

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA9251

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Mozambique	Project ID:	P131965
Project Name:	Mozambique Conservation Areas for Biodiversity and Development Project (P131965)		
Task Team Leader:	Claudia Sobrevila		
Estimated Appraisal Date:	18-Aug-2014	Estimated Board Date:	15-Oct-2014
Managing Unit:	GENDR	Lending Instrument:	Specific Investment Loan
GEF Focal Area:	Biodiversity		
Sector(s):	General agriculture, fishing and forestry sector (40%), Central government administration (40%), Other industry (15%), Sub-national government administration (5%)		
Theme(s):	Biodiversity (30%), Rural non-farm income generation (30%), Environmental policies and institutions (25%), Other environment and natural resources management (10%), Climate change (5%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	46.32	Total Bank Financing:	40.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			40.00
Global Environment Facility (GEF)			6.32
Total			46.32
Environmental Category:	B - Partial Assessment		

Is this a Repeater project?	No
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2. Project Development Objective(s) / Global Environmental Objective(s)

A. Project Development Objective(s)

To increase the effective management of conservation areas and enhance the living conditions of communities in and around these areas

B. Global Environmental Objective(s)

To increase the effective management of conservation areas and enhance the living conditions of communities in and around these areas

3. Project Description

I. Project Context

Mozambique is located on the east coast of Africa, bordering six countries. With an area of 800,000 square kilometers, the country is richly endowed with natural resources (arable land, forests, fisheries, water and mineral resources).

Mozambique is one of the poorest countries in the world with approximately 70% of its 22.9 million people living and working in extreme poverty (<US\$2/day). In 2007, 38% of the population was undernourished and only 42% had access to an improved water source. The country ranks 178 out of 187 in the UNDP's Human Development Index (2013), the lowest in southern Africa. Over 70% of the population live in rural areas and are dependent on subsistence agriculture.

After emerging from a protracted fifteen-year civil war, Mozambique achieved impressive GDP growth rates that averaged approximately 8% between 1993 and 2010, and slightly decreased to 7.4% in 2012. Annual GDP growth is expected to be around 8.5% by 2015. The real GDP per capita almost doubled since 1992, making Mozambique one of the best performing countries over the past two decades among African oil importers.

The country is receiving a significant influx of direct foreign investments. In 2013 the Centre for Investment Promotion (CPI) approved US\$4.2 billion for 515 projects, with US\$ 569.7 million relating to domestic investment and US\$ 2.2 billion to shareholders and loans. Overall, the industrial sector has generated greater interest by investors, followed by agriculture and agro-industry, transport and communications, services, tourism and hospitality, construction and fisheries.

This rapid economic growth has not translated into rural poverty reduction in recent years. The 2008-09 household survey suggests that the response of poverty reduction to economic growth has weakened and the geographical distribution of poverty continues to be concentrated in the rural areas, mostly in the center and northern part of the country, with high rates of poverty along the coast line.

Sectoral and institutional Context

Mozambique's Conservation Areas contain a wide diversity of habitats including montane, woodland, wetland and coastal/marine ecosystems. Mozambique has over 5,500 plant species, 222

mammal species, and 600 bird species. A high number of these species are endemic. Its coastline is unique in the East African Marine Region in terms of the quality, diversity and species richness, including some of the most spectacular coral reefs in the world. Some of the most important biodiversity areas are adjacent to Conservation Areas (CAs) in neighboring countries. These areas often play an important role in protecting wildlife corridors for both marine and terrestrial species, for example of whale sharks and African elephants.

