



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

Appraisal Stage | Date Prepared/Updated: 16-Oct-2018 | Report No: PIDISDSA24762



BASIC INFORMATION

A. Basic Project Data

Country Mozambique	Project ID P164551	Project Name Mozambique Land Administration Project (Terra Segura)	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 16-Oct-2018	Estimated Board Date 04-Dec-2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Land, Environment and Rural Development	

Proposed Development Objective(s)

The Project Development Objective is to strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services.

Components

- Institutional Development and Strengthening of the Legal Framework
- Systematic Land Regularization
- Project Management and Coordination
- Contingent Emergency Response Component (CERC)

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	100.00
IDA Grant	100.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Mozambique’s economic performance has been strong since the end of the civil war in 1992, but growth has not been inclusive and rural areas show persistently high levels of poverty.** Growth rates averaged 7.9 percent per year from 1993-2014 largely driven by foreign investments in capital- and import- intensive projects with limited linkages to the local economy. Despite this growth, Mozambique remains extremely poor and unequal. Most poor people reside in the rural zones of the North and Center regions and their livelihood relies heavily on the management of Mozambique’s substantial natural capital, including land. Poverty has fallen only slightly from 56 to 52 percent between 2003 and 2009. More recent figures from UNU-WIDER (June 2016), based on data from the Mozambique National Institute of Statistics, show a better trajectory between 2008 and 2014: although the poverty headcount has declined nationally, this has been most significant in urban areas and the south of the country. There has been little convergence in welfare levels between the rural and urban zones, or by geographical region, with central and northern regions and rural areas displaying disproportionately higher poverty rates. Per capita income in 2014 was US\$586, about one-third of the Sub-Saharan African average. The weakening correlation between economic growth and the poverty rate suggests that growth in the last 12 years has been less inclusive. The bottom 40 percent of the population, located mostly in rural areas, has benefited less from growth than the overall population.

2. **Despite its growth prospects, the Mozambican economy faces significant short-term economic difficulties.** The recent debt crisis has produced a strong reduction in the pace of Mozambique’s economic growth, from 7.4 percent in 2014 to 3.7 percent in 2017¹. The relative weight of the extractives sector is increasing, as the role of manufacturing and agriculture is decreasing. This could be worrying in terms of diversification and income distribution. This has been accompanied by a weak external position and heightened levels of inflation. In a context of increasing reliance on extractive resource wealth (particularly in the gas sector), the short-term challenge will be to maintain macroeconomic stability, while also pursuing diversification for inclusive growth in other sectors such as agriculture. The focus on major capital-intensive projects runs the risk of further accentuating the current development pattern in which rapid growth is not generating significant poverty reduction or expanded employment opportunities. It also risks exacerbating existing factors of fragility,

¹ IMF, International Financial Statistics.



particularly around land controversies, community displacement, and weak governance.

3. **Climate change will cause additional challenges for development and poverty reduction efforts.** Climate change is expected to increase the occurrence and intensify climate disasters such as coastal flooding, cyclones, droughts and wildfires. There is also some evidence that river and urban flooding will be increased, however, the climate models are somewhat incoherent on the topic. These disasters have already caused massive temporal relocations, which are only assumed to increase in the future due to climate change². The National Adaptation Strategy requires improved relocation process and protection of property to enhance the climate disaster response and recovery. Besides the challenges in disaster risk management, climate change is also going to have negative impacts on agriculture, water, coastal and natural resource management. Both Mozambique's Country Partnership Framework (CPF) and Adaptation Strategy urge for improved monitoring of climate change impacts in and beyond these sectors and integrating climate change adaptation consideration into planning of infrastructure, land use, housing and services. The majority of Mozambique's greenhouse gas (GHG) emissions are caused by the land use, land use change and forestry (LULUCF) sector. The National Mitigation Strategy aims to reduce these GHG emissions through enhanced land management, regularization of land use changes, promotion of tree planting, local forestry and biodiversity conservation.

4. **Strengthening land rights is critical for Mozambique's development and poverty reduction efforts.** The use of land for social and economic development, particularly for agriculture production and food security, remain an important foundation of the national economic agenda. The last decade has seen an elevated level of interest in large-scale land acquisitions by foreign investors in Mozambique. These projects have targeted rural areas already occupied by local communities, whose livelihoods are very strongly linked to accessing land and associated natural resources. Tensions have arisen between the Government's strong interest in promoting foreign investment and agro-industry, versus a rural population that is insufficiently aware of, and not able to exercise, their legal tenure rights, due to many factors but among the more important the lack of capable and accountable legal representation. This situation causes frequent conflicts between the government, investors and communities. As such, security of land tenure rights and promotion of land-based economic development through partnerships between communities and investors have become the proposed pillars of a land governance strategy for the country.

Sectoral and Institutional Context

5. **Mozambique has made significant progress in the past twenty years to improve access to land and security of land rights for all citizens,** particularly by strengthening its land-related policy and legal frameworks and the functioning of its land administration and management system. The country is widely regarded as having one of the most progressive land policy and legislative frameworks for sustainable and equitable land governance in Africa. According to the 1997 Land Law and the 2004 Constitution, citizens and local communities have statutory recognition of their rights to use and benefit from land they occupy (*Direitos de Uso e Aproveitamento da Terra*, DUATs), based on customary and good faith occupation. However, the law and regulations still present significant gaps with respect to the legal representation of communities and the management of communal lands and natural resources. These gaps are exacerbated in practice by the weaknesses in community capacity, lack of clarity as to the scope of certain rights at the local level, and weaknesses in the land administration system especially at the local levels.

