**BASIC INFORMATION**

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>P158231</td>
<td>Integrated Feeder Road Development Project</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tbody>
<tr>
<td>AFRICA</td>
<td>07-Aug-2017</td>
<td>30-Nov-2017</td>
<td>Transport &amp; ICT</td>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministry of Economy and Finance</td>
<td>Road Fund, National Roads Administration (Administração Nacional de Estradas, ANE)</td>
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</tbody>
</table>

**Proposed Development Objective(s)**

The Project Development Objective is to enhance access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed.

**Components**

- Rehabilitation and Maintenance of Feeder Roads
- Rehabilitation of Primary Road Network
- Pilot Rural Transport Services
- Capacity Building and Project Administration
- Zero-budget Contingency

**Financing (in USD Million)**

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
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<tbody>
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<td>Borrower</td>
<td>35.00</td>
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<tr>
<td>IDA Grant</td>
<td>150.00</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>185.00</strong></td>
</tr>
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</table>

**Environmental Assessment Category**

B - Partial Assessment

**Decision**

The review did authorize the preparation to continue
Other Decision (as needed)

B. Introduction and Context

Country Context

1. Mozambique had recorded a steady economic growth averaging 7 percent over the past decade. However, poverty is still persistently high, particularly in the rural central and northern provinces. Despite the 11.7 percent drop in poverty rates between 2003 and 2008, in 2009, more than half of Mozambique’s population still lived below the poverty line. In particular, poverty rates increased in Zambezia Province from 2003 to 2009 by 5 percent, and poverty remained unchanged in Nampula, a province where more than 22 percent of the country’s poor reside. The weakened correlation between economic growth and poverty reduction is due to the pattern of growth in the past decade, which was driven by capital-intensive and import-dependent sectors, while the labor market was dominated by low-skilled labor in the agriculture sector. The poorest, located mainly in rural areas in the central and northern provinces, have benefited less from economic growth compared with the overall population.

2. Agriculture continues to be the mainstay of Mozambique’s economy and critical for poverty reduction across the country, but agriculture productivity remains low and constrained, among others, by limited rural access. The agriculture sector employs about 80 percent of the country’s total workforce and generates about 30 percent of the gross domestic product (GDP). Despite having a vast agricultural potential, crop productivity is significantly lower than neighboring countries; 2.2 times lower than Malawi, 2.5 times lower than Zambia, and 3.8 times lower than South Africa in maize yields. Agriculture productivity is particularly low in Nampula and Zambezia Provinces where population is mostly rural and sparsely distributed. In these provinces, income from farm activities was three times lower compared with the rest of the country due to, among others, limited use of agricultural technologies, low market-oriented farming, and poor rural access. It is estimated that about 6.5 million rural dwellers do not have access to a road in good or fair condition. Climate shocks and natural disasters exacerbate chronic low agricultural productivity in these provinces.

3. Mozambique is highly vulnerable to climate change risk and extreme climate-related events have periodically disrupted economic activity. Mozambique is one of the top five countries threatened by climate change and the only country in Africa considered to be at ‘high risk’ from three major weather-related shocks; floods, drought, and coastal cyclones. Successive and increasingly frequent extreme climate-related events have periodically compromised and disrupted economic activity in different parts of the country. For instance, devastating floods in 2015 affected 326,000 people, killed 140, and caused damages estimated at US$371 million in parts of Zambezia, Nampula, and Niassa Provinces. Just two years earlier, in 2013, a flood affected the Limpopo lower basin and killed 113 people, displaced more than 200,000 people, and ruined nearly 89,000 ha of cultivated land. Other major floods (in 2000 and 2007) and cyclones (in 2008, 2012, and 2017) have caused fatalities and severe damages in different parts of the country.
4. Mozambique’s challenges are compounded by rapid slowdown of its economy due to low commodity prices and disclosure in April 2016 of previously unreported debt. Low commodity prices and weak external demand have negatively affected the country’s main exports (aluminum and coal). Furthermore, revelations of previously undisclosed loans worth US$1.4 billion (10.7 percent of Mozambique’s GDP) revealed that public debts reached 120 percent of GDP in 2016, shifting the country to a high risk of debt distress. This revelation was followed by significant reductions in public expenditures in part due to suspension of donor support to budget, lowered foreign direct investment, and a sharp currency depreciation. This scenario caused a rapid deceleration in the economy, with GDP growth falling from 6.6 percent in 2015 to 3.6 percent in 2016. While the Mozambican metical has appreciated almost 30 percent in the first semester of 2017, showing signs of economic recovery, it is still trading nearly 45 percent below its January 2015 value. The Government has not made payments on various debts instrument since early 2017.