Mozambique's system of CAs has two purposes: to conserve ecosystems, wild habitats, biological diversity and natural resources for the benefit of present and future generations; and secondly, to contribute to the development and the social-economic well-being of Mozambicans, particularly the poor communities that live nearby. It is currently made up of seven National Parks, ten National Reserves, seventeen controlled hunting areas (coutadas) and two Community Reserves. The currently gazetted CAs cover 18.5 million hectares, which represent 23% of the country's land surface. Annex 10 presents a map of all CAs in the country, including those targeted by the MozBio project. The expansion of the CAs network in recent years was the result of government's commitment to the international agreements (e.g. as signatory to the Convention on Biological Diversity and CITES) and support from its development partners. The recent creation of new CAs (e.g. Ponta d'Ouro Marine Reserve, Lake Niassa Reserve, Magoé National Park and five new coutadas) and the improvement in the management effectiveness of some CAs is the result of the successful partnership between the government and many key national and international players over the past 15 years, including among others, the World Bank, IFC, GEF, AfD, KfW and USAID.

Conservation Areas have been generating income to the national economy and to local communities, albeit not at the level they could. The declared revenue generation from tourism (including both non-consumptive tourism and sports hunting) in CAs almost tripled from 2012 to 2013, from around US\$ 1 million in 2012 to almost US\$ 3 million in 2013 (Rylance, 2014). The revenues from Coutadas increased by nearly 500% in this period, particularly because of a significant increase in the price of licenses and abate tickets (applied in 2013) as well as the commencement of a number of new Coutadas. However, the revenue currently captured from tourism and hunting is largely insufficient to finance the management of CAs. In addition, the levels of re-investment of Park-generated revenues are very low. As a result, CAs are still heavily dependent on donor funding and mechanisms to contribute to financial sustainability are sorely needed.

Poverty rates are extremely high across the population living within and around CAs. More than 70% of Mozambique's poor live in rural areas and poverty is particularly acute along much of Mozambique's coast and in the drier central and southern regions where the vast majority of the population is considered poor. It is these areas where the majority of the country's CAs are located. Many CAs are characterized by high forest cover and high poverty rates, especially those in the central and the northeast coastal regions of the country, or harbour important marine resources. These forests and marine areas supply basic needs for large numbers of people and strengthening their condition could provide opportunities for the rural poor to move out of poverty.

Conservation Areas are an important source of livelihood to rural populations and their contribution to poverty reduction can be increased. National legislation mandates that the benefits arising from the use of CAs should be shared with local communities (currently 16% of overall income generated from the fees collected by the CAs). Nevertheless, the implementation of this policy has been ad hoc and faced challenges since the fees collected by the National Tourism Institute (INATUR) are first sent to the Treasury in Maputo, then back to the CAs to be shared with the communities, which results in significant delays and lack of transparency. Communities are often not well organized to

manage these resources in a transparent way and to allocate them to longer-term development goals. Communities also benefit directly from employment in tourism establishments, and indirectly through the development of local businesses supplying tourism operations (Moye & Nazerali 2010). Finally, communities also benefit from the environmental services (water, biodiversity) and goods (hunting) supported by CAs.

Conservation, tourism and poverty are interlinked. Tourism and other conservation-oriented income-generating activities create incentives towards conservation among local communities and local governments, which in turn reduces the pressure on natural resources. Tourism, provision of vital ecosystem services, and infrastructure are three mechanisms that have been identified as linking both forest and marine protected areas to poverty alleviation. Nature-based tourism, in particular, has been widely touted for its potential to deliver positive results for the poor. Recent research provides strong evidence for this link in diverse developing country contexts. Nature-based tourism links the conservation and poverty reduction objectives of CAs by providing an economic alternative to unsustainable use of natural resources, as well as a direct economic incentive to maintain the natural ecosystems and their biodiversity. Other benefits from CAs to local communities, such as sharing the CA entrance fees with surrounding communities, also improve their living standards while directly contributing to conservation. Finally, improved infrastructure for CAs management and tourism can also lead to jobs, improved market access, and delivery of health services and educational opportunities.