² National Climate Change Adaptation and Mitigation Strategy:
http://www.cgcmc.gov.mz/attachments/article/148/National%20Climate%20Change%20Strategy_lowerres.pdf



6. Local communities can request that their boundaries be identified (“delimited”) and recorded in the cadastre in agreement with neighboring communities, and that a certificate of the respective DUAT be issued by the State. Individuals or households can also request that their individual/family plots be delimited and registered in the national cadastral system through a cadastral certificate; both processes are specifically provided for in the Technical Annex to the Land Law.³⁴

7. **In 2015, the Government carried out an important reform** seeking to rationalize the institutional framework, bringing responsibilities for the roles of land administration and land management together in a single Ministry. The Ministry of Land, Environment and Rural Development (MITADER) now oversees national land policy, which along with land administration responsibilities was removed from the Ministry of Agriculture where it had been previously located. A Land Information Management System (*Sistema de Gestão de Informação da Terra*, SiGIT) was introduced in 2012 to promote access to, and use of, reliable land information by the public and by private parties.

8. **Albeit fundamental, these reforms have yet to bring about the desired benefits.** Institutional weaknesses and the inability to perform basic land administration tasks especially at decentralized (district) level, including harnessing the available technologies to facilitate land regularization activities at large scale, have been a major obstacle to the implementation of the Land Law. The land sector’s capacity to delimit communities and to issue and monitor DUAT titles to individuals in general and investors in particular remains extremely low. It is estimated that there are still more than ten million land parcels or about 90 percent of total occupations for which land rights have not been formally registered by the State⁵. First attempts to undertake the regularization of individual DUAT titles were carried out in the late 1990s but were left unfinished; they were resumed in 2008 with donors’ support with a focus on peri-urban areas (see section E. Rationale for Bank Involvement and Role of Partners). Most of the country’s systematic cartography maps are very outdated and do not reflect the situation on the ground. Adequate topographic maps are also not available, which constitutes a major constraint in terms of the spatial information necessary for land administration and management. The National Geodetic Network (MozNET) requires further densification⁶ in order to support the land administration system. The existing land information system (SiGIT) suffers from insufficient technical and financial capacity for its maintenance and opportunities for further development are currently limited. The efficiency of the current system is further restricted by the inadequacy of the communication infrastructure, issues related to data quality, and unstable power supply. Moreover, cadastral data and land use information remains inaccessible to the public.

9. **The full potential of community delimitation as an approach to securing tenure and stimulating local economic development has yet to be realized.** Community delimitation exercises have been undertaken since soon after the passing of the complete regulatory framework in 2000. However, most of these efforts have been left to the NGO community, independently financed through bilateral donors, rather than through a proactive engagement from the cadastral authorities. As a result, the delimitation processes have not been implemented

³ Articles 2(3) and Chapter III, Technical Annex to the Land Law Regulations.

⁴ The approach adopted by the Government to date has involved the titling of these individual areas, which the Land Law makes express provision for in article 13(5): “Individual men and women who are members of a local community may request individual titles, after the particular plot of land has been partitioned from the relevant community land” (translation to English as provided in “Land Law Legislation”, MozLegal Lda, Maputo, 2002.

⁵ So far, a total of 950 communities have been delimited, and about 500,000 DUATs have been recorded in the SiGIT.

⁶ Densification refers to “the establishment of additional geodetic control points linked to reference stations, reducing the spacing between points to achieve the density of the network sufficient to support the land and cadastral surveying.”



according to a common methodology, with different practices and standards applied in different parts of the country and with mixed results. Insufficient attention has been paid to the building of institutional capacity at community level. Notwithstanding the progress achieved thus far, the Land Law devolves significant land and natural resource management powers and responsibilities to communities but does not provide a framework or guidance for the establishment of a local entity, other than the 'local community' as defined broadly in the Law. Instead it leaves the matter open for other laws to determine. This is an element of the regulatory framework that needs further development (as required by Article 30 of the Land Law)⁷. There has also been a failure to leverage community delimitation processes as part of creating more solid foundations for inclusive private investments in the agricultural and forestry sectors (although this is now being incorporated into ongoing Bank-financed projects). Furthermore, opportunities to integrate local community views into the planning processes related to public and private investment activities are often lost. Consultation processes and community agreements required by law and needed to ensure sustainable investments and benefits to communities are often inadequate, absent or weakly enforced, resulting in conflicts, delays in investments and failure to deliver benefits. The consolidation of community governance and capacity to participate effectively in local economic development will require future investment by the Government including support by the Bank.