5. Sharp reductions in public expenditures have adversely hit infrastructure investments, which have experienced the largest contraction of all sectors in the 2016 budget, of 14.5 percent. The road sector suffered a larger contraction of 16.5 percent in 2016. Declining international support further contributed to a deepened budget contraction of 23.8 percent in 2017. Between 2015 and 2017, maintenance expenditure on roads and bridges declined by 45 percent. These spending reductions will result in higher transport costs and will harm productivity and social welfare, especially of poor households.

Sectoral and Institutional Context

Overview

6. Mozambique is strategically located on the eastern coast of Southern Africa providing access to the sea for several landlocked countries. Mozambique shares its border with six countries and provides natural exits to four landlocked countries: Zimbabwe, Zambia, Swaziland, and Malawi. Additionally, the country’s geographic position between Southeastern Africa and the large economies of South and Southeast Asia offers great opportunity to develop logistical corridors and foster growth. Mozambique therefore could play a strategic role in regional movement and trade.

7. Although road transport is the main transport mode in Mozambique, accounting for half of freight traffic and 98 percent of passenger traffic in the country,¹ road density is low and has few redundancies. The classified road network in Mozambique consists of 30,464 km, 24 percent of which is paved. Classified roads are categorized as primary, secondary, or tertiary. The extent of the unclassified road network is not certain, with estimates ranging from 30,000 km to 45,000 km. The classified road density is 2.9 km per 100 km² of land, which is still relatively low compared to some neighboring countries, such as 10.8 km per 100 km² in Kenya and 5.5 km per 100 km² in Tanzania. The national transport network primarily connects natural resources, agricultural clusters, and landlocked countries in the west to ports in the east through six east-west corridors. The connectivity between the southern and northern provinces is particularly low, with National Highway N1, which extends north to south, providing the only link connecting the six east-west corridors. Consequently, the disruption of N1 has a disproportionate impact on regional mobility.

8. Two governmental entities, the Road Fund (Fundo de Estradas, RF) and the National Road Administration (Administração Nacional de Estradas, ANE), are collectively responsible for managing all

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classified roads. At the national level, the RF is primarily responsible for strategy and planning, monitoring, and financial management (FM) in the sector, while ANE is responsible for execution of the works, including procurement, safeguards, and engineering on the primary network. Provincial governments, with support from the ANE provincial delegations, are responsible for managing the secondary and tertiary networks. Districts are responsible for managing their portion of the unclassified roads.

Key Challenges

9. **Given resource constraints and extreme climate-risk vulnerability, Mozambique faces a major challenge balancing the investments to maintain the primary network with the investments to maintain and expand the secondary and tertiary networks, which directly serve the poor by providing last mile connectivity.** While maintaining the primary road network in good condition largely benefits a major part of the national and regional traffic, including heavy mining transportation, investing in non-primary roads improves rural access that directly support agriculture production and, therefore, poverty reduction. Currently ANE allocates more than 65 percent of its annual budget to primary roads and only 10 percent to non-primary roads which account for 80 percent of the total network coverage. Additionally, climate impacts have often led to reallocating money to emergency works on the primary network. For instance, in 2015, the total emergency investment was about MZN 10 billion, about 25 percent of the annual ANE budget of this allocation only 4 percent went to non-primary roads.

10. **While 85 percent of the primary road network is in good or fair condition, half of the non-primary roads are in poor condition, resulting in low rural access particularly in the central and northern provinces.** More than 9,400 km of non-primary roads are in poor condition and about 1,200 km or 4 percent of the classified network, are inaccessible due to severe damage. This incurs significant economic costs to the economy, especially in remote and rural areas. Additionally, this has an impact on rural access, particularly in Nampula and Zambezia Provinces, where the Rural Access Index, an estimate of the share of the rural population living within 2 km of a road in good or fair condition, is 14.5 percent and 10.3 percent respectively. These estimates are lower than the national average of 20.4 percent and far behind the average for Sub-Saharan Africa (32 percent) and other countries of comparable size, such as Kenya (56 percent). Increasing access in the rural and remote areas of Mozambique will require rehabilitating and or maintaining its classified roads as well expanding its network by including and rehabilitating unclassified roads. The Investment needs to qualitatively improve access are significant.