Tourism is an important source of revenue to conservation, growth, and rural poverty reduction in Mozambique. The direct contribution of travel and tourism to Mozambique's GDP in 2013 was MZN13.9 billion (3.2 % of GDP). This was expected to reach MZN 26.3 billion in 2024. This is a result of the economic activity generated by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services), and activities of the restaurant and leisure industries directly supported by tourists. Between 2007 and 2013, tourism arrivals to Mozambique increased by 15 % annually from about 1.3 million to almost 2 million (generating estimated receipts of US\$231 million in 2011). Arrivals are projected to continue to increase at about 8 % annually to reach 3 million in 2017.

Targeted policies need to be put in place to ensure that environmentally-sustainable pro-poor tourism is achieved. This should include training and credit targeted at local communities and incentives for the private sector to employ local labor. Tourism directly, and through linkages to transport, agriculture, food, retail, financial services, and construction sectors, offers compelling job creation and economic growth opportunities, particularly to rural population, which directly contributes to the reduction of rural poverty. Tourism's impact on poverty is linked to the fact that the sector: (i) employs more unskilled labor than other sectors; (ii) can be based on cultural and natural resources which the poor possess and personify; and (iii) benefits tourists and residents alike when infrastructure is upgraded.

Some of Mozambique's terrestrial and coastal CAs have high potential to contribute to the growth in tourism. Nature-based and sustainable coastal tourism are expected to be the largest growth areas in the coming decades (World Travel and Tourism Council, 2014). Tourism is already the third largest investment sector in Mozambique, with investments concentrated on coastal CAs.

Growth in the tourism sector faces significant barriers. The country is still highly uncompetitive in the international tourism market. In the overall country rankings for tourism competitiveness, Mozambique ranked 125th out of 140 countries in 2013, an improvement of 3 places since the last

edition in 2011 (Blanke and Chiesa, 2013). This low competitiveness is mainly the results of the poor infrastructure development, low basic services in the country, high domestic air fare costs and unclear government procedures for the private sector to invest. Nature-based tourism, particularly the terrestrial CAs, is also affected by reduced charismatic wildlife populations (if compared to neighboring countries) as a result of the country's long civil war.

The GoM is actively addressing these barriers. In April 2003, the GoM adopted a National Tourism Policy and Implementation Strategy (NTPIS), which aimed to develop and promote tourism both as a major industry and as a tool to alleviate poverty. A Strategic Plan for Tourism Development in Mozambique (2004 -2013) was prepared in October 2004, which targeted over 4 million tourists a year (SPDTM, 2004). The 2014 - 2024 Strategic Plan is currently being prepared by the Ministry of Tourism to build on achievements to date, and should be ready by the end of 2014. It places strong emphasis on nature-based tourism, and highlights the coastal CAs as those with the highest potential for increased tourism.

Despite their potential to contribute to national growth and poverty reduction, Mozambique's CAs still face various threats. These include illegal mining and logging, agricultural encroachment, illegal hunting (especially of elephants) and overfishing. The overall estimated costs of environmental degradation in Mozambique, amounted to nearly US\$370 million in 2009 (MICOA, 2009). Of this, some US\$50 million per annum comprises depletion of the natural resource base (soil degradation and deforestation).

Wildlife poaching is a particularly challenging threat to conservation. As elsewhere in the region, Mozambique has not escaped the poaching onslaught for ivory. Over the last 5 years there has been a 5 – 6 fold increase in the number of elephant deaths as a result of poaching. Ivory is often transported out of the country either through its porous borders or through airports and ports. The causes that have led to these high levels of poaching and illegal trade are complex. Some factors include poverty at the local level, governance at the national level, weak control capacity at the Conservation Area level (Mozambique has approximately one scout per 315 km² which is 6 times lower than the recommended patrol effort) and the demand for ivory and rhino horns at the global level (Madyo Couto, 2014).

