



Additional Financing Appraisal Environmental and Social Review Summary

Appraisal Stage

(AF ESRS Appraisal Stage)

Date Prepared/Updated: 08/12/2020 | Report No: ESRSAFA029



BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Mozambique	AFRICA EAST	Ministry of Economy and Finance	Water and Sanitation Infrastructure Administration (AIAS), Post-Cyclone Idai Reconstruction Office (GREPOC), Ministry of Health (MISAU), National Social Assistance Institute (INAS)
Project ID	Project Name		
P174294	COVID-19 Response Additional Financing		
Parent Project ID (if any)	Parent Project Name		
P171040	Mozambique: Cyclone Idai & Kenneth Emergency Recovery and Resilience Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	9/7/2020	9/30/2020

Proposed Development Objective

The Project Development Objective is to support the recovery of public and private infrastructure and livelihoods while strengthening climate resilience in the areas most affected by Cyclones Idai and Kenneth and supporting the immediate response to an eligible emergency or crisis, including epidemics

Financing (in USD Million)	Amount
Current Financing	0.00
Proposed Additional Financing	0.00
Total Proposed Financing	0.00



B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project addresses critical recovery and resilience needs in the coastal provinces most affected by Cyclones Idai and Kenneth. The project will prioritize recovery of housing, public infrastructure and private sector activity across the the provinces of Sofala and Cabo Delgado, which have been hardest hit by the two cyclones. The project investments in climate resilience infrastructure will specifically target the city of Beira, which is among the most important and fastest growing centers of economic activity in Mozambique and accounts for a large share of the economic impact of Cyclone Idai. Furthermore, the project also supports Mozambique's response to COVID-19 through interventions in health and social protection.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The scope of this AF project is limited to only replenishment and there will be no change to the nature and scale of risks and impacts of the project, including geographic locations.

The parent project will address recovery needs in the coastal provinces most affected by Cyclone Idai and Kenneth, Sofala and Cabo Delgado, which borne the brunt of cyclones. The provinces have extensive coastal plains prone to flooding. The project will prioritize recovery of approximately 15,000 housing units (Sub-component 1.1), public infrastructure (Sub-component 1.2) and support to the private sector recovery through credit lines and matching grants to small and medium sized enterprises (SMEs) (Sub-component 1.3) across these two provinces. Component 2 – Building Climate Resilience poses the highest potential of environmental and social impacts and risks. The geographical scope of this component, including flood protection (Sub-component 2.1) and drainage rehabilitation (Sub-component 2.2) is limited to the city of Beira, which suffered the major share of the combined economic losses from the two cyclones. It has 530,000 inhabitants and the population is expected to double in 10-15 years. Sub-component 2.2 will also include the implementation of Phase 2 of the Beira storm water drainage system, comprising the rehabilitation of drainage channels, construction of an additional retention basin, construction of a new outlet, and some investments in the secondary and tertiary drainage system.

Beira is in a flood plain adjacent to the Pungwe river mouth. The terrain is formed by the accumulation of alluvial material, comprised mostly of clay and sand. Due to the geomorphology of the project area, characterized by low and flat terrain, the tidal influence on the coastal area is high. This exposure is further increased due to strong variations in the tide, which can reach 7m, one of the highest in Africa. Urbanization has had a major effect on most of the Beira's watercourses, compromising the water quality of the rivers and canals due to pollution by solid waste and sewage disposal. Flooding events in urban areas can demand temporary evacuation of affected people and may result in severe limitations to public services. Urbanization has significantly altered the original flora and fauna conditions within the project's areas in Beira. The technical assistance may have environmental downstream implications associated, mainly, to the design and supervision of the supported interventions.



Mozambique is among the countries most vulnerable to climate change and ranks third among African countries in exposure to risks resulting from climate variability. Most parts of the country are in the subequatorial zone with a rainy tropical climate and dry winter. The annual precipitation reaches 1,500mm, with a maximum in January and a minimum in September. The cyclones that struck Mozambique, early 2019, demonstrate the country's vulnerability to such extreme climate events. Cyclone Idai affected more than 1.5 million people. Cyclone Kenneth affected 250,000 people. Both events destroyed and damaged houses, business and core infrastructure.