11. **The road network, especially the north-south links, is prone to disruptions caused by river floods and cyclones, but planning responses is challenging due to uncertainty about future events and limited resources.** The country has 104 identified river basins, including nine trans-boundary ones, making it the third-most exposed to flood-related hazards among African countries. Most of the rivers flow west to east, draining the water of the central African plateau into the Indian Ocean. The flood-related disruptions in the road network have significant socioeconomic consequences, partially due to the low redundancy of the Mozambican road network. For example, the floods in the Limpopo River Basin, in 2013, were estimated to have caused a direct loss of US$403 million worth of public infrastructure. In the context of climate change, provision of reliable accessibility depends upon effective planning for potential impacts of extreme events and building resilience in the road network accordingly. Though the country is among the first to decree mandatory climate risk screening of all major road projects, deep uncertainty of future climate events and future transport demand hampers effective decision making under the constrained budget scenario. The demand depends on land-use choices, population growth and migration rates, and economic activities, among
others, while the climate risk is linked to location, frequency, and intensity of such events in Mozambique, as well as in the catchment areas of the riparian countries.

12. **Mozambique has among the highest road fatality rates in the world, ranking 165 out of 173 countries/regions.** Road fatalities in the country were 8,173\(^2\) in 2013, or 31.6 fatalities per 100,000 population, much higher than the average in the African region of 26.6. Considering the current strong growth in vehicle registrations, which are increasing at more than 10 percent per year, there is a high probability of further increase in road accidents. The main risk factors for road traffic injuries include reckless driving, drunken driving, poor road surfaces, inadequate signs, lack of protection for pedestrians, speed regulation, inadequate traffic law enforcement, and poor governance.

**Road Sector Programs and Actions**

13. **The Road Sector Strategy (RSS3), covering 2015–2019, of the Government of Mozambique (GoM) focuses on maintenance of existing assets, improved connectivity, and enhanced rural mobility.** RSS3 has three pillars: (a) conservation of road assets through appropriate maintenance, (b) interurban connectivity through a robust national main network, and (c) Rural mobility through ensuring trafficability of rural roads. To ensure that these pillars are implemented, the strategy calls for balancing investment in the primary, secondary, and tertiary networks with the optimal maintenance to maximize network benefits. The target budget allocation among the three pillars is 40 percent for paved and unpaved road asset conservation, 30 percent for interurban connectivity, and 30 percent for rural mobility. Despite this target, the 2017 budget allocates only 43 percent of funding to conservation and rural mobility pillars combined. In addition, the strategy proposes to promote private sector participation in the road sector.

14. **The GoM, the World Bank, and other development partners have jointly made significant progress toward rehabilitating and extending the country’s primary network in the last decade.** The Bank funded, Roads and Bridges Management and Maintenance Program Phase II\(^3\) (RBMMPII) originally focused on continuing the rehabilitation and upgrading of the main National Highway, N1. RBMMPII implementation has been repeatedly restructured to respond to severe weather events in 2012 and 2013. RBMMPII was restructured in November 2012 to include emergency works following cyclonic events earlier that year. After major floods in 2013, the World Bank again provided additional financing for immediate reconstruction of roads and integrated several activities intended to improve the climate resilience of future roadworks, including piloting of climate-resilient road designs and development of national road design standards. The third additional financing covered the cost of medium-term reconstruction works related to the same floods.