CAs are not financially sustainable at present. They are funded primarily from four sources: i) Annual government budget allocation; ii) Other government allocation, including special grants; iii) Internal revenue generating activities, such as tourism; and iv) Donor funding provided by development partners. Donor funding accounts for 80% of current CAs revenue requirements, which is estimated at US\$ 20.8 million / year (UNDP, 2010). Tua and Nazerali (2010) estimated that only 1% of total revenue requirements for CAs were provided by the central government, mainly for operational expenses. Internal revenue generating activities still only cover a small portion of the financial requirements for CAs, even though it is increasing and still has significant untapped potential. The main potential sources of revenue-generating activities in CAs include: i) User fees (such as entry fees, accommodation, fishing fees, guided tours and diving fees); ii) Fees from licenses for use of natural resources (timber concessions, live game sales and hunting concessions); iii) Income from nature-based tourism concessions; and, iv) Income from fines and auction sales of confiscated goods (predominantly timber).

MozBio Program – A Platform to promote Conservation, Growth and Poverty Reduction

The GoM has requested WB assistance to implement the MozBio Program - an ambitious long-term Program that brings biodiversity conservation, tourism development and poverty reduction together.

The MozBio Program should serve as a platform to address the threats to the conservation of Mozambique's natural capital, take full advantage of the potential tourism growth in Mozambique, and contribute to the reduction of the high poverty levels around CAs. This MozBio Program draws from the lessons of the previous Trans Frontier CAs (TFCA) Program .

Mozambique's institutions and policies for CAs and tourism development need to be strengthened and implemented effectively. The institutional and policy framework for tourism development to manage Mozambique's CAs system, built with the support of TFCA II, are still quite new and require significant technical assistance and support to ensure that the new laws, policies and institutions are fully implemented. Additional rules and regulations need to be developed. Furthermore, most terrestrial CAs do not yet have sufficiently attractive products, or a level of public infrastructure, to scale up tourism. With insufficient and unpredictable budget and low human resources capacity, most of these CAs lack the effective management regime and much needed infrastructure investments for tourism development. Communities are not adequately trained and organized to benefit from CAs and nature-based tourism. Tourism development requires improved basic infrastructure and access to areas with potential tourism attraction, improved tourism investment promotion and facilitation and clear and simplified tourism licensing and registration procedures.

The MozBio Program will address these challenges through six strategic pillars (Table 1). i) Strengthening the policy and legal framework for CAs; ii) Strengthening the institutional and human resources base for conservation in Mozambique in particularly MITUR, ANAC, Biofund and MICOA; iii) Developing financial sustainability of CAs through innovative funding mechanisms (such as operationalizing Biofund's endowment fund and tapping into the potential of biodiversity and carbon offsets); iv) Improving the management effectiveness of CAs; v) Increasing the contribution of CAs to poverty reduction and strengthen community participation in CA management, as a strategy to promote conservation; and; vi) Increasing the contribution of CAs to economic growth through nature-based tourism programs and activities. The MozBio Program will focus on marine or coastal CAs which have most potential to generate revenues from tourism, and will broaden the options of nature-based tourism products to sport hunting (including community-managed hunting areas). The MozBio Program will be financed with GoM's resources and support from various donors (AFD, KFW, USAID, international NGOs, among others).

The WB will provide support to the MozBio Program through a 'Series of Projects (SoP)'. MozBio Phase 1, presented in this Project Appraisal Document (PAD), will be a four-year project with a focus on increasing revenues from nature-based tourism and on promoting rural poverty reduction by sharing the revenues from tourism and promoting conservation-oriented livelihood opportunities.

MozBio 1 will implement the new institutional framework for conservation in Mozambique, with a strong emphasis on building the capacity of the recently-established CAs Management Agency (ANAC) and the Biodiversity Foundation (Biofund), while strengthening the management of key CAs with the highest potential for generating revenue and reducing poverty in rural communities. The project will promote nature-based tourism by improving regulations, strengthening government capacity and promoting the sector. The project will also finance sorely needed infrastructure and some of the recurrent costs of existing CAs to ensure they can attract tourism and manage biodiversity adequately. Finally, project will strengthen communities' rights to land and resources and promote livelihood alternatives to local communities, such as improved agricultural methods (such as climate smart agriculture techniques), community forest management and non-timber forest products management and sustainable fisheries.

