrangements</b>	<b>1.8</b>
1.1 Strengthening of the Technical Unit for REDD+ and the Technical Committee	1.0
1.2 Strengthening the decentralization of REDD+ arrangement	0.3
1.3 Project Management Costs	0.5
<b>2. Promotion of multi-stakeholder consultations</b>	<b>0.9</b>
2.1 Multi-stakeholder awareness raising and consultations on the REDD+ strategy and its legal framework	0.6
2.2 Preparation of communication material on REDD+	0.3
<b>3. Design of the national REDD+ Strategy</b>	<b>0.9</b>
3.1 Preparation of the national REDD+ Strategy	0.4
3.2 Strategic Environmental and Social Assessment and Design of a Grievance Mechanism	0.3
3.3 Design of the national legal and institutional framework for REDD+	0.2
<b>Total Costs</b>	<b>3.6</b>

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

8. Activities to be financed by the FCPF in support of the REDD+ Readiness process in Mozambique do not include the implementation of REDD+ programs on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels.

#### **E. Borrower's Institutional Capacity for Safeguard Policies:**

9. The execution of the national REDD+ Readiness Process will be led by the Technical Unit for REDD+ (UT-REDD), co-led by the MICOA (through its National Directorate of Environmental Management) and by MINAG (through its Directorate of Land and Forests). A Technical Review Committee will provide an advisory role to the UT-REDD+ under the overall strategic direction from CONDES.

10. The National Directorate of Environmental Impact Assessment (DNAIA) at MICOA is responsible for development of policies, review environmental impact studies and mitigation plans, as well as conducting environmental audits. MICOA also has Sustainable Development Centers for the Coastal Zone based in Xai-Xai (Gaza province) and forest and other resources in Chimoio (Manica province). The former conducted the first macro-zoning and Strategic Environmental Assessment (SEA) of the Coastal Zone. The Ministry of Agriculture, through the National Directorate of Agrarian Economy (DNEA), facilitated the development of the only Strategic Environmental Assessment (SEA) conducted for a national program – PROAGRI. The SEA of PROAGRI included analysis of social, economic and environmental impacts as well as legal instruments and institutions to implement mitigation measures.

11. A multi-stakeholder/multi-disciplinary REDD+ Consultative Committee will be established in Mozambique to coordinate the development of the SESA/ESMF. This Committee

will oversee the preparation of the SESA and ensure that institutional and capacity gaps for managing environmental and social risks are fully assessed. They will work very closely with the National REDD+ Technical Review Committee.

## **F. Environmental and Social Safeguards Specialists on the Team:**

Stephen Ling	Environmental Specialist, AFTN3
Cheikh Sagna	Sr. Social Development Specialist, AFTCS
Nicholas Meitaki Soikan	Social Specialist, Consultant, AFTN1

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

12. It is envisioned that the safeguards policies mentioned below may be triggered in the REDD+ Readiness process.

13. The readiness preparation phase is meant primarily for technical assistance and capacity building activities. The grant will not finance any implementation of REDD+ activities on the ground (investments, pilot activities). In order to identify the potential negative consequences from the implementation of the National REDD+ Strategy, the GoM will carry out a Strategic Environmental and Social Assessment, which should ensure: i) the integration of social and environmental considerations into the final REDD+ Strategy; ii) a participatory process for the preparation of the national REDD+ strategy; and iii) the establishment of an Environmental and Social Management Framework (ESMF) to support the country in managing and mitigating potential future negative consequences from the implementation of the REDD+ strategy.

