



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

Appraisal Stage | Date Prepared/Updated: 17-Dec-2020 | Report No: PIDISDSA30880

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

Country Mozambique	Project ID P174783	Project Name Mozambique Social Protection Project – Third Additional Financing and COVID-19 Response	Parent Project ID (if any) P129524
Parent Project Name MZ-Social Protection project	Region AFRICA EAST	Estimated Appraisal Date 18-Dec-2020	Estimated Board Date 05-Jan-2021
Practice Area (Lead) Social Protection & Jobs	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency National Social Assistance Institute

Proposed Development Objective(s) Parent

The objective of the project is to provide temporary income support to extremely poor households and to put in place the building blocks of a social safety net system.

Components

Institutional strengthening and capacity building to support the consolidation of the national Basic Social Security Strategy
 Labor-intensive Public Works
 Direct Cash Transfers

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

Total Project Cost	26.20
Total Financing	26.20
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	26.20
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Miscellaneous 1	26.20
Environmental Assessment Category B-Partial Assessment	
Decision The review did authorize the team to appraise and negotiate	

B. Introduction and Context

Country Context

Mozambique is facing a health and socioeconomic emergency due to COVID-19, with significant negative socioeconomic impacts and disproportionately affecting the poor. Since the beginning of the pandemic a total number of confirmed cases rose to 15,037 (as of November 23, 2020). On March 30, a State of Emergency (SOE) was declared, imposing limitations on movements within the country and border entries, among other measures. On September 7, Mozambique transitioned from a SOE to a State of Public Calamity (SOPC) that preserves many of the SOE COVID-19 prevention measures with gradual resumption of social and economic activities in coordination with health authorities. However, the population is still asked to continue respecting preventative measures. Simulations of the COVID-19 effects show an increase in urban poverty from 32 to 42.9 percent in a scenario with a 25 percent reduction of consumption. A sizeable increase in poverty is also foreseen in rural areas with higher vulnerability due to lower access to health and sanitation services, and higher malnutrition and extreme poverty rates. Thus, the deployment of social safety nets to protect the poor and vulnerable is crucial to mitigate the negative socioeconomic effects of COVID-19.

The COVID-19 outbreak reached Mozambique at a weak moment in its economic history as the country attempted to recover from two major shocks: the hidden debt crisis and the devastating effects of cyclones Idai and Kenneth in 2019. In 2016, Mozambique’s track record for high growth was disrupted when large previously undisclosed external borrowing, amounting to US\$1.3 billion, came to light. The hidden debt crisis dented confidence in the country, increased debt levels, and more than halved the average rate of growth. In 2019, Cyclones Idai and Kenneth caused massive damage to infrastructure and livelihoods, further lowering growth and wellbeing of the population. COVID-19 represents a setback that could further revert the poverty reduction and livelihood recovery so far.

Moreover, a sizeable number of Mozambicans will fall back into poverty as a result of the pandemic. Given the depth of the COVID-19 crisis, Mozambique’s already difficult poverty situation is expected to be aggravated further. It is likely that livelihoods, food security and nutrition will worsen as incomes are affected by the slowdown in economic activity. The negative impacts on income are expected to be felt relatively more in urban and peri-urban areas where social distancing measures and business closures are having most effect. The pandemic, then, is expected to predominantly affect poor populations in these areas, impacting their sources of income from informal work and self-employment. Mozambique’s urban poverty rate is estimated push an additional 300,000 urban people into poverty on account of unemployment and income losses, price increases and a deterioration of public services.



Sectoral and Institutional Context

The GoM has made important progress in advancing the social protection (SP) agenda through the National Basic Social Security Strategy (ENSSB II) implementing three main safety nets programs. The National Institute of Social Action (INAS), under the policy guidance of the Ministry of Gender, Children and Social Action (MGCAS), is implementing: (i) a social pension (PSSB) covering about 375,000 individuals; (ii) a productive safety net program (PASP) for households with able bodied members presently covering 97,000 households with a plan to scale up to 120,000 beneficiaries in 2019 and 134,000 in 2020; and (iii) the Direct Social Support Program (PASD) which has two components, one called multiform devoted timely support in-kind, and a second component focused on an Post-Emergency Cash Transfer program (PASD-PE) covering 18,500 households in selected drought-affected districts. In addition, the Government has designed other interventions for targeted groups such as the child grant program for children under 2 years of age with support from UNICEF, under the One UN Joint Programme for Social protection (UNJP). The implementation of the ENSSB II and the safety net programs has received technical and financial support from development agencies, donor countries and the international community. Despite these efforts, the coverage envisioned under the ENSSB II has been hampered due to limited technical and administrative capacity. The SP coverage remains low, with current SP programs covering less than 500,000 poor and vulnerable households – less than 20% of total poor households in the country. The proposed AF2 would provide an opportunity for further consolidation of the social protection system and utilize and expand the existing capacity in the Government to support the poor and vulnerable in a timely manner, especially in emergency conditions.