MozBio 1 is expected to create the foundations for future MozBio Program phases. Potential future phases of the SoP would draw on lessons from the MozBio project. They would extend financial and technical support to other CAs (including support to further infrastructure development) and scale up the support to local communities, particularly by providing more technical and financial support to scale up those income-generating activities shown to be viable in Phase 1.

II. Project Description

The project will be implemented through five components.

Component 1: Institutional Strengthening for CAs Management (US\$8.9 million IDA and US\$3.2 million GEF). The objective of this component is to improve the capacity of ANAC, Biofund and MICOA to develop and influence conservation and tourism policies and regulations, strengthen coordination and management of the national CAs system and critically endangered species conservation, increase the financial sustainability of CAs and tourism revenues, improve monitoring and evaluation systems and support communication strategies.

(i) Strengthening of ANAC: This subcomponent would support the provision of equipment, technical assistance and training required within ANAC to improve the management of conservation areas and nature-based tourism development.

(ii) Strengthening of Biofund: This subcomponent would support the consolidation of Biofund through, inter alia the: (a) capitalization of the Endowment Fund; and (b) operationalization of Biofund through the provision of equipment, financing of operating costs and technical assistance, including the design and implementation of a fundraising strategy involving innovative funding mechanisms (ie. Biodiversity offsets) and sources.

(iii) Strengthening national CITES Secretariat: This subcomponent would support proper implementation of the CITES Convention requirements to improve wildlife management through the provision of technical assistance and training to the CITES Secretariat within MICOA.

Component 2: Promotion of Tourism in CAs (US\$2.2 million IDA). The objective of this component is to increase revenues and the number of beneficiaries from tourism-related economic activities in CAs. The component will provide support to ANAC and selected public-private institutions to address several barriers to nature-based tourism development and to promote sports hunting management and revenues generation in Mozambique. It will finance the provision of training and technical assistance including the development of a business plan and strategy to FEMOTUR, advisory services for the establishment of a management system for revenues collected by the CAs and for tourism and sport hunting statistics, marketing and promotion activities, development of incentives to reducing GHG emissions in the tourism sector, analytical studies for purposes of informing tourism and sport hunting planning at national and destination level, development of tourism master and hunting areas plans and land availability studies, organization of public-private fora to manage and coordinate tourism and sport hunting.

Component 3: Improving CAs Management (US\$15.3 million IDA). The objective of this component is to strengthen the management of key CAs, and wildlife surveys and monitoring through the provision of training, equipment including hardware and software, carrying out of works including housing and road repairs and maintenance, technical assistance including for the development of business and management plans and financing of operating costs to improve park management and tourism development and carrying out of surveys to assess the status of wildlife populations in-terrestrial and marine environment, including: (a) bi-annual national aerial surveys of elephant range; (b) bi-annual national surveys of key marine environment; (c) a survey to establish

national status and distribution of lions and leopards; and (d) a survey to establish national status and distribution of hippos and crocodiles.

Component 4: Piloting Sustainable Community Livelihoods around CAs (US\$7.0 million IDA, US \$3.1 million GEF). The objective of this component is to improve and strengthen natural resource-based livelihoods of communities living in and surrounding the CAs through the following:

- (i) Support the enabling conditions for sustainable management of natural resources by local communities. This subcomponent would support the provision of technical advisory services and equipment to conduct land demarcations, natural resource mappings and legal registration, carrying out of training of local communities on decision-making, accountability, transparency, local governance, business planning and management, use and management of funds, partnerships with the private sector and use of information technology. It will also support the carrying out of capacity building programs for the design and implementation of Subprojects.
- (ii) Promote sustainable livelihoods within and around CAs. This subcomponent would provide support to the design and implementation of Subprojects.
- (iii) Promote sustainable forest management within and around selected CAs. This subcomponent would support: a. Reduction of deforestation within and around two selected CAs: Quirimbas National Park and Gile National Reserve through the carrying out of activities related to agroforestry, conservation agriculture, promotion of non-timber forest products and environmental education; b. Promotion of energy efficient charcoal making kilns.