15. **The GoM resorted to Public-Private Partnerships (PPPs) as a means of mobilizing private resources, expertise, innovation, and risk-bearing for the road sector but has encountered significant challenges in the implementation of this PPP program.** In 2011, the Government passed a PPP law (Law No. 15 on PPPs, Large-scale Projects, and Business Concessions) to set a legal and institutional PPP framework to mobilize private sector money, where possible, especially in a context of inadequate public sector capital resources, bring in

\(^2\) World Health Organization estimate. The official database captured only 1,744 road accident fatalities (2013)

\(^3\) Phase I of the three phase, ten-year Adaptable Program Lending (RBMMPI), in the amount of US$186.4 million, started on July 1, 2001 and closed in June 2007. It financed the rehabilitation and upgrading of 670 km of N1 in Maputo, Gaza, Inhambane, and Sofala Provinces. The second phase of the program (RBMMPII), was approved on May 23, 2007 in the amount of US$100 million.
private sector expertise and innovation, and encourage life cycle risk assessment (ensuring that the private sector bears some of the risk). Nevertheless, the PPP agenda has not developed as expected\textsuperscript{4}. Several major concessions are in trouble and the Government is preparing to renegotiate its contingent liabilities. On the other hand, the Government remains committed to expand its PPP program in the road sector to harness the efficiency of the private sector in managing its network.

\textit{Rationale for the Bank’s Involvement}

16. The World Bank has been a key player in the development of the road sector in Mozambique facilitating donor coordination and the development of climate-resilient solutions. The World Bank first engaged in the Mozambique road sector in 1992. The World Bank was instrumental in the preparation of the Integrated Road Sector Program (\textit{Programa Integrado do Sector de Estradas}, PRISE), the development of a programmatic approach on the road sector, and leading the road sector working group to harmonize donor activity in the sector.

17. The World Bank will continue to assist Mozambique as it attempts to further mitigate increasing climate risks to its road infrastructure and manage its PPP program. The World Bank’s experience with climate adaptation of road infrastructure, disaster risk management, network analysis, and its focus on poverty and inclusive growth offers significant value added to address Mozambique’s development needs. The World Bank is supporting revision of the national road design standards and specifications, which will help build more climate-resilient roads. The uneven implementation of several PPP transactions will require renegotiations and review of the regulatory framework. The World Bank’s considerable experience in helping governments develop well-structured PPPs to meet their critical infrastructure needs will help Mozambique face the current challenges.

18. Public sector financing is appropriate for the proposed project because the targeted national highways and rural roads have medium to low volumes of traffic and because cost recovery will not be feasible. While the Output- and Performance-based Road Contracts (OPRCs) would promote private sector involvement in road rehabilitation and maintenance through a longer-term contract, no private financing is expected at this stage. The World Bank’s value added would be to increase the efficiency of the investment through providing important technical advice on implementation and management in the following areas: (a) OPRC, (b) road safety, and (c) institutional capacity enhancement.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

19. The proposed Development Objective is to enhance access in selected rural areas in support of livelihoods of local communities and to provide immediate response to an eligible crisis or emergency as needed.

\textsuperscript{4} Currently there are only two concession/PPP contracts in place in the road sector: (a) N4 toll road connecting Maputo and Pretoria (South Africa) and (b) Tete bridge and road concession.
Key Results

20. The proposed key results indicator (see section VII) are (a) increase in rural accessibility (measured as percent of rural population within 5 km of good condition roads) in the project areas and (b) improvement in road conditions.

D. Project Description

21. The proposed project costs of US$185 million are financed by a US$150 million IDA Grant and US$35 million of counterpart financing. The project has five components as detailed in the following pages. To improve mobility in the selected areas, Components 1 and 2 target rehabilitation and maintenance of the primary, secondary, and tertiary network in an integrated manner.

Component 1: Rehabilitation and Maintenance of Feeder Roads (Estimated cost US$95 million, of which US$77.5 million will be financed by IDA)

22. This component will finance rehabilitation and maintenance works on sections of secondary, tertiary, and some unclassified roads to enhance mobility in selected districts in Zambezia and Nampula Provinces, including design studies and supervision activities. This component will also support the extension of the Zambezia Area-Based Maintenance System (ABMS) into Nampula Province. Specific interventions on each road will be identified based on economic viability considering disaster resilience, engineering assessments, and budget constraints. The types of interventions include, among others, reconstruction or rehabilitation of bridges and culverts, graveling, surface treatment, and routine/periodic maintenance to prescribed level of service.

