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Report No: RES24657

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF THE

ARTISANAL FISHERIES AND CLIMATE CHANGE PROJECT

FINANCED BY A

NORDIC DEVELOPMENT FUND GRANT

IN THE AMOUNT OF
EUR2.975 MILLION

COUNTERSIGNED ON
APRIL 21, 2015

TO THE

REPUBLIC OF MOZAMBIQUE

July __, 2016

ENVIRONMENT AND NATURAL RESOURCES
AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

IDEPA	National Institute for Fisheries and Aquaculture Development (<i>Instituto Nacional de Desenvolvimento da Pesca e Aquicultura</i>)
OP/BP	Operational Policy / Bank Policy
PDO	Project Development Objective

Regional Vice President:	Makhtar Diop
Country Director:	Mark R. Lundell
Senior Global Practice Director:	Paula Caballero
Practice Manager/Manager:	Magda Lovei
Task Team Leader:	Benjamin Garraud

MOZAMBIQUE
Artisanal Fisheries and Climate Change Project

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DATA SHEET

Mozambique

Mozambique - Artisanal Fisheries and Climate Change (P149992)

AFRICA

Environment & Natural Resources

Report No: RES24657

Basic Information									
Project ID:	P149992			Lending Instrument:	Investment Project Financing				
Regional Vice President:	Makhtar Diop			Original EA Category:	Partial Assessment (B)				
Country Director:	Mark R. Lundell			Current EA Category:	Partial Assessment (B)				
Senior Global Practice Director:	Paula Caballero			Original Approval Date:	23-Mar-2015				
Practice Manager/Manager:	Magda Lovei			Current Closing Date:	30-Apr-2019				
Team Leader(s):	Benjamin Garnaud								
Borrower:	Ministry of Economy and Finance								
Responsible Agency:	IDEPA - National Institute for Fisheries and Aquaculture Development								
Restructuring Type									
Decision Authority:	CD Decision								
Restructuring Level:	Level 2								
Financing (as of 06-Jul-2016)									
Key Dates									
Project	TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P149992	TF-17403	Effective	23-Mar-2015	21-Apr-2015	21-Apr-2015	30-Apr-2019	30-Apr-2019		
Disbursements (in Millions)									
Project	TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P149992	TF-17403	Effective	USD	3.31	3.31	0.00	0.50	2.79	15
Policy Waivers									
Does the project depart from the CPF in content or in other significant respects?						Yes []		No [X]	
Does the project require any policy waiver(s)?						Yes []		No [X]	

A. Summary of Proposed Changes

The proposed change is to include works as an eligible expenditure. In the initial Administrative Agreement between the Nordic Development Fund and the World Bank, works were not an eligible expenditure and this was also reflected in the project Grant Agreement. The project design envisages works to build or rehabilitate small infrastructure in some of the six pilot sites that will support fisheries co-management (e.g. small markets, storage facilities, fisheries co-management headquarters). Accordingly, the Initiation Note included mention of these works, and so did the Environmental and Social Management Framework prepared by the Government, approved by the Bank and disclosed on February 19, 2015 in country and in InfoShop. The Administrative Agreement between the Nordic Development Fund and the World Bank was modified on April 4, 2016 to incorporate works in the eligible expenditures.

Change in Implementing Agency	Yes []	No [X]
Change in Project's Development Objectives	Yes []	No [X]
Change in Results Framework	Yes []	No [X]
Change in Safeguard Policies Triggered	Yes []	No [X]
Change of EA category	Yes []	No [X]
Other Changes to Safeguards	Yes []	No [X]
Change in Legal Covenants	Yes []	No [X]
Change in Loan Closing Date(s)	Yes []	No [X]
Cancellations Proposed	Yes []	No [X]
Change to Financing Plan	Yes []	No [X]
Change in Disbursement Arrangements	Yes []	No [X]
Reallocation between Disbursement Categories	Yes []	No [X]
Change in Disbursement Estimates	Yes []	No [X]
Change to Components and Cost	Yes []	No [X]
Change in Institutional Arrangements	Yes []	No [X]
Change in Financial Management	Yes []	No [X]
Change in Procurement	Yes [X]	No []
Change in Implementation Schedule	Yes []	No [X]
Other Change(s)	Yes [X]	No []

B. Project Status

The project activities started in January 2016 with more than six months of delay due to the lengthy administrative processes linked to the signature of the contract between the National Institute for Fisheries and Aquaculture Development (IDEPA), the implementing agency, and Rare, the main service provider for the project. The first ISR in November 2015 consequently rated DO and IP, as well as all components, unsatisfactory. Since January, the activities have been progressing at a more satisfactory pace, the pilot sites have been selected and human capacity is being built to start co-management of fisheries. The first disbursement was made in June 2016. The project objectives continue to be achievable within the time frame of the project.

C. Proposed Changes

Development Objectives/Results
Project Development Objectives
Original PDO To improve community management of selected priority fisheries.
Change in Project's Development Objectives
Other Change(s)
Change in Procurement
Explanation: "Works" will be added to section 2.08 (Procurement) of the Grant Agreement.
Other Change(s)
Explanation: "Works" will be added to section 3.01 (Eligible Expenditures) of the Grant Agreement.

A. SUMMARY

1. The Restructuring Paper seeks the approval of the Country Director to introduce changes to the project and amend the project legal agreement. The change relates to the inclusion of “works” as an eligible expenditure.
2. This change is proposed to authorize the works necessary to build small infrastructure in some of the six pilot sites. These small infrastructure were included in the project design, and were agreed upon between the World Bank, the Government of Mozambique, and the donor, the Nordic Development Fund. The previous version of the Administrative Agreement however did not list works as an eligible expenditure. It was amended on April 4, 2016 to include works, and the project Grant Agreement needs to be amended accordingly.

B. PROJECT STATUS

Project activities started in January 2016 with more than six months of delays due to the lengthy administrative processes linked to the signature of the contract between the National Institute for Fisheries and Aquaculture Development (IDEPA), the implementing agency, and Rare, the main service provider for the project. The first ISR in November 2015 consequently rated DO and IP, as well as all components, unsatisfactory. Since January, activities are progressing at a more satisfactory pace, the pilot sites have been selected and human capacity is being built to start co-management of fisheries. The first disbursement was made in June 2016. The project objectives continue to be achievable within the time frame of the project. The current disbursement rate is 15%.

C. PROPOSED CHANGES

Procurement

3. It is proposed that the procurement section of the Grant Agreement be revised to include a description of the requirements related to the procurement of works.

Eligible Expenditures

4. It is proposed that the eligible expenditures section of the Grant Agreement be revised to include “works” as an eligible expenditure.

Safeguards

5. The Initiation Note included the safeguards information and served as the concept stage and appraisal stage Integrated Safeguards Data Sheet for the project. The small civil works were already taken into account, triggering safeguards policies OP/BP 4.01 and OP/BP 4.04 accordingly. As a result, an Environmental and Social Management Framework was prepared by the Government, approved by the Bank and disclosed on February 19, 2015 in country and in InfoShop. It provides screening procedures for any environmental and social impacts related to the works and outlines proposed mitigation measures.

6. The restructuring does not trigger any new safeguards policies. The project remains a category B (partial assessment) project. The safeguards policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), and OP/BP 4.12 (Involuntary Resettlement), initially triggered, are still applicable to the project.