10. **These challenges have resulted in an ineffective control of the process of occupation and distribution of land resources by public institutions and have contributed to an increased level of land-related conflicts and the expansion of the informal land market**, which is particularly dynamic in growing urban centers and peri-urban areas. Lack of formal documentation and registration has proven to be a serious disadvantage in protecting land occupancy rights for the majority of the population, when pressure on land increases due to density and urbanization, in situations of conflict, or when negotiating with potential investors or establishing community based productive associations. As elsewhere in Sub-Saharan Africa, this complexity can promote rent seeking, deter investment in land, leave the poorer communities and individuals vulnerable to loss or curtailment of their land rights, and limit the government's capacity to derive revenues from land-use taxation. Furthermore, the lack of integration of existing land information systems (at central and municipal levels) is an obstacle to the provision of effective land administration services and the ability of the government and the private sector to provide value-added location-based services needed to foster overall economic development.

11. **To address pressure on land resulting from the expansion of urban centers, the construction of public infrastructure, the development of land-based projects in rural areas, and new pressures on land from climate change, the Government of Mozambique adopted the Terra Segura Program in 2015**, as part of the National Sustainable Development Program. *Terra Segura* provides political commitment to improve and expand Mozambique's land administration and management system and services, to strengthen and protect the rights of all land users (in practice and in law) in a systematic manner, and to ensure the efficient and effective provision of services to institutions and citizens. Overall, the *Terra Segura* Program aims to contribute to creating the conditions for the country to develop in a sustainable manner and ensure the promotion of responsible investments that assure the recognition of rights and the flow of benefits to communities and to the poorest rural households. The *Terra Segura* Program sets out an ambitious goal of regularizing 5 million (individual) DUATs and completing the delimitation of 4,000 communities' lands by the end of 2019.

7. Article 30 of the Land Law states that "The mechanisms for representation of, and action by, local communities, with regard to the rights of land use and benefit, shall be established by law." Although legislation dealing with community authorities and local agencies of the state has been passed, these laws do not address the issue raised by article 30, which is in respect to the community as a private, rights-holding entity. New legislation can complement the existing law on 'community authorities', and that on local organs of the state, and help distinguish between the different representative roles involved in the public and private spheres.



12. In November 2017, the President launched a review of the national land policy and legal framework, a process being conducted under the auspices of the Land Consultative Forum (“Forum de Consulta sobre Terras, FCT”), a statutory body which brings together public, private and civil society land sector actors and other relevant stakeholders in the country. The FCT re-confirmed that any change to the land policy and legal framework should take place within the parameters set by the Mozambican Constitution, which affirms that land is property of the State and cannot be sold or in any way alienated or mortgaged. The FCT mandated MITADER to prepare the National Land Policy; to prioritize the systematic formalization of land rights held by good faith and customary occupation; to consolidate the institutional framework through the establishment of an autonomous national land administration authority; to make recommendations on the transferability of DUATs (via the existing legal mechanism for sub-leasing, known as the “cessao de exploracao”); and to consider the institutional and technological linkages between the land cadastre and the real property registration systems. In June 2018, a statutory commission⁸ was established by MITADER to oversee the process of revising the land policy as well as the institutional and legal framework.

13. In June 2018, the Council of Ministers approved a new Code for the Real Property Register (*Registo Predial*), which enters into force in November 2018. The Code regulates the registration of real property rights, which include all DUAT titles issued by the cadastral authorities.⁹ Although the purpose of the Code is to provide greater legal certainty to underpin a largely urban-based market in real estate, it applies also to all rural land holdings (*prédios rústicos*) and will therefore apply to the titles issued under the *Terra Segura* program. Amongst the changes introduced by the Code are the mandatory registration of all property rights, the gradual introduction of a national digital information platform for registration, and the elimination of the territorial competency of the various registries.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

14. The Project Development Objective is to strengthen land tenure security in selected districts and improve the efficiency and accessibility of land administration services.

15. The development objective of the Project will be achieved by: (i) accelerating the establishment of the cadastre and the registration of DUATs in rural areas; (ii) integrating basic land use planning with community delimitation and systematic land regularization activities; (iii) improving the legal and operational environment of the cadastre; (iv) strengthening the institutional and community capacity for land administration; (v) improving the cadastre registration system and accessibility of cadastral services and data to the public, and (vi) raising awareness regarding the importance of real property rights particularly at the community level.

Key Results

16. The following are the key results indicators of the Project:

- Community delimitation certificates recorded in the SiGIT in the name of the community, including an approved micro-zoning plan

⁸ The Commission for the Revision of the National Land Policy, Ministerial Diploma 56/2018 of June 12, 2018.

⁹ The DUAT rights are considered to be ‘minor rights’ *in rem*; that is, they are property rights and enforceable against all other persons when registered, even though they fall short of the major right *in rem*, commonly referred to as ownership.



- Beneficiaries who received a recorded DUATs in SiGIT (of which percentage recorded in the name of women or jointly)
- Satisfaction of DUAT beneficiaries with respect to the land tenure regularization
- Reduction of cost to issue a DUAT registered in SiGIT under a systematic process
- SiGIT is upgraded, operational and available to use, including a WebPortal that enables public access to the national land cadastre data

D. Project Description

17. Component 1 – Institutional Development and Strengthening of the Legal Framework (US\$23.9 million).

The objective of this Component is to improve the efficiency of existing land administration institutions and the standards or practices by which they collect, process, provide and maintain information on land, including the improvement of service delivery at district and provincial level, as well as the functioning of land information management systems. This Component will support the preparatory studies and feasibility analysis towards the establishment of an efficient and service-oriented land administration agency with the goal of self-financing. It will also support the process of the revision and implementation of the National Land Policy and the revision and improvement of the land-related legal framework as necessary. The Component would further support education and training (including with respect to women’s land rights), construction of physical infrastructure, the densification of the existing geodetic network, and the improvement, operation, and maintenance of the SiGIT. An improved SiGIT will contribute to strengthening land tenure security at national level by ensuring that: a) parcels and communities are properly delimited and georeferenced; b) overlapping claims over the same parcel cannot be recorded; c) the cadastral information is available and can be accessed through a WebPortal.