Component 2: Rehabilitation of Primary Road Network (Estimated cost US$80 million, of which US$62.5 million will be financed by IDA)

23. This component will support rehabilitation of around 70 km of primary road to enhance connectivity to markets, ports, and other economic and social services. The intervention will include, among others, pavement rehabilitation, improvement of road safety facilities, improvement of intersections, and rehabilitation or reconstruction of culverts. The project will adopt the OPRC approach to implement rehabilitation and maintenance works.

Component 3: Pilot Rural Transport Services (Estimated cost US$2.5 million financed by IDA)

24. This component will support a pilot rural transport services program on some feeder roads intervened in Component 1, to improve mobility and access to economic and social services to population groups in the target areas. It will include, among others, assessment of existing transport services and identification of market barriers to provision of transport services. The pilot would benefit local communities near road improvement investments, for instance, through expanded access to markets, services, and agricultural inputs.

Component 4: Capacity Building and Project Administration (Estimated cost US$7.5 million financed by IDA)
25. This component will finance knowledge development and institutional-strengthening activities, among others, in the following areas: (a) improvement of road asset management at the national and subnational levels; (b) capacity building on road safety, including education, enforcement, engineering, and emergency response; (c) technical assistance for promoting PPP for the road sector; and (d) enhancement of climate resilience in planning and management of road infrastructure. This component will also provide support for improved project management regarding implementation and supervision of the project, social and environmental safeguards, identification and mitigation of gender disparities, and citizen engagement (CE).

Component 5: Zero-budget Contingency

26. This component will facilitate access to rapid financing by allowing reallocation of uncommitted project funds in the event of a natural disaster either by a formal declaration of a national or regional state of emergency or upon a formal request from the GoM. Component 5 will use IDA Immediate Response Mechanism (IRM).

E. Implementation

Institutional and Implementation Arrangements

27. The Ministry of Public Works, Housing, and Water Resources (MOPHWR) is responsible for overall coordination of the project. The RF will be the implementing agency for the project and ANE will be the lead executing agency. The RF will be responsible for implementation, coordination with ANE and other agencies, monitoring, FM, and auditing of the project resources. ANE will oversee execution of the works, including procurement, safeguards, and engineering aspects. The RF will sign annual contract agreements (Contrato Programa) with ANE for execution of the project.

28. The Government will establish an inter-ministerial Steering Committee (SC) responsible for strategic decision making and monitoring overall project implementation. The SC will comprise nominees of the MOPHWR, RF, ANE, Ministry of Economy and Finance (MEF), Ministry of Land, Environment, and Rural Development (MITADER), Ministry of Agriculture and Food Security (MASA), Ministry of Transport and Communications (MTC), INATTER, and the Provincial Governors. The SC will meet twice a year in the respective project areas to monitor progress. The RF and ANE will act as the Secretariat of the SC.

29. Responsibility for implementation of Component 1 will be partially handed over to the provincial delegations of ANE in Zambezia and Nampula. The provincial governments are responsible for planning the secondary and tertiary road networks under Component 1 through their respective Provincial Road Commissions. This arrangement will promote decentralization and build capacity of local government entities. The ANE provincial delegations will be responsible for procurement, supervision, and monitoring of rural roadworks under Component 1. While the ANE delegations will manage supervision consultants for the works, ANE headquarters will procure supervision consultancy services. During the first three years, ANE headquarters will be responsible for preparation of environmental and social safeguards instruments and supporting provincial delegations to supervise safeguard compliance during implementation. During that time, ANE headquarters will conduct training and capacity building for the provincial delegations with the goal of transferring full safeguards responsibility to the ANE provincial delegations, upon the World Bank’s agreement.
30. **Cooperation agreements will formalize the relationships between the implementation agency (RF) and each executing agency.** While ANE will be the lead executing agency, other agencies include, among others, INATTER and Traffic Police. These agreements will define the obligations of each entity to carry out project activities under their responsibility.

31. **Cooperation agreements will formalize the relationships between the implementation agency (RF) and each executing agency.** This includes ANE, INATTER, and the other institutional beneficiaries. These agreements will define the obligations of each entity to carry out project activities under their responsibility.

