

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)**

Additional Financing

Report No.: PIDISDSA21910

Date Prepared/Updated: 09-May-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Mozambique	Project ID:	P160959
		Parent Project ID (if any):	P125127
Project Name:	Additional Financing for the Education Sector Support Project (P160959)		
Parent Project Name:	MZ-Education Sector Support Program (P125127)		
Region:	AFRICA		
Estimated Appraisal Date:	08-Mar-2017	Estimated Board Date:	07-Jun-2017
Practice Area (Lead):	Education	Financing Instrument:	Investment Project Financing
Borrower(s)	Ministry of Economy and Finance		
Implementing Agency	Ministry of Education and Development		
Financing (in USD Million)			
Financing Source			Amount
International Development Association (IDA)			59.00
Financing Gap			0.00
Total Project Cost			59.00
Environmental Category:			
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

1. Mozambique is a low-income country with an estimated population of about 26 million people in 2014. Since the end of the civil war in 1992, Mozambique recorded an impressive rate of growth.

Average real GDP growth rate soared from zero percent during the 1981-92 period to 8 percent between 1993 and 2010. Despite rapid economic growth in the past two decades, over half of Mozambique's population today is still poor and highly vulnerable. Inequality continues to be high, with the geographical distribution of poverty concentrated in the rural areas, and in the Center and Northern parts of the country.

2. In 2016, Mozambique's economic performance decelerated to its slowest pace since 2009 and the country is currently facing a major economic and financial crisis. The decline in commodity prices for key Mozambican exports, rising debt levels, damaged investor confidence, and the devaluation of the Mozambican metical have contributed to the slower pace of growth, and are having a direct impact on poverty and the vulnerability of its population. In addition, the El Nino / La Nina phenomenon has caused the worst drought in the country in the last 35 years and is severely affecting food security, nutrition, and overall human development. The costs of flood damage and its impact on food production pose major challenges to food security and livelihoods, particularly for the most vulnerable in rural areas.

3. The current economic and fiscal crisis is likely to have major repercussions on social outcomes. On the one hand, tight fiscal and budgetary constraints may result in cuts in domestic funding for education, reducing the availability of core inputs to the system. On the other hand, rising poverty levels may reduce the demand for education especially for the poorest families in rural areas who face higher opportunity costs, leading to dropouts and/or delayed enrolments.

Sectoral and Institutional Context

4. The Mozambique Education Strategic Plan (PEE) 2012-2016 was extended until 2019. Initially approved in 2012 by the Ministry Counsel, the PEE was endorsed by the Local Education Group, which includes Education Sector Cooperating Partners (CPs) and representatives of Civil Society Organizations. In 2015, the MINEDH and its partners decided to extend the PEE until 2019 to allow more time to focus on implementation issues, while at the same time ensuring a stronger alignment with the Government's Five Year Plans for 2015-2019 and 2020-2024. The overall objective of the PEE is to improve learning outcomes through strengthening the quality of education by improving school management, developing pre- and in-service teacher training, expanding bilingual education, supporting teacher motivation, and allocating sufficient resources and materials for primary education. The PEE focuses on the first few years of primary, including pre-primary, as they are key to developing better results at all education levels.

5. The implementation of the PEE is supported by both internal and external funds. In previous years, the Government of Mozambique committed between 18 percent and 22 percent of its annual budget to the education sector. External funds are channeled through the pool of funds known as the Education Sector Support Funds - FASE- to which nine donors currently contribute, including the World Bank. All FASE expenditures are agreed upon on an annual basis as part of the Annual Activity Plan ("PDA" in Portuguese). The channeling and use of funds is regulated through a Memorandum of Understanding (MoU), while the Terms of Reference for dialogue define the relationship between the partners (including non-FASE donors and civil society) and MINEDH, with a focus on monitoring the implementation of the PEE.

6. Between 2009 and 2015, Mozambique made significant progress in improving equitable access to primary education. During this period, net enrollment in Grade 1 of 6 year old children increased from 67 percent to 83.9 percent and every year more children are in the education system overall. Gender parity is improving, with 47.8 percent of all students being female and a gender parity index upon Grade 1 entry that has stabilized at a relatively high level of 0.94 in general and 0.97 for the six year olds. Socio-economic equity has also been improving, with a progressive reduction in gaps between the richest provinces of the South and the poorest provinces of the North in terms of schooling access, particularly in primary education.