18. Component 1 will address the climate vulnerability context by supporting the collection and maintenance of cadastre data in the land information system that will allow for (i) the monitoring of properties and people impacted by climate change and related disasters (Subcomponent 1.4). Subcomponent 1.4. will also (ii) help the distribution of the essential cadastre data to other government institutions responsible for integrating climate considerations into land use, infrastructure, housing and service provision planning. Improved relocation processes, monitoring climate change impacts and integrating climate change considerations into planning process are all activities requested in the National Adaptation Strategy and CPF.

19. **Component 2– Systematic Land Regularization (US\$64.6 million).** The objective of this Component is to strengthen land tenure security through the systematic regularization of land use rights in selected districts and the issuance of DUAT certificates to communities that delimit their land, and the provision of formal documentation for DUAT rights, obtained through occupation (customary and good faith), to individual households within those communities considering women’s legal rights and methodologies that promote gender equity. This Component will feed into the development of an improved Technical Annex, leveraging lessons learned on the ground, and support the roll-out of a standard low-cost, fit-for-purpose participatory methodology to deliver communities delimitation and land tenure regularization at a large scale. It will finance the acquisition of high-resolution orthorectified imagery for base mapping at appropriate levels of accuracy for the selected priority districts. The regularization processes will further contribute to clarify the administrative boundaries of administrative posts that usually encompass more than one community.

20. Component 2 and its subcomponents will contribute to reducing vulnerability in the context of climate induced events and changes, as documentation of land tenure rights is essential for (i) protecting property rights



during climate disaster response and recovery, as it allows people to relocate without fear of losing their land during displacement and not being able to repossess it after the disaster is over. Subcomponents 2.2 and 2.3 will also create and improve accessibility to geospatial cadastral and registry data that is essential for (ii) monitoring climate change impacts on people, and land occupation and related rights and (iii) integrating climate considerations into planning of disaster risk management, agriculture, land use, infrastructure and housing. Subcomponent 2.3. will also (iv) contribute to improving communities access to climate financing schemes (*e.g. REDD+*), as clear and recognized land rights are often the primary basis for performance-based payments. Subcomponent 2.3. will further contribute to climate change mitigation by improving land management, regulating land use changes, identifying local protected areas and areas for tree planting and local forestry, which are all activities identified in National Climate Change Adaptation and Mitigation Strategy.

21. **Component 3 – Project Management and Coordination (US\$11.5 million).** This component will include support to MITADER and two of its Directorates (DINAT, the National Directorate of Lands, and CENACARTA, the National Centre for Cartography and Remote Sensing), and its National Fund for Sustainable Development (FNDS) to manage the Project through the financing of a Project Coordination Unit (PCU). FNDS, through the PCU, will be responsible for overall coordination, fiduciary aspects, safeguards, monitoring and evaluation, and the strategic planning for public awareness and outreach activities. Independent quality control of the application of the methodology, oversight of the safeguards and management of the Project Grievance Redress Mechanism during its implementation will also be supported by this component.

22. **Component 4- Contingent Emergency Response Component (CERC) (US\$0.0 million).** This component will provide immediate response to an Eligible Crisis or Emergency, as needed. This would finance emergency activities and expenditures in the case of a disaster event by including a "zero-dollar" Contingency Emergency Response Component (CERC). This would help recover damage to infrastructure, ensure business continuity, and enable early rehabilitation. In parallel, following an adverse event that causes a major disaster, the Government of Mozambique may request the Bank to channel resources from this component into an Immediate Response Mechanism (IRM). The IRM would enable the use of up to 5 percent of uncommitted funds from the overall IDA portfolio to respond to emergencies. This IRM has already been established for Mozambique and is now operational. Specific details around this component (including activation criteria, eligible expenditures, and specific implementation arrangements as well as required staffing for the Coordinating Authority) are defined in greater detail in the IRM Operations Manual approved in April 2016.

E. Implementation

Institutional and Implementation Arrangements

23. The Project will be implemented under the leadership of MITADER, through FNDS's operational management and coordination, and with technical oversight to be provided by its relevant competent Directorates (DINAT, CENACARTA), as well as the relevant Directorate of the Ministry of State Administration and Public Function (MAEPF – National Directorate of Territorial Organization, DNOT), responsible for the delimitation of administrative boundaries. A Memorandum of Understanding (MoU) will be signed between CENACARTA, DNOT and FNDS and will establish the roles and responsibilities of each entity for the implementation of relevant field activities.