Poor and vulnerable population is hardest hit by effects of climate change and natural disasters. Nearly 50% of Mozambique's population is poor despite an acceleration in the rate of poverty reduction from 2015 when poverty rate stood at 59%. Poverty is concentrated in rural areas and recent analysis notes that there is more inequality as economic progress has increasingly become less inclusive. Poverty continues to be high in Zambezia, Nampula and Niassa, historically the provinces with the highest poverty levels. While multidimensional poverty has fallen, improvement in several dimensions such as access to electricity, food security and stunting, among others, has showed little improvement in recent years. Sofala, Zambezia and Manica are also among the provinces hit by Cyclone Idai in addition to Tete and Inhambane. The Cyclones have compounded an already serious food insecurity situation in Mozambique. The UN estimates that from September to December 2018, an estimated 1.78 million people were severely food insecure in the country mainly living in Cabo Delgado, Gaza, Inhambane, Sofala and Tete. Following Cyclone Idai's landfall, more than 715,000 hectares of crops were destroyed, while Cyclone Kenneth affected nearly 55,500 hectares of crops and caused loss of livelihoods, including fishing. Both cyclones made landfall during the critical harvest period, effectively wiping out the food of thousands of families. Both Cyclone Idai and Cyclone Kenneth caused significant displacement and protection concerns. Many children, elderly and people with disabilities were unable to flee to safety and more than half of the affected people are children. The UN estimates that about 1 million children are in need of help. There are also health risks that include recent reports of immediate illnesses like cholera (6,785 cases) but also the longer-term impacts of nutritional deficits for vulnerable populations like women and very young children. Further, population displacement, insecure living conditions exacerbate risks of Gender Based Violence in a country where 22% women reported facing GBV and rate of child marriage stands at 48%. Given that in Mozambique an estimated 70% of perpetrators of GBV against their partners never face charges, these factors add to further vulnerability for women especially homeless women and female-headed household.

Some 300,000 people are estimated to be living in informal settlements in Beira many of which are located in low-lying areas lacking proper infrastructure, sanitation, drainage, and basic services. Flooding and natural disasters add to the vulnerability of communities living in informal settlements many of whom are dependent on coastal resources for their livelihoods.

D. 2. Borrower's Institutional Capacity

Mozambique has a well-developed environmental and social legislation, including the national environmental law, which defines that all public and private activities that may cause significant environmental impacts should be subject to proper environmental licensing, including environmental assessment studies to identify possible impacts, as well as management plans, aiming to minimize and mitigate the foreseen impacts. The Country also has legal requirements for resettlement management, public consultations, including public hearings with participation of the affected population to validate environmental and social impacts studies.

The Government of Mozambique has implemented several Bank-financed projects as well as projects funded by other donors that follow analogous environmental and social policies and has considerable experience with the Bank environmental and social management requirements. The project will be implemented by two entities subordinated



to the Ministry of Public Works and Water Resources (MOPHRH), AIAS and the Post-Cyclone Idai Reconstruction Office (Gabinete de Reconstrução Pos Cyclone Idai - GREPOC). MOPHRH has a long-term experience with Bank safeguard requirements. The referred Ministry is, currently, implementing projects funded by the Bank through its agencies National Road Administration (ANE), Water and Sanitation Infrastructure Administration (AIAS), National Directorate of Water (DNGRH) and National Directorate for Water Supply and Sanitation (DNAAS).

GREPOC will be in charge of the activities related to components 1 and 3. AIAS will have primary responsibility for the implementation of the major construction works, (Component 2), which poses the higher potential environmental risks. AIAS has a dedicated and qualified staff in charge of environmental and social management issues and prior experience with large construction works in the city of Beira. AIAS had a demonstrated good performance in applying the World Bank safeguard policies in the construction of the first phase of the Beira drainage system, (Mozambique Cities and Climate Change Project – - MCCCCP - P123201). It responded well to the environmental and social risk challenges posed by the referred project.

A comprehensive environmental and social management system is in the process of being developed for the recently created Reconstruction Office, with the formulation of social and environmental management procedures focused on the internalization of socio-environmental aspects. Under the project's technical assistance component (Component 3), a Social and Environmental Unit within GREPOC is in the process of being established. The unit will be responsible for all social and environmental management procedures related to the reconstruction works and private sector recovery activities (Component 1), including the preparation of environmental and social guidelines and manuals for the construction activities, supervision of socio-environmental management activities, and personnel training. The GREPOC E&S Unit will be created to oversee, also, the selection of the financial intermediaries and implementation of their ESMSs and the preparation of the environmental and social management procedures for the private sector recovery activities, all in accordance with the ESMF. The budget for component 3 will include the resources to support all necessary ESHS aspects of the GREPOC PIU and the AIAS PIU.