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

The project will rehabilitate and upgrade existing roads in Nampula and Zambezia Provinces. Under Component 1: Rehabilitation and Maintenance of Feeder Roads, the project will work in ten districts, five each in Nampula and Zambezia. In Nampula: Memba, Mogincual, Mossuril, Namapa, and Monapo Districts; and in Zambezia: Maganja da Costa, Morrumbala, Chinde, Lugela, and Pebane Districts. The specific feeder road segments will be decided upon based on multi-criteria analysis after project effectiveness. Under Component 2: Rehabilitation of Primary Road Network, the project the preliminary results of the analysis prioritized the following section on the N1 and N10 highways: Quelimane to Namacurra (70 km). Based on the descriptions of the project impact in the ESIA prepared, the area along the road is already degraded and the road does not pass through any high valued biodiversity and habitats or impact animal or plant species or natural forests. The ESIA sub sections on Fauna and Natural Reserves (under Biophysical Environment) state that “there are no records of significant or threatened species along the road under analysis” and “no conservation area was identified along the rehabilitation route”.

### G. Environmental and Social Safeguards Specialists on the Team

John Bryant Collier, Environmental Safeguards Specialist
Eden Gabriel Vieira Dava, Social Safeguards Specialist

### SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The Project triggers OP4.01 and is screened as Category B under the environmental screening category. The project will rehabilitate and upgrade existing roads in Nampula and Zambezia provinces; therefore, the civil works are expected to have a low environmental impact.</td>
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to moderate impact on the biophysical environment near selected road sections and bridges based on the preparation of the ESMF for Component 1 and ESIA for Component 2 as well as extensive field visits conducted by the Bank team during identification and preparation. The Borrower has prepared an ESMF for the project as well as a sight specific ESIA and ESMP for the section of N1 and 10 between Quelimane and Namacurra. For the Feeder Roads, the Borrower will also prepare necessary site specific the Environmental and Social Impact Assessments (ESIA)/ Environmental and Social Management Plans (ESMP) in order to better capture specificities of the targeted roads and bridges. All safeguards documents will be disclosed nationally and on the World Bank external website.

| Natural Habitats OP/BP 4.04 | Yes | Natural Habitats is triggered owing to the existence of protected areas in Nampula and Zambezia Provinces. The ANE will need to work with local administrations, NGOs, and communities to ensure that improved access does not result in degradation of critical habitats. The ESMF addresses these concerns through environment and social selection criteria for specific feeder roads to be rehabilitated. The ESMF is written so as to also ensure site specific ESIA/ESMPs ensure protection of critical natural habitats should the project ever be expanded to include districts where such habitats are located. |
| Forests OP/BP 4.36 | No | While there are some important forests in the Nampula and Zambezia Provinces, the policy is not triggered because there are no forest reserves in the ten districts where the Feeder Roads component will be selected. Additionally, the selection criteria for Feeder Roads will exclude roads affecting forest reserves or critical forest areas in case the project is ever expanded to include districts where forests are located. |
| Pest Management OP 4.09 | No | The policy is not triggered. |
| Physical Cultural Resources OP/BP 4.11 | Yes | Physical and Cultural Resources is also triggered owing to the potential for chance find of cultural or archeological significance during construction. Chance find procedures are included in the ESMF and are/will be included in all site specific ESIA/ESMPs. The ESIA for the section of N1 and 10 between Quelimane and Namacurra also contains |
chance find procedures. The ESIA does note that there are two cemeteries along the route; however, they are not expected to be negatively impacted.

Indigenous Peoples OP/BP 4.10 No The policy is not triggered.

An assessment shows project activities may involve temporary displacement of people, and the Involuntary Resettlement (OP/BP 4.12) policy was therefore triggered. The borrower prepared a Resettlement Policy Framework (RPF) to guide the preparation of site-specific Resettlement Action Plans (RAPs) acceptable to the World Bank once such details are known. All such RAPs will be fully completed and fully implemented before construction begins on the corresponding feeder roads.

The Borrower has also prepared a RAP for the section of N1 and 10 between Quelimane and Namacurra which will be fully implemented prior to the commencement of works.

The World Bank has reviewed the RPF and the RAP and they will be disclosed publicly both in country and on the World Bank’s external website prior to appraisal.

Safety of Dams OP/BP 4.37 No The policy is not triggered.