The GoM, with the support of development partners, has strengthened the legal and institutional framework for social protection. This includes the Social Protection Law (2007), the National Strategy for Basic Social Security (*Estratégia Nacional de Segurança Social Básica*—ENSSB I, 2009), and the revised strategy, the ENSSB II (2016-2024) which was approved in 2016. According to this strategy, the GoM is committed to target the poorest and most vulnerable to (i) strengthen their consumption level and resilience; (ii) contribute to the development of their human capital through improved nutrition and access to basic health services and education; (iii) prevent and respond to the risks of violence, abuse, exploitation, discrimination and exclusion through social services; and (iv) develop institutional capacity for the implementation and coordination of the social assistance system. The ENSSB II has been approved by Cabinet, and its respective decree was approved in July 2018. The GoM has recently approved the adjustment of the beneficiary targets of the programs as well as the subsidy levels of the different safety net programs.

The GoM, through the Ministry of Gender, Children and Social Action (MGCAS) presented a COVID-19 Response Plan to mitigate the impact on the poor and vulnerable. Building on the institutional capacity and operational experience of INAS, MGCAS proposed an ambitious yet practical scale up social protection response. The plan has two complementary pillars. The first pillar proposes additional cash transfers to protect the poorest already enrolled in INAS programs (vertical expansion), most of them in rural areas and with a higher poverty incidence. The second pillar includes the scale up of the Direct Cash Transfers program for emergency response to new poor and vulnerable households in urban and peri-urban areas (horizontal expansion).

C. Proposed Development Objective(s)

Original PDO

The objective of the project is to provide temporary income support to extremely poor households and to put in place the building blocks of a social safety net system.

Current PDO



The objective of the project is to provide temporary income support to extremely poor households and to put in place the building blocks of a social safety net system.

Key Results

The Results Framework has been adjusted to reflect the main changes under this AF, namely the scale up of the activities. This has included the revision of the indicators targets taking into account the scale up of the cash transfer program as well as the inclusion of a new PDO indicator to capture the implementation of Direct Cash Transfer program in urban areas to mitigate the COVID-19 effects.

Core indicator

Direct Beneficiaries of the COVID-19 response (Number).

Sub-indicators

Direct Beneficiaries of Direct Cash Transfer -COVID (Number).

Direct Beneficiaries of DCT-Covid - Female (Percentage).

Direct Beneficiaries of Additional Payment (Number).

D. Project Description

This proposed AF3 would scale up benefits and coverage of programs and territorial units covered under the Parent Project. This AF3 will contribute to mitigate the impact of the COVID-19 emergency on poor and vulnerable households, including those already participating in social protection programs in rural areas and those urban and peri-urban households directly affected due the impact on their livelihoods. This AF3 represents a major scale up of adaptive social protection programs in Mozambique. This AF3 has two main areas of activities:

- a. First, *additional payments to existing social protection beneficiaries* include participants in the Labor Intensive Public Works (Component 2) and the DCT for Vulnerable Families (Component 3). This AF3 will finance additional payments to those beneficiaries (vertical expansion) in areas already covered by the Project in order to exploit the existing capacity of implementation. In the case of public works, the additional payments do not entail additional implementation of public works and hence avoid further social and environmental risks. Instead, the Operational Manual has been revised to accommodate waivers for compliance to public work activities for the duration of the emergency. No other parameters are affected during the emergency.
- b. Second, the proposed AF3 is also *expanding coverage of DCT for post emergency* (Component 3) to new 280,000 households in areas already covered by the Social Protection Project (horizontal expansion). The expansion of the DCT for post emergency covers INAS delegations where Project operations are in place, ensuring adequate familiarity with operational and fiduciary WB procedures for program implementation.

E. Implementation

Institutional and Implementation Arrangements

The implementation arrangements of the Project will be maintained. INAS will maintain its role as implementing agency and responsible for the Project fiduciary responsibilities, under the policy direction of MGCAS. The Project may keep utilizing third party agencies to contract services in the implementation areas to expedite service delivery, such payment service providers or United Nations agencies in locations where they



possess comparative advantage. Implementation of cash transfers in urban and peri-urban areas will maximize the use of digital payment channels to exploit the extended network of mobile telephone connectivity, bank branches, ATM/POS terminals, availability of payment agents, greater literacy among urban beneficiary households, and to reduce unnecessary agglomeration of people during payment periods.

Implementation progress will be shared regularly with international development partners through the TAG and SAWG. TAG meetings are held bi-weekly to identify operational bottlenecks, discuss technical solutions, and propose technical support initiatives to the GoM. Implementation of COVID-19 response activities under this AF3 will maintain these coordination spaces to ensure development organizations are aligned to the GoM Response Plan and provide support to operational adjustments. Special attention is placed on the implementation of social protection activities in the territories in the North affected by extremist violence and displacement of population as it requires the alignment of different social protection programs but also harmonization with other interventions such as those addressing the humanitarian needs of the displaced population.