Both COVID-19 and Social Protection related interventions under CERC are under implementation through existing projects on Tuberculosis and Social Protection. Both projects have existing PIUs and safeguards staff in place. These projects have existing GRM and Stakeholder Engagement mechanisms in place that will be used for CERC activities.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

High

Environmental Risk Rating

High

The parent project will support activities, including (i) technical assistance, (ii) financial support to aid the recovery of the private sector, (iii) reconstruction of housing and public infrastructure assets and (iv) rehabilitation of the Beira coastal protection system and implementation of the second phase of the Beira drainage system. The environmental risk of the project is considered High under the ESF in consideration of the potential environmental impacts and risks related to the proposed construction works in Beira. Anticipated environmental implications of the technical assistance on housing and infrastructure standards and practice are limited. The potential impacts of the support to private sector recovery are mostly low to moderate risk, as this component will provide mainly working capital and



funds of acquisition of materials and equipment, which by implication includes support for SME operations. The reconstruction of housing, public infrastructure and drainage works will encompass mainly small works, and, occasionally, ones with a higher potential of environmental impacts (e.g. infrastructure recovery and drainage) that are expected to be limited, site-specific and temporary and can be effectively minimized and/or mitigated with the adoption of proper environmental and social impact management procedures. AIAS will be the implementing agency for Component 2, and it has gathered considerable experience and technical capacity to handle effectively environmental management system, such as the large construction works in Beira.

While the environmental risk level is considered High, at this stage, due to the potential environmental, health and safety implications inherent to the nature and scale of the works planned for Beira, the risk rating will be reviewed upon the completion of the detailed environmental assessments.

Social Risk Rating

High

The Parent Project's activities will benefit a range of Cyclone hit communities, businesses and vulnerable people. Support to housing re-construction and public infrastructure will ensure that displaced and vulnerable people can resettle and reconstruct their lives. The Project will, thus, have largely beneficial social impacts on communities. However, under Component 2, the project is expected to require land acquisition and resettlement. The exact scale of resettlement is unclear at this stage and will be clarified during implementation. Construction works in Beira are also expected to lead to negative impacts on coastal livelihoods. The construction works in this Component will take place close to an informal settlement with increased risk of impacts from labor influx, however small. Further, under Component 1, the rehabilitation of public infrastructure and support for housing construction are expected to require some land (albeit to a limited extent). Although the public infrastructure to be rebuilt will consist of existing, damaged structures, some temporary land taking may be required for re-routing, storage or redesign of infrastructure. Housing reconstruction will require an assessment of land requirements and ensure land tenure security. Further, grants to businesses may also include land taking unless processes to screen for land taking/land use are in place to ensure that, if land needs are supported under the project's funds, these are screened adequately, and any resettlement issues are addressed. The Project's infrastructure component will require use of manual/construction labor most, if not all, of which is expected to come from local communities. However, labor management procedures will need to be in place and implemented. The Project must also undertake a Gender Based Violence (GBV) risk assessment and based on the level of risk, support the requisite interventions to manage this risk. A strong Grievance Redress Mechanism adapted to use by disaster-hit communities will be in place.

Activities under CERC will also have beneficial impacts on communities especially poor and vulnerable people who face economic hardships and health challenges due to COVID -19. A ESMF is in place to address any social risks (such as marginalization, difficulty in accessing services) and SEP was prepared to undertake stakeholder consultations. In both SP and Health sectors, there are existing Bank projects with GRM in place.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:



The scope of this AF project is limited to only replenishment and there will be no change to the nature and scale of risks and impacts of the project, including geographic locations. The activities to be funded by the parent project can be aggregated into four sets, with distinct environmental and social implications: (i) Technical Assistance (TA) activities (in components 1 and 2), (ii) financial support for the recovery of the private sector (sub-component 1.3), (iii) reconstruction of housing and public infrastructure assets (small construction works) (sub-components 1.1 and 1.2), and (iv) rehabilitation of Beira coastal protection system and implementation of the second phase of the Beira storm water drainage system (Component 2). The TA will encompass hiring of specialized consultants, training programs for government and non-government agencies, establishing and strengthening the capacity of GREPOC and AIAS with respect to the implementation of reconstruction and resilience interventions. It will also include staffing the agencies with experts in environmental and social including resettlement management and the preparation of environmental and social assessments, preparation of resettlement related instruments as well as monitoring and evaluating the activities supported by the project. Therefore, no potential large scale, significant and/or direct impact would be associated with the TA activities. The Terms of Reference for the TA outputs will include relevant requirements of the ESF and the TOR will be reviewed by the Bank to ensure, among other things that all relevant ESF aspects have been included.