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>		
In line with the nature of the REDD+ Readiness preparation activities, the Government of Mozambique will use a Strategic Environmental and Social Assessment (SESA) as the applicable safeguards approach. The strength of the SESA for REDD+ is that it will combine analytical work and participatory consultations to inform the preparation of the REDD+ strategy. The SESA will help ensure compliance with the Bank's safeguard policies by integrating key environmental and social considerations relevant to REDD+ including all those covered by the safeguard policies. The SESA will help the Government of Mozambique to formulate their REDD+ strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social issues identified. The SESA includes an Environmental and Social Management Framework (ESMF) as a distinct output, which provides a framework for managing and mitigating the environmental and social risks related to investments and carbon finance transactions in the context of the future implementation of REDD+. The future investments and carbon finance transactions will still require specific environmental and social assessments, but these will benefit from the strategic context created by the SESA and ESMF. The ESMF will include stand methods and procedures, along with appropriate institutional arrangements for screening, reviewing, implementing and monitoring specific ESMPs to prevent adverse impacts as well as cumulative impacts.			
<b>Natural Habitats (OP/BP 4.04)</b>	<b>X</b>		
The application of this policy seeks to ensure that all options proposed in the National REDD+ Strategy take into account the conservation of biodiversity, as well as the numerous environmental services and products that natural habitats provide to human society. Overall, REDD+ activities are expected to have significant positive impacts on natural habitats, as the country puts in place an effective strategy to reduce loss of natural forests. The SESA will address issues related to natural habitats and potential			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
impacts of the National REDD+ Strategy, which will later be included in the ESMF.			
<b>Forests (OP/BP 4.36)</b>	<b>X</b>		
Overall, REDD+ activities are expected to have significant positive impacts on forests in the country, in that the main goal of the program is to reduce deforestation and forest degradation, while contributing to the well-being of forest-dependent communities. Potential impact of the National REDD+ Strategy on natural forests will be assessed through the SESA and included in the ESMF. The SESA and associated ESMF will reflect the requirements of the Bank's Operational Policy regarding forest management, in particular as these relate to the establishment of plantations.			
<b>Pest Management (OP 4.09)</b>			<b>X</b>
This policy could be triggered depending on the final scope of the National REDD+ Strategy. Agricultural intensification and reforestation activities, for instance, could trigger this policy, depending on the methods employed by concrete activities on the ground to manage pests. The SESA will address critical issues related to pest management, as necessary, and these will also be included in the key elements for the ESMF.			
<b>Physical Cultural Resources (OP/BP 4.11)</b>			<b>X</b>
This policy could be triggered if REDD+ activities promote actions in areas containing sites deemed physical cultural resources by communities living there (e.g. holy sites such as sacred groves, sacred forests, etc.). Though it is not anticipated that the grant will have negative impacts on any such sites, the existence of any such sites and the corresponding need to trigger this policy will be determined once the National REDD+ Strategy is completed.			
<b>Indigenous Peoples (OP/BP 4.10)</b>		<b>X</b>	
<b>Involuntary Resettlement (OP/BP 4.12)</b>			<b>X</b>
REDD+ activities will trigger Involuntary Resettlement in situations involving land acquisition and/or involuntary restrictions of access to legally designated parks, land acquisition, protected areas, or forest management / reforestation areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts in cases where resettlement or other involuntary restrictions cannot be avoided. Through the SESA process, any issues related to land acquisition or involuntary resettlement will be identified, and a Resettlement Policy Framework and/or Process Framework will be prepared. To help identify and mitigate restriction of access to natural resources in protected areas, a Process Framework will be prepared.			
<b>Safety of Dams (OP/BP 4.37)</b>		<b>X</b>	
<b>Projects on International Waterways (OP/BP 7.50)</b>		<b>X</b>	
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>	

### III. SAFEGUARD PREPARATION PLAN

- A. Target date for review meeting of REDD Country's mid-term progress report, at which time the ISDS may be updated as needed: N/A

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the initial ISDS and/or updated ISDS:**

14. The SESA is expected to be launched four months after Grant Signature.

15. The Project will not finance at this stage any concrete investment activities and therefore is expected to have any direct environmental and social impact on the ground. However, it is considered that the Project might have indirect impacts due to the findings from analytical work carried out under the Project which may influence the design of the national REDD+ Strategy. The SESA will address the key environmental and social issues associated with the analysis and preparation of REDD+ strategy options as well as REDD+ projects, activities (including investments), policies and regulations. Therefore, SESA can ensure compliance with World Bank's environmental and social safeguards.

16. The main safeguard instrument to be applied is an ESMF, to be prepared as part of the SESA. The ESMF may evolve and be updated over time when new REDD + strategy options and projects or activities (including investments), or policies/regulations are identified during implementation of REDD+.

17. The SESA process requires that the selection of REDD+ strategy options should take into account the country's institutional and capacity constraints for managing environmental and social risks and the potential environmental and social impacts associated with these strategy options. Any identified gaps to manage these risks and potential impacts in relation to relevant World Bank's safeguard policies should be identified along with the strategy options to feed into the preparation of the ESMF. The ESMF should provide a framework to manage and mitigate the potential environmental and social impacts related to specific projects and activities (including investments and carbon finance transactions), in the context of the future implementation of REDD+.

---

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

#### IV. APPROVALS

<i>Signed and submitted by:</i>		
<b>Task Team Leader:</b>	<b>Dinesh Aryal</b>	<b>Date</b>
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	<b>Alexandra Bezeredi</b>	<b>Date</b>
<b>Comments:</b>		
<b>Environment Safeguards Specialist:</b>	<b>Stephen Ling</b>	<b>Date</b>
<b>Comments:</b>		
<b>Social Safeguards Specialist:</b>	<b>Cheikh Sagna</b>	<b>Date</b>
<b>Comments:</b>		
<b>Sector Manager:</b>	<b>Magdolna Lovei</b>	<b>Date</b>
<b>Comments:</b>		