7. The education sector faces challenges in terms of low retention and learning outcomes. In addition

to some children entering school late, progress through the system is slow and characterized by high numbers of dropouts, resulting in delays in completion and low completion rates. Recent data showed, for example, that only approximately 70 percent of all students who attended 1st grade in 2012 entered 3rd grade in 2014. Furthermore, learning outcomes are weak, evidenced by results from the 2013 national assessment, which show that less than 7 percent of third grade students demonstrated basic literacy skills. However, in recent years, the MINEDH has emphasized the need for rapid changes in areas that currently hamper improvement in learning outcomes and has placed a strong focus on activities aimed at further improving education quality, especially during the first few years of primary. It is expected that results from these efforts will enhance the overall quality of education.

8. However, the ongoing financial crisis has set off a series of consequences that are threatening to reverse the years of progress made in improving access to education. Budgetary pressures are acute; for example, the government revised the 2016 Budget, including a 30 percent reduction in domestic investment spending. Up until now, social sectors, including education, have been relatively protected from considerable cuts. In the State Budget for 2017, the Government committed 23 percent of its annual budget to the education sector (compared to 21.7 percent in 2016.) This increase in the share of the budget allocated to education will however not translate into larger net amounts of public funds to the sector, as overall public spending is diminishing. In addition, the lack of liquidity facing the Government is likely to affect the education sector and may jeopardize the achievement of key activities. Finally, with the significant inflation and weakening metical, it is expected that the overall cost of providing education (such as teachers' salaries, construction of schools, purchasing of textbooks and other supplies, etc.) will significantly increase, putting more pressure on the already stretched education system.

9. Income level and geographic location are two of the main determinants for access to primary education. In Mozambique, participation and learning outcomes in primary schools show signs of inequality related to the area of residence and income. A 2008 Household Survey showed that primary attendance for the poorest households on a national level was 64 percent (compared to 91 percent for the wealthiest households). The gap between urban and rural areas was 12 percent (and as high as 17 percent in more rural provinces). Similar disparity can be found in the results of the 2013 national assessment, which showed the Northern and more rural regions lagging seriously behind urban areas.

10. Given the current financial and environmental crises facing Mozambique, it can be expected that this inequality will only further be exacerbated. The most vulnerable families, those who are the poorest and living in rural areas (where the drought is the worst,) will be severely affected. For these families, as the crisis continues, entering and completing primary school will become increasingly challenging.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The original PDO is to improve access to and, quality and equity of education. No changes to the PDO are proposed in therestructuring.

Proposed Project Development Objective(s) - Additional Financing

The original PDO is to improve access to and, quality and equity of education. No changes to the PDO are proposed in therestructuring.

Key Results

D. Project Description

11. The proposed AF of US \$59 million equivalent builds on the achievements of the ESSP, and would bring additional focus on key priorities of the MINEDH within the current financial context. The AF would build on existing strategies that have proven to be effective and reflect additional emphasis on key priorities and challenges. A selective approach would ensure stronger focus on areas that have been identified as crucial to improving learning outcomes and are important to maintain during the current financial crisis, namely: (i) distribution of school textbooks; (ii) enhancing school readiness through Early Childhood Development (ECD) activities; and (iii) strengthening service delivery through improved local governance and school and resource management (ADE).

12. The AF would retain the same three components and subcomponents of the parent project with the addition of a fourth component. The main adjustments to the Project components would be related to: (i) increasing financing to Subcomponent 1.2 (textbooks) to ensure the continuation of the distribution of textbooks in light of the anticipated gap in financing; (ii) scaling up Component 2 of the project on strengthening local governance through the provision of direct support to schools (ADE) by providing schools with additional resources to help keep the most vulnerable in school during this time of crisis and promote enhanced performance; (iii) reinforcing Component 3 of the project to provide early childhood development activities until the revised closing date; and (iv) adding a fourth component to the project focusing on the planning and development of the next Education Sector Strategy.

Component Name:

Component 1: Improving the Quality of Education (US\$21 million)

Comments (optional)

In order to ensure the continued timely and effective distribution of textbooks during this financial crisis, Subcomponent 1.2 of the project will be strengthened through an additional allocation of US\$21 million. Textbook production and distribution is one of the key activities that is most impacted by delayed or reduced funding, and the proposed AF will help to sustain the continued implementation of the Textbook Strategy that accompanies the implementation of the curriculum reform. This AF will also ensure the provision of textbooks through June 2019 to accompany the extension of the closing date.

Component Name:

Component 2: Strengthening Local Governance and School-based Management (US\$27 million)

Comments (optional)

The Direct Support to Schools (ADE) Program (Subcomponent 2.1) is another key activity within the overall education sector that has the potential to be canceled due to lack or reduced disbursements as a result of the financial crisis. ADE is a critical input to the quality of education as it is often the only source of funds available to most schools to finance their day-to-day functioning. Not only will this AF ensure the sustainability of the existing ADE program to all primary schools but it will also support the scale up of ADE to reward school performance and to ensure that children from the poorest households continue to learn throughout the financial crisis.