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

The Additional Financing will be located in 70 districts already covered by the parent project, prioritizing the poorest urban and peri-urban areas based on a Multidimensional Poverty Map prepared by the Ministry of Finance.

G. Environmental and Social Safeguards Specialists on the Team

Aimonchok Tashieva, Social Specialist
Bruno Alberto Nhancale, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The AF will not finance any civil works or activities that are expected to result in potential adverse environmental impacts, and the EA category is expected to remain B. Nevertheless, for this AF, risks of exposure to COVID 19 and associated occupational health and safety risks were assessed and mitigation measures recommended to be included in the Project Operation Manual such the use of an environmental screening sheet to assess INAS



		agencies and third party agencies need to adopt any other COVID-19 Contingency Plan and Community and Occupational Health and Safety mitigation measures deemed necessary.
Performance Standards for Private Sector Activities OP/BP 4.03	No	Neither does the Bank-supported activity qualify as a Private Sector Activity nor does the entity carrying out the Bank-supported activity qualify as a Private Entity.
Natural Habitats OP/BP 4.04	No	The AF has no activities that would not cause impact to natural habitats.
Forests OP/BP 4.36	No	The AF has no activities that would cause impact to forests.
Pest Management OP 4.09	No	No procurement or use of pesticides is included in the AF activities.
Physical Cultural Resources OP/BP 4.11	No	The project does not involve construction activities.
Indigenous Peoples OP/BP 4.10	No	The project does not cause any risks or impacts associated with OP 4.10.
Involuntary Resettlement OP/BP 4.12	Yes	Land appropriation or restriction of access to resources or livelihoods is not generally expected, as the small-scale public works are likely going to take place on existing roads or infrastructure, hence leading to little-to-no physical resettlement rural/urban. However, OP 4.12 has been triggered as a precautionary measure in order to minimize any risks, and to ensure proper way of dealing with any land acquisition and/or loss of assets or access to these assets that may occur due to project related activities. Moreover, because details of the exact footprint of newly proposed activities are not fully confirmed at this stage, and to ensure tangible mitigation measures are put in place for a timely and effective management of any of such impacts, the implementing entity has developed a Resettlement Policy Framework (RPF) for the parent project and updated for this additional financing which will guide the preparation of site specific RAP/ARAP when and if necessary. The RPF offers a comprehensive framework for preparation of RAPs/A-RAPs, and details approaches to undertake socio-economic census, including data on gender issues (women, children, elderly and most vulnerable groups), institutional arrangements, grievance redress mechanism, an estimated budget, monitoring and evaluation. The RPF (along with other safeguards instruments for this operation)



		have been updated for the additional financing, reviewed and cleared by the World Bank and disclosed.
Safety of Dams OP/BP 4.37	No	The Project will not finance activities that will include construction or rehabilitation of dams and/or support other investments related with services of existing dams.
Projects on International Waterways OP/BP 7.50	No	There are no project activities in international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There are no project activities in disputed areas.

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:

INAS is continuing delivering the social protection programs under the COVID-19 crisis satisfactorily. INAS is implementing the sixth cycle of public works with a total coverage of 121,000 beneficiaries. INAS adapted the implementation of the public works program to the COVID-19 scenario. INAS is implementing the fourth payment cycle of Direct Cash Transfers in Gaza Province. INAS implemented the first cycle of payments of Direct Cash Transfers to Idai and Kenneth cyclones beneficiaries. INAS already deliver cash transfer to 80,500 beneficiaries out of 110,000 program beneficiaries. The second and last cycle of payments will start on December 2020. 15,000 out of 110,000 beneficiaries of the program will receive the cash transfers through an output agreement with WFP that will start to deliver payments on February 2021. INAS has also launched the implementation of the Social Protection COVID-19 response providing Additional Payments to current INAS beneficiaries and Direct Cash Transfers to new beneficiaries in urban and periurban locations. The Covid-19 response plan is financed by the World Bank Emergency Recovery and Resilience Project (P171040). Implementation of Covid-19 Response activities in areas affected by security risks due to armed violence (not covered by the AF3) have been already carried out in the districts of Montepuez and Mocimboia da Praia with support from the Emergency Recovery and Resilience Project (P171040). These districts benefited from operational and safeguards capacity of the neighboring Pemba district that has been implementing Social Protection Project operations for the last years. This also showcases the complementarity among World Bank operations.

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

Overall, the potential adverse environmental risks and impacts of both the original project and the proposed AF are expected to be small in scale and site specific, typical of category B projects. Still, as the AF will implement activities during the COVID19 emergency, additional safeguards measures need to be implemented. The social risks, however, have an increased potential impact due to the increased coverage of beneficiaries and increased stakeholders such as digital payment providers.