The Private Sector Recovery Component will target informal, micro, small, and medium sized firms impacted by the disaster, using financial intermediaries - FIs, (e.g. micro-finance institutions and small to medium-sized commercial banks), to purchase equipment or materials and provide working capital to support recovery effort. The potential impacts and risks of these activities are expected to be limited and will be implemented in accordance with the ESMF, addressing the environmental, social, health and safety considerations for the whole project, as well as the Environmental and Social Management System (ESMS) to be prepared and implemented in all FIs, consistent with the requirements of ESS9. Any resettlement impacts as a result of land needs must be managed in accordance with the Bank's ESF. The Project's Environmental and Social Management Framework (ESMF), currently under preparation, will detail the scope and requisites of the ESMS to be adopted by the FIs.

The Reconstruction of Housing and Public Infrastructure (Sub-components 1.1 and 1.2) aims to repair and reconstruct approximately 15,000 hazard-resilient housing units. It will include, also, the construction of new public resilience infrastructure, such as markets, government buildings, public water and sanitation units; and the construction of multi-functional elevated flood evacuation sites and cyclone wind shelters. The potential environmental impacts and risks are expected to be localized and temporary, caused, mainly by the construction activities. Waste generation, noise and air pollution may be relevant impacts in these cases. OH&S and labor conditions are important points, considering the proposal of adopting community-based reconstruction approach. This component may also lead to some small-scale land acquisition and some impact on livelihoods. However, most of the land requirements are expected to be of a temporary and/or small-scale nature. The reconstruction of public housing and infrastructure needs to ensure a socially inclusive and conflict-sensitive approach to ensure that elite capture does not take place and selection of sub-projects is undertaken with stakeholder consultation and inclusion.

The areas of direct intervention, as well the precise scope of construction works have not been fully defined yet. As such, an ESMF is currently under preparation and will be implemented, including procedures for screening and excluding any intervention that could cause significant environmental impacts. The ESMF will be valid to all activities supported by the project, examining the project overall risks and impacts, setting out the principles, rules, guidelines and procedures to assess, mitigate and monitor the environmental and social risks and impacts along the project implementation. The ESMF will include measures to manage environmental, health and safety for the construction



works, including preparation of subproject instruments for Sub-components 1.1 and 1.2. It will also include procedures on labor management and camp management where construction work may require that these are established. While labor used for reconstruction works is expected to be drawn mostly from local communities, the influx of some labor and the allied risk of GBV exists and a GBV risk assessment and Action Plan needs to be in place to address this risk. Component 2 comprises construction works to strengthen the resilience of the city of Beira to future climate hazards, including the rehabilitation and strengthening of the coastal protection system and the expansion of the storm water drainage system. The goal is repairing and reconstructing the existing coastal groins, flood walls, as well as rehabilitating degraded beaches. The interventions for improving the coastal protection system will be defined by the feasibility studies and environmental and social assessment studies, selecting the rehabilitation works that are environmentally and socially feasible.

The construction works for cleaning and rehabilitating the macro drainage system and the coastal protection system may result in varied temporary impacts, including vibration, noise and air pollution caused by the operation of earth moving and excavation equipment, waste generation, soil erosion and/or contamination, wastewater discharge, risks to the community safety and the protection of surrounding natural habitats and ecosystem. The ESMF will encompass general measures to Component 2 works. However, the rehabilitation and strengthening of the coastal protection system and the expansion of the macro drainage system will require the preparation of specific ESIA's, ESMP's, RAP's and other relevant E&S plans, analogous to the procedures adopted by the MCCCCP in the implementation of the 1st phase of the Beira Drainage System. The preparation of the ESIA's, ESMP's, RAP's and other needed instruments will be initiated upon the conclusion of the conceptual engineering designs and ESHS feasibility studies.

The social impacts of Component 2 include resettlement due to land acquisition for coastal protection system and drainage works. The extent of land required is not clear at this stage. Screening and assessment of social impacts will need to be undertaken during feasibility studies to identify the exact extent of land needs and resettlement impacts. Previous interventions in drainage rehabilitation in Beira have indicated that some resettlement is expected from rehabilitation of drainage works as well. For coastal protection works in Beira, a Resettlement Policy Framework (RPF) will guide the preparation of a site-specific Resettlement Action plan. Construction work is expected to be located close to a low-lying informal settlement and is expected to have impacts on the livelihoods of households resident in the informal settlement and/or other people whose livelihoods may be dependent on coastal resources. Additionally, construction works may lead to the influx of labor and potentially increase the risks of GBV especially among slum residents.