Component Name:

Component 3: Supporting Community-Based Early Childhood Development Activities (US\$7 million)

Comments (optional)

Lack of school readiness upon primary school entry (at age 6) is a major concern in Mozambique, particularly among the poorest children. Previous analysis highlighted the extensive cognitive and linguistic delays of disadvantaged 3 to 5-year old children, with serious implications in terms of school readiness and completion. These delays in early childhood lead to costly inefficiencies in the sector and are difficult to reverse later in life. The proposed continued support to ECD activities is expected to yield significant benefits in the short and long term, both at the individual and system level, with particular impact on the most vulnerable.

Component Name:

Component 4: Institutional Strengthening and Support of Monitoring and Policy Development (US\$4 million)

Comments (optional)

This new component aims at supporting MINEDH's effort of using evidence based policy decision making processes. The implementation of the current education sector strategic plan has been a great opportunity for policy reforms and consolidation of good practices identified throughout the years. This component will create opportunities for analytical works such as impact and process evaluations of various reforms introduced under the current PEE. The results of such analysis would help define the future strategy and inform implementation mechanisms that are suitable for the country context.

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

This is a country-wide program that will focus on the national, provincial, district and school level educational system. All new classroom construction and rehabilitation will take place on existing school premises. Thus no land acquisition is foreseen under this AF.

F. Environmental and Social Safeguards Specialists

Maria Do Socorro Alves Da Cunha(GSU07)

II. IMPLEMENTATION

The AF would be complemented by partner funding through a pooled funds mechanism, FASE. The IDA contribution of US\$59.0 million would continue to be channeled through the common fund (FASE), bringing the contribution of the overall ESSP to approximately 47 percent of total funds channeled through FASE over 2016-2018. FASE is the primary channel for external funds to the education sector especially at primary level, and is complemented by other bilateral projects targeting mostly post-basic education. External funding is complementary to internal government funding (around 80 percent of the overall sector budget) which covers key recurrent spending of the sector (i.e. salaries, recurrent costs of educational institutions, basic investments in infrastructure, etc.). All external support (FASE and nonFASE) is coordinated by the MINEDH to support the implementation of the ESSP that embraces all levels of education, as well as overall institutional development. This coordinated support to the education sector through the sector-wide approach (SWAp) involves joint reviews and evaluations as well as on-going dialogue on strategic issues.

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Although negative impacts from this project are expected to be minimal and localized, the project triggers Environmental Assessment Policy (OP/BP 4.01) as to mitigate any negative impacts that may occur due to construction activities to be carried out through third party providers and communities for the ECD activities and under the Government's school construction program which will be financed using the same pool

		<p>funding mechanism of the parent project. The ESMF, prepared for the ESSP and updated for first and second AF, provides comprehensive guidance with a detailed institutional arrangement and monitoring and evaluation mechanism, a conflict resolution/grievance redress mechanism, including an estimated budget to allow sound and adequate implementation of the ESMF/ESMP to manage all potential adverse negative impacts once site specific details of the activities to be carried out are known.</p> <p>The ESMF of the parent project have been reviewed and re-disclosed two times in 2011 and 2015 to cover changes introduced by AF I and AF II respectively. The AF III does not introduce changes in the project scope and activities, and it is not expected that there will be changes in the potential environmental and social risks and impacts already evaluated and considered in the actual ESMF. Although the AF III will add a fourth component focusing on the planning and development of the next Education Sector Strategy, it will not introduce changes which require additional safeguards provisions. Therefore, the ESMF will not require further changes and re-disclosure.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	<p>The proposed AF III will trigger OP/BP 4.09 since there is a potential for use and application of chemicals for termite's treatment during construction phase. Nonetheless, the project will utilize the same ESMF prepared under the Parent project, reviewed and re-disclosed in 2011 and 2015 to cover changes introduced by AF I and AF II. The ESMF includes pest management approaches, thus providing general guidance procedures to address OP/BP 4.09.</p>
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	<p>The AF project triggers OP/BP 4.12 because the nature, scope and amplitude of the activities to be financed by the third party</p>

		providers (i.e. construction and rehabilitation of new classroom in rural villages) involve construction in the existing school premises. These constructions have minimal or no potential to lead to land acquisition, unless the expansion of school area for construction activities may lead to potential relocation of affected persons or assets. An RPF was prepared for the original project and revised for the AF to manage compensation requirements should land acquisition be necessary. There was no need for prepare a site specific RAP for original project or the previous AF, because the Provincial Directorate of Education and Human Development in coordination with local communities have always identified available and free land. Depending on the number of new classrooms to be constructed and rehabilitated, for which a simple community-land donation might suffice. In order to ensure security of land and school to communities the Provincial Directorate of Education and Human Development are finalizing the process of DUAT for both schools built under the original project and existing schools where the new classrooms will be constructed or rehabilitated.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