The proposed AF remains Category B. The same two safeguard policies from the original project maintained triggered: OP/BP 4.01 (Environmental Assessment) and OP/BP 4.12 (Involuntary Resettlement) and the current Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) for the parent project are sufficient and manage the risks and potential impacts under the proposed AF, having been revised to include the new



components added by the proposed AF such as increased social risks associated to Gender Based Violence and environmental risks associated to COVID19 transmission.

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

The proposed project activities for the AF are of the same nature and/or scale as the original project and adverse impacts are expected to be minimal. No alternatives have been considered.

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 implementing agency has carried out a Rapid Social Assessment (RSA) on issues related to labor, social inclusion, SEA/SH and stakeholder engagement and its conclusions were used to update the ESMF. The RSA analyzed targeting mechanisms for social inclusion and stakeholder engagement, including evaluating the current GRM status, re-assess SEA/SH risks, and investigate labor management procedures. In resume, the following instruments were updated and disclosed: ESMF and RPF, including the following supportive documents : SEP, RSA and a SEA/SH/GBV action plan (as part of ESMF). All instruments have been reviewed and approved by the Bank, and disclosed prior to Appraisal. Further, the Project Operation Manual has been updated to reflect these changes.

Specific gender risks are related to information outreach, enrolment and payment processes, both during and in the post-emergency context. To mitigate these risks, the Government will monitor gender dimensions associated with program implementation by means of two mechanisms. First, a GBV Assessment and Action Plan was prepared as part of the revisions of the ESMF. Second, the AF3 supports expansion of independent community-based monitoring initiative through the civil society platform (PSMC-PS). The PSMC-PS has reported about the impact of COVID-19 on beneficiaries and identified irregularities such as delays in payment processes, management of social distance, and availability of protective equipment.

The existing INAS' GRM is being scaled up to include defining avenues for submitting labor related complaints, including streamlined procedures for addressing specific worker grievances, which would allow workers to quickly report labor issues, and will also be enhanced to address SEA/SH complaints. The existing GRM has a limited coverage but has helped address implementation issues mainly related to payment processes.

INAS has recruited a new environmental specialist who will monitor and ensure that beneficiaries comply with health and safety measure including, social distancing policies to minimize worker illness. INAS safeguards specialists has also: (i) developed an environmental screening sheet to be filled out by beneficiary institutions and service providers; (ii) planned for periodic visits to assess if service providers and beneficiary utilities comply with distancing policies and procedures in place and any additional measures relating to COVID-19; (iii) included supervision measures to ensure COVID-19 risks are being addressed, they will also ensure training sessions are organized for those involved in registry and payment points activities.

INAS has already set up measures to prevent and minimize the risk of COVID-19. First, INAS has enhanced the payments schedule for beneficiaries to avoid payments points becoming overcrowded reducing the number of beneficiaries at the payment points per day. Second, INAS has enhanced health, safety and operational protocols for INAS activities, requiring provision of masks and compliance with hand hygiene and including guidelines for social distancing during payment processes, among others. The proposed cash transfer activities will adhere to these standing requirements as state in national guidelines. Third, INAS has strengthened the payments' communication strategy to deliver COVID-19 sensitization messages by using multiple channel of communication (leaflets and posters)



besides their traditional ones (permanentes and local community radios). The communication/dissemination campaign for the GRM will pay due regards to COVID-19 requirements (i.e., virtual consultations and/or meetings with appropriate social distancing and sanitization measures) and highlight basic COVID-19 health precautions.

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

Key stakeholders include: women, youth and vulnerable groups, the beneficiary districts and municipalities and local communities. The original Social Protection Project preparation process included a participatory consultative process. Extensive public consultations have been conducted during the preparation of ESMF and RPF to take into account the views and perceptions of communities and various stakeholders regarding the design and scope of the project. Given the situation with COVID-19 pandemic, consultations or stakeholder engagement that may take place will follow the recommendations reflected in the Bank’s Technical Note on “Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings.” The ESMF and RPF of the parent project have been re-disclosed both in-country and at the Public Project World Bank website (in lieu of Infoshop) prior to effectiveness of the AF.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 01-Nov-2012	Date of submission for disclosure 08-Jan-2013	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Mozambique
31-Jan-2017

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 01-Nov-2012	Date of submission for disclosure 08-Jan-2013
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"In country" Disclosure

Mozambique
31-Jan-2017

Comments



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

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

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

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

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

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

OP/BP 4.12 - Involuntary Resettlement

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

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

Is physical displacement/relocation expected?

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

The World Bank Policy on Disclosure of Information

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

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?



All Safeguard Policies

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

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

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

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

CONTACT POINT

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APPROVAL

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Approved By

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