Finally, the Contingent Emergency Response Component – CERC would provide immediate response to an Eligible Crisis or Emergency, as needed, including emergency works in the case of another disaster event. This component would help recover damage to infrastructure, ensure business continuity, and enable early rehabilitation. The Government of Mozambique through the National Institute for Disaster Management (INGC) is implementing the Mozambique Disaster Risk Management and Resilience Program funded by the Bank. The referred program includes the development of a comprehensive environmental management system to INGC, aiming to achieve environmental and social outputs consistent with the World Bank environmental and social policies. In April 2020 the CERC component was activated to respond to COVID-19 situation and the activities financed under the CERC will be limited to provision of critical goods and services. Land acquisition leading to involuntary resettlement and/or restrictions of access to resources and livelihoods is not anticipated. The Environmental and Social Commitment Plan (ESCP) and



Stakeholder Engagement Plan (SEP) of the Cyclone Idai and Kenneth Emergency Recovery and Resilience Project have been updated. An IRM-CERC Environment and Social Management Framework (ESMF) has been prepared to cover the COVID-19 related emergency activities. The updated ESCP and SEP and the CERC-ESMF were approved by the Environmental and Social Standards Advisor (ESSA), adopted by the GoM and publicly disclosed on April 6, 2020.

In accordance with national regulations (Decree No. 54/2015) and World Bank ESS, before approving a subproject, the applicable documents must be made available for public review at a readily accessible place for beneficiary communities (by a local government office) . The documents should also be sent to the World Bank for approval and disclosure in the Bank's website.

A three tier Grievance Redress Mechanism (GRM) has been outlined in the SEP. As the GRM works within existing legal and cultural frameworks, it will comprise community level, project level, and Mozambican judiciary level redress mechanisms. Under CERC, existing GRMs within Bank projects on Health and Social Protection will be used.

ESS10 Stakeholder Engagement and Information Disclosure

Key stakeholders consist of provincial and district governments, municipal councils, relevant government departments, local communities especially vulnerable groups, NGOs operating at local and provincial and local businesses. Stakeholder consultation will be an essential part of the project. While all disaster-impacted communities in the Cyclone-hit areas face vulnerability, the poor and marginalized sections are particularly at risk of sinking further into poverty, not have information, access, voice and agency to state their needs and seek redress. A draft Stakeholder Engagement Plan has been prepared by appraisal and will be implemented at each stage of the project. The SEP was updated to apply to activities under CERC and is being implemented.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

This Standard is Relevant, as the project comprises various construction works, involving large scale civil works. Construction works in remote areas (mostly housing) will follow owner driven reconstruction approach, but the reconstruction of public buildings and infrastructure may demand different contractors in remote locations. In sum, a large workforce will be needed, and the project may face difficulties in promoting sound worker-management relationships and to guarantee safe and healthy working conditions. The situation is aggravated by the gaps in the Mozambique labor, health and safety legislation.

Mozambique had important improvements in the labor legislation with the Labor Law, “Lei do Trabalho”, issued in 2007, determining that all workers have the right to healthy conditions and protection equipment, among other measures. The Regulation on Occupational Accidents and Professional Diseases (Decree 62/2013) was another important progress. However, the health and safety regulation dates of 1973, “Diploma Legislativo n.º48/73”, designed mainly for industrial activities and missing specific requirements for the different types of construction works. The environmental, health and safety instruments to be prepared during implementation will need to address,



in detail, detailed occupational, health and safety (OHS) requirements, (guides and manuals), applicable to all construction works funded by the project, including the preparation of OHS plans and manuals.