Component 5: Project Management, Monitoring and Evaluation (US\$4.7 million IDA) + Project Preparation Advance (US\$1.9 million).

The component would provide support for managing and coordinating the Project and building its procurement, financial and safeguards management, monitoring and evaluation capacity through the provision of technical advisory services, carrying out of training, acquisition of goods, and Operating Costs.

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

The project areas have been selected: Maputo Special Reserve, Ponta do Ouro Partial Marine Reserve, Quirimbas NP, Bazaruto NP, Pomene NR, Limpopo NP and Marromeu NR and 4 surrounding Coutadas, Zinave NP, Banhine NP, Chimanmani NR, Gile NR and Malhazine NR.

5. Environmental and Social Safeguards Specialists

Cheikh A. T. Sagna (GURDR)

Paulo Jorge Temba Sithoe (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	MozBio is rated as a Category B project due to the site specific nature of its foreseen social and environmental impacts. Project environmental and social impacts will largely result from construction civil works 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. Since details of project footprint are unknown at this point, the Borrower has prepared an Environmental and Social Management Framework (ESMF) that includes a draft Environmental and Social management plan (ESMP) for managing impacts. The ESMF sets forth basic social and environmental principles and prerogatives to be followed when details of the project are known during project implementation. It also includes a social and Environmental Screening Form (ESSF), alongside of its environmental and social check-list (ESCL), that will be applied on all subproject proposals to guide the application of any additional safeguards instruments. In addition, the ESMF includes a set of social and environmental clauses (ESC) to be embedded in all concessionaire and/or contractor contracts for compliance on safeguards during project implementation. Finally, the ESMF provides additional guidance on the adequate protection and management of Natural Habitats/ Forests, as well as “Chance Finds” to be applied when such an encounter occurs. The ESMF was prepared and has been disclosed both in-country and at the InfoShop prior to project appraisal.
Natural Habitats OP/BP 4.04	Yes	The project activities will largely take place within conservation areas of important natural habitats. The ESMF provides mitigation measures to ensure effective compliance with the policy requirements.
Forests OP/BP 4.36	Yes	Project activities may affect forest ecosystems within conservation areas, including their buffer zones. Additionally, livelihood activities might be developed to improve forest management in the buffer zones of the selected project's conservation areas. The ESMF provides mitigation measures to ensure effective compliance with the policy requirements.
Pest Management OP 4.09	Yes	The livelihood activities supported under the Component 4 could support agricultural sub-projects that may use minimal amounts of agro-chemicals. A PMP was prepared and consulted upon and has been publicly disclosed both in-country and at the InfoShop prior to appraisal.

Physical Cultural Resources OP/BP 4.11	Yes	It is possible that the project will affect or involve physical cultural resources. The ESMF has made some provision to use “Chance Finds” approaches to ensure adequate handling of such encounter during project implementation.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	<p>MozBio is rated as a Category B project due to the site specific nature of its foreseen social and environmental impacts. In limited cases, the Project will fund activities leading to the restriction of access for local communities (within and/or neighboring) to wildlife resources in national parks and/or in legally designated protected areas in the targeted provinces/districts of Mozambique, the policy is, therefore, triggered. . The project does not involve land acquisition leading to involuntary resettlement.</p> <p>Consequently, as guided by the Bank involuntary resettlement policy (OP/BP 4.12), Borrower has prepared a Process Framework (PF) amply consulted upon built-on the past TFCA experience and international standards. The document has been quality reviewed by the project safeguards specialists and approved by the Bank (RSA). The PF was prepared and has been publicly disclosed both in-country and at the InfoShop before project appraisal.</p>
Safety of Dams OP/BP 4.37	No	The project does not involve dams.
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>MozBio is been rated as a Category B project due to the site specific nature of its foreseen social and environmental impacts that are likely to be caused by the construction of facilities within the Conservation areas as well as livelihood initiatives that the project will finance. The project will finance no activity that may result in major land use changes or natural habitats transformation; but rather avoid or mitigate, to the maximum possible, ongoing natural habitats transformation and unplanned coastal land development. Strengthening the conservation areas of Mozambique could</p>
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in the long run influence more positive infrastructure and private sector development in MozBio prone zones. Without this project, development could lead to the expansion of tourism nodes, population increase, and in-migration. These trends are already being observed in certain coastal areas. The challenge will be to ensure that the project induces positive change, and encourages sustainable pro-poor and environmentally and socially friendly tourism.