Projects on International Waterways OP/BP 7.50 No The policy is not triggered.

Projects in Disputed Areas OP/BP 7.60 No The policy is not triggered.

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 will rehabilitate and upgrade existing roads in Nampula and Zambezia provinces; therefore, the civil works are expected to have a low to moderate impact on the biophysical environment near selected road sections and bridges. Potential adverse environmental impacts may include soil erosion and degradation, decreased water quality, loss of vegetation, fauna disturbance, deposition of solid wastes, dust emission, and health and safety of construction workers/artisans. An Environment and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) have been prepared by the Borrower.
Under Component 2, The Borrower has prepared an Environment and Social Impact Assessment (ESIA), and Environment and Social Management Plan (ESMP), and a Resettlement Action Plan (RAP) for the 70 KM section of roads N1 and 10 between Quelimane and Namacurra. According to the ESIA, the area along the road is already degraded and the road does not pass through any high valued biodiversity and habitats or impact animal or plant species or natural forests. The ESIA sub sections on Fauna and Natural Reserves (under Biophysical Environment) state that “there are no records of significant or threatened species along the road under analysis” and “no conservation area was identified along the rehabilitation route”.

The World Bank notes that this project falls under environment screening Category B for World Bank purposes as the ESIA states that “It can be concluded that the negative impacts of this project on the environment and socially are low, localized and of short duration”, which is typical for World Bank Category B project. The Bank notes that MITADER, the National Environmental Agency, classifies it as Category A due to the size of the project and the ESIA and RAP have been prepared accordingly.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The project activities are not expected to have long-term negative environmental or social impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The interventions consist of works related to the maintenance and rehabilitation of existing roads and bridges. These interventions have minimum environmental and social impacts compared to alternatives that would involve new road construction.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The Borrower has prepared an ESMF and RPF to cover the feeder roads to be identified and upgraded under Component 1. Environment and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) have been prepared by the Borrower. Once identified, a site specific ESIA/ESMP will be prepare for each feeder road as part of the final design process and integrated into the implementation of the works contract. As mentioned in paragraph 1 above, the Borrower has also prepared an ESIA, ESMP, and RAP for the 70 KM section of roads N1 and 10 between Quelimane and Namacurra as required by Mozambican law. The ESIA indicates that the civil works are expected to have a low to moderate impact on the biophysical environment.

Both the RF and the ANE have experience in successfully delivering similar IDA-financed projects through the implementation of ESMFs and RPFs. The ANE’s central Monitoring Unit is staffed with professional environment and social specialist who are well-versed in both national regulations and World Bank safeguards requirements and will be responsible for the overall safeguards implementation of the project. The ANE is also in the process of strengthening their environment and social presence in their provincial offices. The ANE will ensure that the site-specific ESMPs for individual roads being rehabilitated are incorporated into the works and supervisory contracts and that reporting on safeguards implementation is timely and detailed enough to be useful for project monitoring and supervision.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The key stakeholders include local communities in Zambezia and Nampula Provinces, local NGO working in the project area, those two respective Provincial Governments, and the National Government (RF and ANE).
As part of the preparation of the ESMF and RPF, ANE, the Bank team, and consultants conducted numerous site visits to Nampula and Zambezia in order to identify the main environmental and social impacts that the feeder road project as well as to assess the capacity of provincial and district level authorities to implement and monitor the ESMF and RPF. Teams have visited each of the districts identified in the project - for example a visit in May 2017 visited two districts in Nampula (Memba and Erati) and two districts in Zambezia (Maganja da Costa and Murrumbala).

Additional consultations including relevant authorities, traditional leaders and project proponents will be held in accordance with Mozambican and Bank Requirements during the design and implementation stages for all works under the project.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
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<tbody>
<tr>
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<td>11-Aug-2017</td>
<td>02-Oct-2017</td>
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</table>

"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process

<table>
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"In country" Disclosure

Mozambique

31-Aug-2017

Comments

The documents will be available on the ANE Website (www.ane.gov.mz) as well as ANE offices in Maputo, Nampula, and Zambezia. Additionally, advertisements in national newspapers will indicate the documents availability.

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?

**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

**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?
  No
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

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Note to Task Teams: End of system generated content, document is editable from here.