IV. 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:

The proposed AF III does not introduce new environmental or social risks and foreseen social and environmental impacts are in general likely to be positive. The parent project (P125127), the first AF (P124719) and second AF (P151185) were classified as Category B with respect to environmental and social considerations. The proposed AF III will finance similar type of activities under Component 3: Supporting Community-Based Early Childhood Development Activities, and through the Pool Funds to which the AF contributes, which supports the construction of primary and secondary school's construction. In line with this, no changes in safeguards classification are proposed. Hence, the AF will preventively remain a category B project and will trigger the following safeguards policies: OP/BP 4.01 - Environmental

Assessment, OP/BP 4.12 - Involuntary Resettlement and OP/BP 4.09 – Pest Management. The AF will utilize the same safeguards instruments prepared for the Parent project and reviewed for first and second AF. This will ensure that any potential Bank's risks and liability as a result of the foreseen adverse impacts resulting from construction activities of which the Bank funds will be associated with are adequately considered and dealt with accordingly. OP/BP 4.12 will be triggered to manage compensation requirements should relocation be necessary and ensure that aspects related to gender and vulnerable groups mainstreaming are adequately considered during project implementation, particularly under Component 3. The Environmental and Social Management Framework (ESMF) addresses OP/BP 4.01 and OP 4.09, and the Resettlement Policy Framework (RPF) addresses OP/BP 4.12 basic requirements. The safeguard instruments (ESMF and RPF) prepared under those policies for the Parent project and reviewed for the first and second AF will remain valid to provide detailed guidance on environmental and social management mechanism, monitoring and evaluation mechanisms as well as on conflict resolution/grievance redress mechanism. Overall, the AF will bring more positive impacts than negative ones. Adequate mitigation measures are already embedded in the available safeguards documents prepared under the parent project which will ensure adequate safeguards compliance.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

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

N/A

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.

The borrower has acquired considerable experience with World Bank projects and is familiar with implementation and supervision procedures recommended under safeguards policies triggered by this AF III. The presence of two safeguards specialists (social and environmental) and the series of Safeguards training workshops carried out across the country have substantially upgraded the ability of the borrower to respond and address some basic social and environmental impacts that may arise from FASE activities. The availability of the safeguards specialists and their capacity to handle the safeguard instruments will be fundamental to further guide the implementation of this new AF while ensuring that safeguards policies are complied fully. Nonetheless, PIU's safeguards specialists will still rely on the guidance and supervision provided from the Bank's safeguards specialists to ensure that any negative impacts likely to arise from FASE activities are adequately and timely dealt with. More recently (August 31, 2016) a training workshop was undertaken for relevant stakeholders (DIEE, DINEP, DINES, TTPs) including the project safeguards specialists, focused on the relevance of safeguards in school construction, and the E&S screening process towards the ESMP.

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

The beneficiaries of the proposed AF are selected recipient communities in poor rural communities (parents, toddlers under 6 years, workers, etc.). Preparation of the above

mentioned safeguards instruments (ESMF, RPF) was undertaken through a series of extensive consultation and relied on participatory mechanisms. Stakeholders concerns were duly taken into consideration and retrofitted in the final outcome. This consultation and participation process will be continued throughout the project lifecycle, to ensure gender and vulnerable group's consideration in the project.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	24-Apr-2015
Date of submission to InfoShop	28-Apr-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	28-Apr-2015
Date of submission to InfoShop	28-Apr-2015
"In country" Disclosure	
Pest Management Plan	
Was the document disclosed prior to appraisal?	NA
Date of receipt by the Bank	NA
Date of submission to InfoShop	NA
"In country" Disclosure	
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

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

OP 4.09 - Pest Management						
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
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?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	TBD	<input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	TBD	<input type="checkbox"/>
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

been adequately reflected in the project legal documents?

V. Contact point

World Bank

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Borrower/Client/Recipient

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VII. Approval

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Safeguards Advisor:	Name: Nathalie S. Munzberg (SA)	Date: 02-May-2017
Practice Manager/Manager:	Name: Sajitha Bashir (PMGR)	Date: 04-May-2017
Country Director:	Name: Thomas Buckley (CD)	Date: 10-May-2017