24. A Project Steering Committee will be established that will be responsible for (i) providing overall policy guidance and decision-making on all issues relating to the Project; (ii) facilitating coordination among the relevant agencies; (iii) reviewing and approving annual work and expenditure plans, and (iv) assessing risks of strategic impact and identifying solutions. The Steering Committee will meet twice a year and hold extraordinary meetings when necessary. It will be chaired by FNDS and be composed of two representatives of DINAT, and one representative each of FNDS, CENACARTA, DNOT and the FCT Reflection Group (GRFCT). Representatives of the National Directorate of Territorial Planning and Resettlement, the National Directorate of Registration and Notary (of the Ministry of Justice and Religious Affairs), and other entities as needed will participate as observers. FNDS will serve as the Secretariat of the Steering Committee.

25. FNDS will provide overall coordination between the government entities involved in the implementation of project activities through the establishment of a Project Coordination Unit (PCU). Fiduciary and safeguards implementation responsibilities will also lie with FNDS, and its Department of Project Management more specifically, which is currently implementing several other Bank-financed operations.

26. The PCU will be under the leadership of a Project Coordinator and will include as its core staff technical specialists in the areas of cadastre, land administration, land law, ICT, procurement, financial management, M&E, social development and gender, environment, and communication. The Coordinator will have the overall responsibility to supervise the PCU staff in their planning, organizing, and executing of all day-to-day administrative, technical, and legal activities of the Project and ensuring close coordination with MITADER's and MAEPF's Directorates responsible for the technical aspects of implementation. Each entity will be involved in the preparation of the annual work plans, the progress reports, and all other implementation activities related to their areas of competence. The existing FNDS Operations Manual will be adjusted to include the Project PCU's organizational structure and describe the duties and responsibilities of PCU staff and MITADER Directorates, along with the Project's technical, administrative, financial, procurement, safeguards, and M&E procedures.

27. At the provincial level, the implementation of project activities will be the responsibility of the provincial cadastral offices of DINAT (*Serviços Provinciais de Geografia e Cadastro*, SPGC), which will provide technical guidance, while project coordination will be ensured through decentralized PCUs within the SPGCs (one in each province). The decentralized PCUs will also ensure coordination with MITADER's Provincial Directorates (DPTADER), as well as relevant district authorities (the District Service for Economic Activities, SDAE and the District Planning and Infrastructure Service, SDPI). They will include a land administration specialist, a safeguards specialist and an accountant and their establishment will follow the implementation schedule of project activities and leverage existing FNDS land regularization presence in the provinces of Cabo Delgado, Nampula, and Zambezia (under the Bank-financed Sustenta and MozFIP projects).

28. Finally, FNDS and DINAT will maintain coordination and collaboration with relevant agencies on important aspects related to the project, in particular the Mining Cadastre, the Real Property Registry, the Tax Authority, and the National Institute of Electronic Governance.

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

The proposed Project is expected to be implemented in and benefit the entire country with focus on selected districts based on national priorities as defined by the GoM, and in consultation with the World Bank. The GoM has identified a priority list of 71 districts. The Land Administration Project Interventions



(LAPI) will directly support the implementation of the government’s Terra Segura program. The Project’s direct beneficiaries include (i) households and communities within the project target areas, central government institutions, municipalities and other central agencies managing spatial data. Improvements in the land information system will have a nationwide impact by making land administration information available to everybody including specialized users such as notaries, lawyers, financial institutions and surveyors and general public. Precise location of the project interventions is not yet known hence, their negative environmental and social impacts cannot be exactly determined at this stage. However, based on the nature and type of activities to be financed they can be managed through the application adequate mitigation measures.

G. Environmental and Social Safeguards Specialists on the Team

Paulo Jorge Temba Sithoe, Environmental Specialist
Maria Do Socorro Alves Da Cunha, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Generally, the Land Administration Project (Terra Segura) is expected to entail positive environmental and social benefits. However, the EA policy is triggered, predicated on project support: (i) under component 1 for construction or improvement of administrative infrastructure and revision and harmonization of relevant legal and operational instruments, and (ii) under component 2, for land regularization. If not carefully designed and implemented, rehabilitation or construction of administrative infrastructures may generate adverse environmental and social impacts such as solid waste generation, air, soil and water quality due dust emission, leakage or spills of hazardous materials or effluents, excavations, land clearance, health and safety risks to contractor’s workers and community mainly during the construction phase. The land regularization process can result in negative environmental and social impacts, such as changes in land use practices, migration and/or influx of newcomers, and increased or shifting



pressure on natural resources and deforestation, loss of land rights or shelter due to “exclusion zones” or inadequate treatment and support of community rights. Consequently, the borrower has prepared an ESMF to set forth the mechanisms and measures to prevent, avoid, minimize, mitigate or compensate potential direct, indirect, and cumulative environmental and social impacts associated with the proposed project activities. Moreover, the Borrower has developed a Social Risk Mitigation Strategy to be integrated in the Communication and Awareness plan, Regularization Methodology and project level GRM. Screening procedures and community consultations, included in the ESMF and in the Regularization Methodology will ensure that the project will avoid registering land rights in areas that are legally or customarily designated as protected areas, or in areas of potential ecological or cultural significance, including forests and areas along riverbanks. Proposed mitigation measures (including the Social Risk Mitigation Strategy) will be also included in the Operations Manual to be approved by the Bank prior to Project effectiveness. The ESMF was extensively consulted upon and it was publicly disclosed in-country and at Bank's website prior to appraisal.

Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is not be triggered, as the Project does not include Bank financing for private sector.
Natural Habitats OP/BP 4.04	Yes	This Policy is triggered as the Project will support the regularization of land rights which could lead to increased pressure on natural resources, including areas of important habitats. To address this policy requirement the ESMF includes screening procedures and the regularization methodology takes in to account the need to avoid registering land rights in areas designated as protected areas by the GoM or in areas of potential environmental significance, including forests and areas along riverbanks. The Communication and awareness plan and community preparation process will also include information and guidance to minimize induced impacts on natural habitats.
Forests OP/BP 4.36	Yes	This Policy is triggered as some communities may seek to occupy new areas with forest resources before formal titles are issued leading to greater



		<p>deforestation as a result of potential increase of economic activities during the regularization of land rights process. To address this policy requirement the ESMF includes screening procedures and the regularization methodology takes in to account the need to avoid registering land rights in forest areas designated as protected by the GoM. The Communication awareness strategy and community preparation process will also include information and guidance to minimize induced impacts on forests.</p>
Pest Management OP 4.09	No	The project will not support any activities promoting or associated with the use of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	<p>The project will not register land rights in areas or sites of great cultural significance or cultural patrimony. Execution of the infrastructure subprojects are unlikely to involve large excavations or earth movements of any sort. Furthermore, construction and renovation works are expected to be carried out only in existing MITADER premises or areas selected by local people through a broader consultative process that includes prior, free and informed consent that would give great importance to safeguarding their cultural resources.</p> <p>Nonetheless, the policy is triggered, predicated on the assumption that there could be “chance finds”. The ESMF contains basic provisions to comply with OP 4.11 throughout project implementation.</p>
Indigenous Peoples OP/BP 4.10	No	The policy is not triggered because it does not apply to Mozambique, as there are no populations/communities in Mozambique that are considered to conform to the definition of Indigenous Peoples contained in the policy.
Involuntary Resettlement OP/BP 4.12	Yes	OP 4.12 is triggered to address: (i) small scale civil works that may lead to involuntary land acquisition (under component 1); (ii) on a contingent and preventive basis, unresolved impacts on pre-existing rights or displacement from homesites/subsistence land of vulnerable households. An RPF has been prepared focused primarily on screening out any potential significant impacts related to resettlement or livelihoods resulting from the construction of administrative infrastructures and to address any residual land acquisition impacts of civil works through abbreviated resettlement



plans/compensation plans (under component 1). Under Component 2, the following potential risks were identified and validated by the preliminary results of the ongoing social assessment process, though they cannot be quantified: (i) potential loss of rights and potential displacement as a result of enforcement of restrictions in environmentally protected areas (river banks, areas of sharp slope, etc.) and partial protection zones imposed by law around infrastructure; (ii) displacement due to conflicts between DUAT holders or between holders and occupants. A Social Risk Mitigation Strategy to be included in the Project Operations Manual (Communication and Awareness plan, Regularization Methodology and conflict identification and resolution procedures including the Project GRM) will address most of these potential conflicts through: boundary adjustments, re-dimensioning of DUAT areas by agreement, referral of complex disputes to other land conflict resolution mechanisms, allocation of alternative community land through the regularization process, and legal support to claimants of conflicted rights that cannot be resolved within the scope of the regularization process. Therefore, with respect to Component 2, the RPF includes only a contingency provision, as a last resort, to address loss of rights when the land rights or subsistence uses are immediately affected and conflicts cannot be otherwise resolved, specifically: (i) cases where pre-existing rights are at risk (e.g., excluded from the DUAT and placed in the GOM's domain); and (ii) cases where a household (particularly where vulnerable) would lose its home site and/or become landless. As the Project will not attribute rights and will exclude protected zones, areas covered by administrative DUATs and areas with ongoing conflicts that require legal resolution, and will not require vacating the excluded areas, these cases are expected to be extremely rare. However, the Project GRM and RPF contains the necessary provisions to deal with claims by affected parties and provide for resettlement assistance in cases of unintended displacement particularly where affected households are vulnerable.

Safety of Dams OP/BP 4.37

No

This policy is not triggered.



Projects on International Waterways OP/BP 7.50	No	This policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered. The project area is not known to include any 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:

The Project has been classified as Category B under Environmental Assessment OP/BP 4.01, owing to the nature and characteristics of the proposed subproject activities of which environmental impacts are site specific, temporary, manageable with adequate tools and in many cases reversible. Anticipated environmental impacts will largely result in land use rights conflicts due to possible opportunistic phenomena, intensive soil utilization as no alternative land may be available as a result of massive regularization, induced biodiversity and ecosystems fragmentation and depletion – especially if infrastructure sites are not correctly selected and if the land regularization process doesn’t take into account buffer zones, and induced deforestation from increased economic activity. Other impacts that can be directly attributed to the proposed project investments are occupational health and safety issues, people influx in project areas, public health, sexual harassment, land use changes.

If adequately managed, the proposed interventions are not likely to result in significant or irreversible adverse impacts. However, if not carefully designed, and implemented, the infrastructure subprojects (e.g. provincial offices and district regional offices, modernization of national geodetic network,) can result in negative environmental and social impacts.