The Project is preparing Labor Management Procedure (LMP) by appraisal that are consistent with the provisions of the World Bank's ESS2 which identify that all contractors and sub-contractors must ensure that there is no bonded or child labor employed during construction. The LMP will include provisions to ensure fair wages in line with local legislation and provide contractual hiring of workers (both male and female), adequate payment for overwork and other measures. If a Labor Camp is established for construction purposes, the facility must follow guidelines established by the Project to ensure safe and hygienic living conditions. Labor Management Procedures and a labor GRM will need to be developed as part of overall safeguards instruments. The LMP will guide the production and implementation of Labor Management Plans for specific sub-projects including specification of responsibilities at sub-project implementation stage by all stakeholders to address labor management requirements. Additionally, the risk of GBV and Sexual Exploitation and Abuse (SEA) will be assessed and appropriate interventions designed to mitigate this risk.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 concepts and objectives are relevant to the project, mainly, due to the potential generation of hazardous and non-hazardous wastes in the Beira coastal construction works (Component 2) and housing and public infrastructure (Sub-components 1.1 and 1.2). Construction of the first phase of the drainage system in Beira confirmed negative environmental impacts may likely arise, mainly, during the development phase, which could be caused by the cleaning and rehabilitation of existing drainage channels, excavated material disposal, vibration, noise and air pollution caused by the operation of earth moving and excavation equipment. Construction works also have the potential to generate significant amount of solid waste at construction and decommissioning sites, including excess fill materials from grading and excavation activities, scrap wood and metals, and small concrete spills. Hazardous solid waste could include contaminated soils, amounts of machinery maintenance materials, such as oily rags, used oil filters, and used oil, as well as spill cleanup materials from oil and fuel spills. Techniques for assessing the characteristics of the material to be excavated in the rehabilitation of the drainage channels, and preventing and controlling hazardous and non-hazardous wastes will be addressed, in general terms, in the Project's ESMF, and detailed in the subproject ESMPs. The environmental and social safeguards supervision records of the recently concluded drainage system in Beira indicate that some impacts deserve special attention, including procedures for disposal of the material removed from the channels. The disposal of excavated material will be preceded by a detailed analysis for verifying potential contamination, so to accurately inform the treatment process that will be required. The excavated material, (mix of mud and sludge), in the first phase of the Beira drainage system had to be disposed in a controlled landfill due to contamination. Additionally, the structures should be designed aiming to minimize emissions, and get optimum use of water, energy and raw materials. The project is not anticipated to be a significant user of water or generate significant quantities of GHG emissions.

ESS4 Community Health and Safety

Specific measures to protect the community health and safety are relevant, as construction activities may result in a significant increase in movement of heavy vehicles for the transport of construction materials and equipment increasing the risk of traffic-related accidents and injuries to workers and local communities. In fact, the construction



works in Beira will demand special measures to reduce road accidents involving project vehicles during construction. The problem is aggravated by the occurrence of numerous streets in Beira, occupied by pedestrians. Previous construction works in Beira for the 1st phase of the storm water drainage system rehabilitation demonstrated that operations must follow strict standards for safeguarding the community health and safety, notably traffic safety procedures in the operation of trucks and heavy equipment. Further, any influx of labor is expected to increase the risk of Sexual Exploitation and Abuse (SEA) for vulnerable communities including children. The ESMF, the ESMPs for the sub-projects and the H&S Plans will include measures to minimize the risks to the population, through a combination of education and awareness-raising, and the adoption of strict traffic safety and GBV/SEA risk management procedures.

TORs for a GBV risk assessment and Action Plan are under preparation to assess the level of risk posed by the Project to community health and safety concerns. A GBV Action Plan must be subsequently produced before implementation to ensure that interventions are commensurate with managing the risk of GBV from labor influx are adequately addressed. The project may fund the rehabilitation of water supply systems, that may be associated to existing dams or dams under construction. Such situations should be addressed separately, due to the Bank specific requirements related to safety of dams, (ESS4- Annex 1). GBV/SEA issues (risk assessment and Action Plan) are also in early stages of preparation under the CERC component. This will be implemented through the Bank supported Tuberculosis Project.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This Standard is relevant. The Project includes a range of interventions to rehabilitate damaged infrastructure and build new infrastructure. Rehabilitation of public infrastructure may require limited land taking, possibly on a temporary or small scale basis, and limited impact on people's livelihoods. These impacts can be screened and mitigation measures included in site-specific ESMPs and, where needed, ARAPs. However, the building of new infrastructure (such as drainage infrastructure and coastal protection in Beira) will involve the acquisition of new land and may lead to resettlement and impact on coastal and other livelihoods. Since the exact location of new infrastructure and its technical design is not yet clear, a framework approach will need to be taken. A Resettlement Policy Framework will be prepared to guide the preparation of Resettlement Action Plans/Abbreviated Resettlement Action Plans for sub-projects. The RAPs/ARAPs will need to be approved by the Bank and must be implemented before any physical works can commence. No land acquisition is expected to take place under the CERC activities as there are no civil works and no land use.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No significant conversion or degradation of natural habitats are expected, but the project comprises diverse infrastructure construction works that may interfere with natural habitats. There is a low probability of major threats to the protection of natural habitats and ecosystem services, as most construction areas have already been urbanized and/or degraded. The rehabilitation of the drainage system and the coastal protection system in Beira will be developed, mostly, in urbanized areas, but the works may interfere, occasionally, with remaining areas of native vegetation. The location of Component 1, reconstruction of houses and buildings, have not been defined yet, and there is a possibility of potential impacts on natural habitats.