MozBio triggered six social and environmental safeguards policies, namely: OP/BP 4.01- Environment Assessment; largely because of small civil works in conservation areas; OP/BP 4.04 -Natural Habitats and OP/BP 4.36 - Forestry; because the project will intervene in sensitive natural habitats, including forest and in coastal mangrove areas); OP4.09 - Pest Management since the project intends to support livelihoods support activities which may include small-scale farming that may require the minimal use of chemicals; OP/BP 4.11 – Physical Cultural Resources, as most CAs have sites of archaeological importance and beautiful scenery that could be discovered and negatively impacted in the absence of any tangible mitigation measure; and OP/BP 4.12 - Involuntary Resettlement; because there are thousands of families still living inside the conservation areas (i.e. Quirimbas national park : Over 200,000 people) and the project will limit access to wildlife resources and other type of products/assets from communities which they are still harvesting for livelihood sustainability purpose. The project does not involve land acquisition leading to involuntary resettlement.

Compliance with the World Bank Safeguards policies and preparation of supportive safeguards documents built on the positive experience of and lessons learnt from the previous project (TFCA).

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

The physical interventions of MozBio Project could result in environmental and social impacts that would be influenced by the sensitivity of the area (within or in the surroundings of the conservation area). The likely environmental and social impacts could include:

Environment issues: Soils erosion/pollution with solid wastes, pesticides, leakage or spill of hazardous materials; Water resource pollution due to the discharge of fertilizers, nutrients, different chemicals to be used for pest management, civil works, oil spills, etc.; Air quality pollution by dust generated from the various construction/rehabilitation and project operations 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.

Social issues: Restriction to access to CAs: economic displacement of PAPs; employment opportunities for local communities; Conflicts due to cultural disturbance by “foreigners” or influx; Public health issues with increase spread of diseases (STI, HIV/AIDS, and waterborne diseases); Public safety: accidents with vehicles/machinery and pedestrians, especially during construction phase; Health & Safety of construction workers(inappropriate safety measures); Cultural heritage disturbance (destruction or disturbance of cemeteries, sacred sites or sites with archaeological, historical or aesthetic value); etc.

The ESMF includes lists of potential impacts and mitigation measures to be implemented for infrastructure & construction works, agriculture, livestock, fisheries and tourism activities to be

reviewed during the subprojects conception 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.

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

In March 2014, a new Conservation Law was approved by the Council of Ministers. This new Law creates new categories of CAs that allows for the presence of human populations within certain CAs, as long as their presence is not incompatible with their good management and standing. The regulation of this Law will be drafted in the next year to determine the detailed procedures and guidelines to work with local communities that live inside conservation areas. MozBio will support this process and ensure that best international practices are adequately used in drafting the regulation. Once the regulation and its Directive (implementation Guidelines) are approved, the legal status of the Conservation Areas (strict conservation vs. sustainable use) is expected to be revised once the management plans of the CAs are updated (in fact, all CAs have participatory management plan). The presence of population within the CAs will be an important element to be considered during the update of the management plans. At the end of the process, the government will know if resettlement will be necessary in a few cases.