Adverse social impacts would relate to land acquisition for small civil works under component 1; and losses of access, rights or claims to land or natural resources under component 2. Impacts related to civil works are expected to be minimal as the building sites are expected to belong to the government and any proposed sites with major impacts on land or livelihoods would be screened out according to the ESMF and RPF. Impacts on access, rights and claims are expected to be addressed by the Land Regularization Methodology and the accompanying GRM and conflict management tools. The more complex social impacts relate to community rights and land use governance and are likely to take some time to materialize and require complex longer-term solutions. A Social Risk Mitigation Strategy provides mitigation measures to be included in the Project Operations Manual and Regularization Methodology.

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

There is a range of potential environmental and social direct and indirect impacts (positive or negative) that could be associated with the land regularization process. On the positive side, more secure land use rights can reduce the need to demonstrate possession through deforestation and encourage long-term land management and land use intensification. On the negative side, land regularization may include inadequate processes, loss of land rights or shelter due to “exclusion zones”, open opportunity for project development that can quickly exhaust the existing resources in delimited areas and cause people to resort to occupation of protected areas, and conflicts between individual and collective uses due to weaknesses and legal gaps in the community governance framework.

Deforestation activities could occur before the land regularization process as some people may seek to stock



resources before formal titles are issued, or from increased economic activity. If adequately managed, such impacts are expected to be localized, temporary and reversible with application of adequate measures. The 1997 Land Law and other legislation and regulations that establish the rights of communities and rural households to land, and the regularization procedures for those rights in Mozambique present significant gaps with respect to, among other things, legal community representation and the community governance of rights to land and natural resources. These gaps and the related social risks are exacerbated by weaknesses in community capacity, lack of clarity regarding implementation and enforcement of community rights, and deficiencies in the land administration system. The Project is designed to improve security of land tenure rights and improve the land administration system, including the management capacity of all actors involved in the system down to the level of communities themselves. The Project implementation strategy is to continue to implement the regularization process based on current practices, and, in parallel, support the legal and regulatory reforms, capacity building and response to the identified gaps. The risks posed by this strategy include: inadequate quality of the regularization processes; inadequate treatment and support of community rights; loss of land rights or shelter due to “exclusion zones”; conflicts between DUATs resulting in households losing rights or becoming landless; conflicts between neighbors or others not being resolved or channeled to suitable dispute resolution mechanisms; losses or poor benefits due to communities not valuing the DUAT: cadaster becomes outdated; poor governance of community areas and resources; poor agreements with outside partners/losses to communities from weak processes and inadequate agreements and enforcement.

To address potential environmental and social impacts the Government has prepared an Environmental and Social Management Framework (ESMF) which includes a Social Risk Mitigation Strategy and a Resettlement Policy Framework (RPF).

Furthermore, a social impact assessment is under way to provide further guidance in preparing the Communications and Awareness plan, enhancing the Land Regularization methodology, strengthening conflict resolution mechanisms including the Project GRM, and informing the process and terms of reference for independent process quality assurance in the implementation of the Project, particularly in the areas of community consultation and rights, attention to vulnerable groups and conflict resolution and support to legal land rights literacy at the community level. The final SIA report is expected to be completed prior to project approval, and its further findings will inform the Rapid Participatory Diagnostic that precedes the delimitation process in each community and will contribute to enhance other Project processes as described above. Additional findings of the social assessment will also be integrated in the Project Operations Manual to be approved by the Bank prior to Project effectiveness.

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

The Project will focus on the systematic regularization of land use rights in priority rural areas, and on building the institutional capacity to maintain this information, particularly through improving the land information system and the spatial data for its operationalization, including key strategy and regulatory reforms. Based on the experience of the Bank-financed Agricultural and Natural Resources Landscape Management Project, it was agreed that DINAT/FNDS will implement and supervise the Project activities through a regional approach. To minimize potential environmental and social impacts, project alternatives have taken in to account the need to reinforce existing FNDS land regularization presence in the provinces of Cabo Delgado (operational costs), Nampula (land administrations specialist, safeguards specialist, and operating costs), and Zambezia (safeguards specialist). This approach aims to ensure strategic Project presence close to the communities where the Project will develop the field activities. This will also be an opportunity to pilot the decentralization of the land administration system, thereby ensuring the proper conditions for the decentralization of the land regularization process, cadaster maintenance and tax collection. In order to mitigate the risks posed by the regulatory gaps discussed above, the Borrower and the Bank are designing an enhanced Regularization Methodology that builds on prior delimitation experiences and focuses efforts on community preparation and consultation and process quality assurance, which will include the following key



measures, among others:

- 1) Hire and independent entity (the Independent Process Quality Assurance entity or IPQA entity) to exercise process quality assurance, support application of safeguards in specific cases, implement the GRM, provide guidance to Service Providers and legal support to communities and households including women;
- 2) Ensure adequate time for the regularization process, robust DELCOM certificate terms, community tools and capacity building before and after regularization, community legal representation, community consultation and choice of regularization process, and adequate technical provisions including recognition of all customary lands, documentation of community co-holders of rights including women, specific provisions for special and vulnerable cases, etc.;
- 3) Manage risk of loss of land rights or shelter due to “exclusion zones” through land allocation through the regularization process, GRM/other adjudication channels, and RPF provisions for residual cases involving loss of shelter or subsistence land and vulnerability;
- 4) Manage conflicts between DUATs resulting in households losing rights or becoming landless through negotiated re-dimensioning, land allocation through the regularization process, GRM/ other adjudication channels, and RPF provisions for residual cases involving loss of shelter or subsistence land and vulnerability;
- 5) Manage conflicts between neighbors or others and avoid loss of rights by having the IPQA entity follow-up to resolve conflicts and re-integrate the area under conflict in the regularization process whenever possible, or to document the case for future follow-up by local authorities. A team of paralegals or similar of the IPQA entity will provide the necessary legal support to the communities and their members throughout the process.
- 6) Include in the regularization methodology (phase 3) the consolidation of the Community Representation entity (wherever possible with defined legal personality and statutes approved by the community), and community capacity-building at the end of the regularization process with an emphasis on natural resource management, community financial management and accountability processes, cadastral updates, and where possible linkages to technical assistance and information sources and potential partners.

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.

In order to mitigate the risks posed by the Project activities and regulatory gaps discussed above, the Borrower has prepared an ESMF (including a Social Risk Management Strategy) and an RPF, and is designing an enhanced Regularization Methodology that builds on prior delimitation and land regularization experiences and focuses efforts on community preparation and consultation and process quality assurance. The Methodology will include the mitigation measures described in item 3 above and will be approved by the Bank as part of the Operations Manual prior to project effectiveness.

Safeguards implementation responsibilities would lie with FNDS, and its Department of Project Management more specifically, which is currently managing several other Bank-financed operations. FNDS has a well-established safeguards team which have developed acceptable procedures and protocols for safeguards management. The existing FNDS team will also be joined by Project dedicated social development and environment specialists and the Operations Manual will contain specific roles and responsibilities of all key staff to ensure full compliance with project’s safeguards requirements as well as applicable national regulations. The WB has been supporting the strengthening of capacity of the FNDS safeguards team. In 2017, one national and four regional safeguards training workshops were carried out with FNDS and other institutions including provincial and district government and service providers. In addition to complying with WB policies and guidelines, the FNDS has to implement the project and subprojects according to national legislation. Currently ongoing projects, such as Sustenta, MozFIP, MozBio and REDD+



projects continue to support the improvement of capacity and systems of the FNDS, including a coaching approach and on-the-job training to address specific issues and gaps. The ESMF includes detailed budget and a capacity building strategy to further strengthen the capacity and collaboration of all project implementers. Monitoring of safeguards compliance and implementation of mitigation measures will also be supported by the IPQA entity to be hired to monitor and support the quality of the regularization process.

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

A stakeholders mapping was conducted during the preparation of ESMF, RPF and the ongoing social assessment aiming to inform and gather recommendations from different potentially affected and interested groups on project design, environmental and social impacts and risks. For the Project, key stakeholders included government authorities, (e.g., local councils, Municipality offices) communities in the affected areas, NGOs and other interested groups. Interactive and participative discussions on the ESMF were held with all stakeholders mainly in the three provinces, Nampula, Tete, Maputo, with the participation of members of the district consultative councils, including representatives of district government, local authorities, civil society and the private sector. Simultaneously, community consultations on the RPF and ongoing social impact assessment were carried out for the north, central and south regions. In total, 618 people were consulted in community meetings, 45% of which were women. In a project of this nature the consultation process is continuous, and the project will prepare a Communication and Awareness Plan. The Regularization Methodology includes a Rapid Participatory Diagnostic at the community level and consultations with stakeholders at every step. The Regularization Methodology is being enhanced to ensure that communities are well informed about their rights and options, consultation outcomes are well documented, and community readiness for each phase of the regularization process is independently validated by the IPQA entity.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
12-Oct-2018	16-Oct-2018	

"In country" Disclosure
 Mozambique
 16-Oct-2018

Comments
 The ESMF was disclosed in-country for public consultation at:
<http://www.fnfs.gov.mz/index.php/pt/documentos/relatorios> and it will be also disclosed in the nationwide newspaper

Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	Date of submission for disclosure



12-Oct-2018

16-Oct-2018

"In country" Disclosure

Mozambique

16-Oct-2018

Comments

The RPF was disclosed in-country for public consultation at:

<http://www.fnds.gov.mz/index.php/pt/documentos/relatorios> and it will be also disclosed in the nationwide newspaper

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

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

Yes

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

Yes

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

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

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?

NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

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

Yes

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



Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

The World Bank Policy on Disclosure of Information

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

Yes

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

All Safeguard Policies

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

Yes

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

Yes

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

Yes

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

Yes

CONTACT POINT

World Bank

Anna Corsi
Sr Land Administration Specialist



Borrower/Client/Recipient

Ministry of Economy and Finance

Implementing Agencies

Ministry of Land, Environment and Rural Development
Momade Nemane
Manager of the International Funds Management Unit
momadenemane@gmail.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Anna Corsi
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Approved By

Safeguards Advisor:	Nathalie S. Munzberg	16-Oct-2018
Practice Manager/Manager:	Jorge A. Munoz	16-Oct-2018
Country Director:	Raymond Bourdeaux	16-Oct-2018