The potential impacts on natural habitats and biodiversity will be addressed in the ESMF including screening criteria to avoid impacts on critical habitats and other high biodiversity value areas, setting out the principles, rules, guidelines and procedures to assess the impacts, define eligible activities, propose mitigation measures and monitor biodiversity related implications of all project components. The specific requirements related to natural habitats and biodiversity will be detailed for each sub-project in the specific environmental impact assessment instruments, notably ESIA, ESMPs and C-ESMPs.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This Standard is not relevant as the area does not have such communities.

ESS8 Cultural Heritage

No physical cultural resources have been identified during the construction of the first phase of the drainage system of Beira, and it is unlikely that any significant tangible or intangible cultural resources are located within the intervention areas in the referred city. However, the location, nature and scope of reconstruction works have not been defined, yet. It is possible that some works interfere with tangible or intangible cultural heritage. The ESMF shall set provisions for protecting cultural heritage from the adverse impacts of all project related activities, as well as supporting its preservation, including meaningful consultation with stakeholders regarding cultural heritage. It must also include Chance Find procedures. So far, no physical cultural resources have been identified as at risk by the prior works in Beira and it is unlikely that any significant cultural resources are located within the intervention areas.

ESS9 Financial Intermediaries

The Private Sector Resilience and Recovery Component will involve use of financial intermediaries (FIs) to support the recovery and specific needs of eligible firms, particularly small and medium sized enterprises (SMEs). It is anticipated that most credit operations supported by the project would be micro-credit or small disbursements for working capital, acquisition of materials and equipment with low or negligible environmental implications. A negative list, (to be detailed in the ESMF), will exclude uses with significant potential social and environmental impacts and risks.

Business involving activities that are likely to have major adverse environmental impacts that are sensitive, diverse, or unprecedented will not be eligible to financing, neither activities that demand involuntary resettlement, may result in the degradation of critical habitats, have significant air emissions or wastewater/effluents generation, may pose physical, chemical, biological, and radiological hazards, or any treat to the community health & safety will not be eligible for financing.

The ESMF will determine ESHS screening criteria for FI selection, including a negative list and screening criteria for subprojects financed by FIs, as well as procedures for monitoring and reporting on the FI component by the PIU. Each selected FI shall be required to develop/adopt and implement a specific ESMS, addressing environmental and social regulations, institutional strengthening, subprojects screening and assessment, risk rating and reporting including any applicable ESS9 requirements, covering, among other things guidelines on avoidance of critical habitats and high value biodiversity areas, and on social aspects, such as for screening for land, procedures for land taking, Gender Based Violence and Sexual Exploitation and Abuse and labor management procedures. The Responsible FIs to



implement the ESMSs will be identified during implementation. To this end, the GREPOC PIU will carry out (with support of social and environmental consultants) assessments of the ESHS capacity of the FI candidates and verification of implementation of their ESMS prior to activating the respective credit line.

B.3 Other Relevant Project Risks

There is a significant risk of increasing conflict in a society that has faced exceptionally difficult circumstances due to a natural disaster. Such conflict and marginalization must be carefully assessed for each sub-project and for the Project as a whole to ensure that marginalized sections are not excluded, and elite capture of resources does not take place.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

OP 7.60 Projects in Disputed Areas

III. BORROWER'S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED		TIMELINE
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts		
SIAs for the housing component strategy and inputs to update the SEP (Proposed timeline: Within 3 months of project effectiveness and before housing reconstruction strategy is concluded /as part of ESMF)		03/2020
Environmental and Social Management Framework (ESMF) applicable to all activities supported by the project. (Proposed timeline: Within 3 months of Project Effectiveness (Disbursement Condition)		03/2020
Resettlement Policy Framework (RPF) applicable to all activities supported by the project. (Proposed timeline: Within 3 months of Project Effectiveness - Disbursement Condition)		03/2020
Gender Based Violence Risk Assessment and Action Plan. GRM implementation arrangements. (Proposed timeline: Within 3 months of Project Effectiveness)		03/2020



<p>ESIAs, ESMPs, RAPs/ARAPs required for each subproject (Component 1.1)</p> <p>(Proposed timeline: in accordance with the ESMF Along the project implementation)</p>	09/2020
<p>Separate Environmental Social Health and Safety Feasibility Studies (ESHS – FS) for the Beira Drainage Works Expansion and for the Beira Coastal Protection System Rehabilitation (Component 2)</p> <p>(Proposed timeline: Prior to final site selection and final design Target: Year 1)</p>	03/2020
<p>Environmental and Social System Assessment (ESSA) of the selected Financial Intermediaries.</p> <p>(Proposed timeline: Within 6 months of Project Effectiveness)</p>	06/2020
<p>ESHS management and supervision (PIUs) staffing plan</p> <p>(Proposed timeline: Within 3 months of Project Effectiveness)</p>	09/2022
<p>Separate ESIAs for Beira Drainage Works Expansion and for the Beira Coastal Protection System Rehabilitation (Component 2)</p> <p>(Proposed timeline: Target: Year 2)</p>	03/2021
<p>Specific ESMPs, RAPs for the Beira Drainage Works Expansion and for the Beira Coastal Protection System Rehabilitation (Component 2);</p> <p>(Proposed timeline: Prior to call for bids of respective works Target: Year 2)</p>	03/2021
ESS 10 Stakeholder Engagement and Information Disclosure	
<p>Updated Stakeholder Engagement Plan.</p> <p>(Proposed timeline: Within 3 months of Project Effectiveness)</p>	03/2020
ESS 2 Labor and Working Conditions	
<p>Beira Drainage Works Expansion Occupational Health and Safety (OH&S) Plans Beira Coastal Protection System Rehabilitation OH&S Plans.</p> <p>(Proposed timeline: Target- Year 2)</p>	12/2020



Labor Management Framework - As part of ESMF. (Proposed timeline: Within 3 months of Project Effectiveness)	03/2020
Labor Management Plans for the sub-projects (based on the guidance provided in LMF). (Proposed timeline - Before issuing request for bids for the respective subproject)	03/2021
ESS 3 Resource Efficiency and Pollution Prevention and Management	
ESMF – Overall Project	03/2020
ESMP - Beira Drainage Works Expansion and ESMP - Beira Coastal Protection System Rehabilitation. (Proposed timeline: Targets per above provisions - Target: Year 2)	12/2020
ESS 4 Community Health and Safety	
ESMF – Overall Project	03/2020
Beira Drainage Works Expansion and Coastal Protection System Works - Traffic Safety Plans (Integrated in the Health and Safety Management Plans). (Proposed timeline: Targets per above provisions - Target: Year 2)	12/2020
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	
Resettlement Policy Framework. (Proposed timeline: Within 3 months of Project Effectiveness - Disbursement Condition)	03/2020
RAPs for the Beira Drainage Works Expansion and for the Beira Coastal Protection System Rehabilitation (Component 2);	03/2021
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	
ESMF – Overall Project (Proposed timeline: According to provisions above)	03/2020
ESIAs and ESMPs (when applicable) for all subprojects, in accordance with the ESMF (Proposed timeline: Along the project implementation)	12/2021



ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	
ESS 8 Cultural Heritage	
ESMF – Overall Project (Chance Find Procedures) (Proposed timeline: According to provisions above)	03/2020
ESMPs for all subprojects (Chance Find Procedures) (Proposed timeline: Along the project implementation)	12/2021
ESS 9 Financial Intermediaries	
ESMF - Screening criteria for selection of FIs (as part of ESMF).	03/2020
Development of specific ESMSs for the Responsible FIs. (Proposed timeline: Prior to signing agreements with participating FIs - Within 6 months of Project Effectiveness)	12/2019
Implement appropriate ESMS for the FIs (Proposed timeline: As part of activation of each FI credit line and prior to respective FI approval of any subprojects. Target: Within 9 months of Project Effectiveness)	06/2020

B.3. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where "Use of Borrower Framework" is being considered:

The Borrower's E&S Framework is not proposed to be applied in whole or in part

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Ministry of Economy and Finance

Implementing Agency(ies)

Implementing Agency: Water and Sanitation Infrastructure Administration (AIAS)

Implementing Agency: Post-Cyclone Idai Reconstruction Office (GREPOC)

Implementing Agency: Ministry of Health (MISAU)

Implementing Agency: National Social Assistance Institute (INAS)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Brenden Jongman, Julian Casal, Lizardo Narvaez Marulanda
Practice Manager (ENR/Social) Senait Nigiru Assefa Cleared on 12-Aug-2020 at 10:35:47 EDT
Safeguards Advisor ESSA Peter Leonard (SAESSA) Concurred on 25-Aug-2020 at 17:30:13 EDT