Given these circumstances, MozBio will finance no involuntary resettlement in the targeted Conservation Areas. MozBio will be rather supporting participatory regazetting of conservation areas, promoting conservation-friendly community development initiatives, by strengthening community-based natural resources management organizations, promoting alternative livelihoods (with due consideration to women, youth, elderly, handicaps and other vulnerable groups), promoting public-private-community partnership around conservation-related business. This aims to reduce the pressure from communities within and around conservation areas on these areas' resources, and 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.

The TFCAU Unit has been implementing TFCA II for six years. This previous project is a safeguard category B which triggered the Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04) and Involuntary Resettlement (OP/BP 4.12). These safeguards are governed by the Environment and Social Management Framework (ESMF), a Process Framework (PF) and a Resettlement Policy Framework (RPF) prepared in 2005. Under Phase II, all construction contracts prepared ESIA's and site specific Environmental and Social Management Plans (ESMP), following the Mozambique environmental legal requirements the ESMF as per Bank's safeguard policies. Some Sub-projects, for example tourism lodges and camps involve minor constructions activities and required an ESIA. These have been prepared ESIA that have been approved by MICOA before the construction is done.

The Bank has been supervising the quality of this work and has found it to be moderately satisfactory. This Phase II project has been managing the environmental impacts of the infrastructure projects in a moderately satisfactory manner and the government team was trained in that regards. In the MozBio Phase 1 project, unlike in TFCA I and II, a team of Social and Environmental Safeguards Specialists will be established within the Project Implementation Unit within ANAC. The Safeguards Specialists, comprised of one Social Scientist and one environmental Scientist will be hired/designated by MITUR/ANAC to focus on the tangible implementation of Social (including gender, you and vulnerable groups dimensions) and

Environmental recommendations of the safeguards instruments prepared by the borrower for MozBio, namely ESMF, PMP and PF. In addition, the two Safeguards Specialists will work directly with a Community Liaison Officer (CLO) on each CA who will ensure timely follow up with their respective communities. These CLOs will work locally with SDAE (Serviços Distritais da Administracao Estatal – the District administration services which locally represent MICOA) at the district level. The two Safeguards Specialists (including the CLOs) will be adequately trained on World Bank Social and Environmental Safeguards policies, and will work in tandem with both MICOA (for compliance with national regulations) and the World Bank safeguards specialists (for compliance with Bank safeguards policies). After project launch, the Safeguards Specialists will draw from the safeguards documents to elaborate a short Safeguards Action Plan (SAP) and a Gender Action Plan (GAP) to underline actions to be taken to ensure safeguards and Gender compliance of MozBio. Prior to any supervision mission, the Safeguards Specialists will elaborate an executive summary of the status of safeguards implementation to be shared with Bank safeguards team. These will be ground-truthed during field visits and consequently, as part of the Aide memoire, a set of key recommendations will be given to the PIU/ Safeguards Specialists for easy follow up thereafter. The same routine will be maintained and fostered throughout the project lifecycle to ensure adequate safeguards compliance.

In compliance with the triggered safeguards policies, the Borrower has prepared and amply consulted upon four corresponding safeguards instruments, namely the ESMF, PMP and PF. These have been quality reviewed by the Bank social and environmental safeguards specialists and approved by the regional safeguards advisor (RSA). All safeguards instruments have been publicly disclosed both in-country and at the InfoShop prior to project appraisal.

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

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	01-Aug-2014
Date of submission to InfoShop	15-Aug-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	01-Aug-2014
Date of submission to InfoShop	15-Aug-2014
"In country" Disclosure	
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01-Aug-2014

Date of submission to InfoShop	15-Aug-2014
"In country" Disclosure	
<i>Comments:</i>	
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:	
N/A	

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 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
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?	Yes [<input type="checkbox"/>] No [<input checked="" 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 checked="" type="checkbox"/>] No [<input 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 checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input 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"/>]
OP/BP 4.36 - Forests	

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the project design include satisfactory measures to overcome these constraints?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<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 been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Name: Claudia Sobrevila	
<i>Approved By</i>		
Regional Safeguards Advisor:	Name:	Date:
Practice Manager/ Manager:	Name:	Date: