



Integrated Safeguards Data Sheet Restructuring Stage

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I. BASIC INFORMATION

1. BASIC PROJECT DATA

Project ID P123201	Project Name Cities and Climate Change
Task Team Leader(s) Michel Matera	Country Mozambique
Approval Date 03-Apr-2012	Environmental Category Partial Assessment (B)
Managing Unit GSU13	Is this a Repeater project?

PROJECT FINANCING DATA (IN USD MILLION)

Total Project Cost 135,750,000.00	Total Financing 135,750,000.00
Financing Gap 0.00	

Financing Source	Amount
International Development Association (IDA)	120,000,000.00
Trust Funds	15,750,000.00
Total	135,750,000.00

2. PROJECT INFORMATION

Current Project Development Objective

The PDO is to strengthen municipal capacity for sustainable urban infrastructure provision and environmental management which enhance resiliency to climate related risks.

Proposed New PDO



The PDO is to strengthen institutional capacity for local revenue enhancement and land use management in targeted municipalities, and to enhance climate resilience in the coastal cities of Beira and Maputo.

1. PROJECT DESCRIPTION

The project responds to two distinct but related requests from the Government of Mozambique (GOM): (1) to finance investments that reduce the immediate (and ongoing) vulnerability of strategic coastal cities to climate-related environmental threats; and (2) to resume Bank support for the development of the national municipal system, which has been interrupted since the closing of the Municipal Development Project in 2007. The project has two components: Component 1 – Strengthening the Municipal Sector (US\$ 35 million IDA); and Component 2 – Enhancing Resilience of Strategic Coastal Cities (US\$ 85 million IDA and US\$ 15.75 million from Pilot Program for Climate Resilience (PPCR) under the Strategic Climate Fund (SCF), added under an Additional Financing approved in October 2014). Due to the different nature of the two Components, the project has two implementing agencies: (1) the Ministry of State Administration and Public Function (MAEFP) for Component 1; and (2) the Administration for Water and Sanitation Infrastructure (AIAS) for Component 2.

Component 1 provides institutional development assistance at the local and national levels to strengthen the municipal sector. At the local level, it focuses on strengthening the institutional capacity of targeted intermediate municipalities for local revenue enhancement and land-use management through Municipal Performance Grants (MPGs) and accompanying capacity building and technical assistance measures. The technical assistance is intended to enhance municipal capacity to implement the systems and methodologies defined in national policies. The average amount of annual MPGs for most participating municipalities is approximately US\$150,000; only the five largest municipalities are expected to get more than this amount. Most of the investments funded by MPGs are thus small and simple, consisting mainly of the rehabilitation of existing infrastructure and/or the purchase of equipment. At the national level, Component 1 provides technical assistance and capacity building support to key units in MAEFP and the Ministry of Economy and Finance that regulate and support the municipal system. This is intended to contribute to the continued development of the national policy and regulatory framework for municipal governance. This Component also supports strengthening the capacity of the National Municipal Association (ANAMM) to provide services to its member municipalities, and establishment of a Project Implementation Unit (PIU) under the Directorate for Local Governance Development (DNDA) within MAEFP.

Component 2 aims to enhance municipal capacities in strategic coastal cities for sustainable resilience to weather-related environmental threats. Beneficiary cities are selected based on their strategic economic importance and vulnerability to climate-related environmental risks. At Project Appraisal, the regional port cities of Beira and Nacala were identified as the cities that most fully satisfied these criteria. The Component finances improvements in storm-water drainage infrastructure and supports the operation and maintenance of these systems as well as environmental management so as to meet existing and climate adaptation deficits and provide the basis for future investments to reduce climate change-related risks. In the case of Beira, the component aims to strengthen the municipality's resilience with regards to flood control via: (1) improving the city's storm-water drainage system (detailed engineering designs for upgrading the existing open-air drainage network, as well as subsequent works, such as rehabilitating, lining, and widening, based on data, feasibility studies, and engineering designs already available from the European Union; and (2) further strengthening the institutional capacity of Beira's Autonomous Sanitation Service, including its financial base, to ensure sustainable operation and maintenance for sanitation, drainage, and coastal management. Support to Nacala under Component 2 was expected to address the adaptation deficit in infrastructure investments to tackle erosion by: (1) developing a Drainage Master Plan; (2) executing priority structural drainage works; and (3) strengthening municipal



capacity to maintain the drainage system and other critical infrastructure and environmental services. Component 2 is also designed to strengthen the resilience of the Maputo Metropolitan Area (MMA) to control floods, including through the development of a Master Drainage and Sanitation Plan for the Greater Maputo Area.

An Additional Financing (AF) was approved in October 2014, leveraged additional funds from the PPCR/SCF to finance green infrastructure investments in the municipality of Beira under Component 2, to protect and improve natural drainage within the urban area that plays a key role in abating flooding in the city. The intervention areas include the banks of the Chiveve River, sections of the banks along the open-air canals, and some low-lying areas identified for flood retention basins. This activity is implemented with parallel financing from the German Development Bank (KfW) and as the second phase of the broader Chiveve River rehabilitation. The first phase of the Chiveve River rehabilitation, exclusively financed by KfW (EUR 13 million) and completed in December 2016, was restricted to the downstream portion of the basin and included the reopening of the Chiveve River with a sea-outlet at the fishing port, rehabilitation of the riverbed, and dredging of the fishing port. The rehabilitation included deepening and widening of sections of the riverbed, including creation of a flood retention basin, as well as cleaning the flood plains of accumulated sediment and solid waste, in order to restore the hydraulic function of the river and mitigate flooding events. The second phase of the Chiveve River rehabilitation (co-financed by the Bank under the AF and the KfW) consists of a restoration project of about 19 hectares along the river basin denominated green urban infrastructure that includes, among other things, developing an urban park, a botanical garden, pedestrian paths, sport courts and social centers, as well as revegetating some areas along the Chiveve basin with exotic trees. The Project Restructuring proposes the following changes:

- (i) Revision of the Project Development Objective (PDO) to more clearly spell out the two-fold intent of the project to strengthen institutional capacity in selected secondary cities and carry out infrastructure investments to enhance climate resilience in the coastal cities of Beira and Maputo;
- (ii) Adjustment of the project results framework to reflect changes in project activities and improve the coherence of results indicators with the PDO;
- (iii) Regularization of the triggering of Safeguards Policy OP/BP 4.04 for Natural Habitats, which had been included in the AF ISDS disclosed in January 2014 but not in the corresponding Project Paper approved by the Board in October 2014, and triggering of Safeguards Policy OP/BP 4.36 on Forests;
- (iv) Extension of the project closing date by just over 12 months to December 31, 2019;
- (v) Cancellation and change of selected activities under existing components financed by the IDA Credit;
- (vi) Reallocation between disbursement categories for the IDA Credit to align remaining funds with changes in planned activities under Component 1; and
- (vii) Reallocation between disbursement categories and subsequent elimination of a disbursement category under the SCF-PPCR Loan and Grant.

Regarding the change of project activities, the Project Restructuring proposes, among other things, canceling planned activities to strengthen climate resilience in Nacala, considering that the remaining uncommitted project funds, after considerable losses due to exchange rate fluctuations, would not be sufficient to finance both design and implementation of the planned erosion control and drainage rehabilitation works there. It is proposed that the remaining funds will instead be used for implementation of priority storm-water drainage works in Maputo that were identified in the Master Plan and for which technical designs already available. These priority drainage works encompass the expansion/conclusion of three macro drainage canals, denominated System 8 (Viveiros canal), System 9 (Golf course canal), and the Mozal canal, all located in the Polana Caniço neighborhood, a well-developed urban area. System 9, the largest one, is around 1.5 km long.

A Level 1 Restructuring is necessary given the triggering of new Safeguards Policy, mainly due to the impacts on the mangroves in the Chiveve basin, and the revision of the PDO.



3. PROJECT LOCATION AND SALIENT PHYSICAL CHARACTERISTICS RELEVANT TO THE SAFEGUARD ANALYSIS (IF KNOWN)

The Project finances construction works in cities in southern and central Mozambique. Component 1 finances small grants for the rehabilitation of existing urban infrastructure in more than 20 municipalities. Component 2 finances large storm water drainage works in Beira and Maputo. Mozambique is highly vulnerable to climate change and has experienced major natural disasters at least every five years. Sea-level rise is expected to have significant implications for low-lying coastal areas, such as Beira and Maputo, including inundation, loss of coastal wetlands, increased rates of shoreline erosion, saltwater intrusion, higher water tables, and higher extreme water levels, which lead to coastal flooding. The project area is in the southern subequatorial zone and has a rainy tropical climate with a dry winter. The annual precipitation reaches 1500mm, with a maximum in January and a minimum in September. Beira stretches over a coastal plain, geologically formed by the accumulation of alluvial material. The project area is comprised of clay and sand terrain. Due to its geomorphology, characterized by low and flat terrain, the tidal influence on the project area is high. This exposure is further increased by strong variations in the tidal range from 0.5m to 7m, one of the highest in Africa. Urbanization has had a major effect on most of the city’s watercourses, the Chiveve River being a prominent example. The partial environmental protection zone along the Chiveve River canal had been severely degraded due to formal and informal constructions, earth embankments, solid waste, and economic activities. The water quality of the rivers and canals has further deteriorated, due to pollution by solid waste and sewage disposal. Urbanization has significantly altered the original flora and fauna conditions in the project areas in Beira, once characterized by a predominance of grey mangroves. Maputo is also located on the coast. The project area in the Polana Caniço, Sommerschild, and Hulene B neighborhoods constitutes the transition from a sandstone plateau to the coastal zone, inclined to the sea, comprised of dunes and wetlands. The area is characterized by the occurrence of environmental and engineering geological risks, including flooding, landslides and slope instability, gullying, coastal erosion, informal settlements, and inadequate solid waste management. Most of the area is densely occupied with few remains of the original vegetation.

4. ENVIRONMENTAL AND SOCIAL SAFEGUARDS SPECIALISTS ON THE TEAM

Augusto Ferreira Mendonca (GWA04), Maria Do Socorro Alves Da Cunha (GSU07)

5. SAFEGUARD POLICIES TRIGGERED

Safeguard Policies	Triggered	Explanation
Environmental Assessment (OP) (BP 4.01)	Yes	The proposed Project Restructuring does not add any new type of intervention. The original project design encompassed the rehabilitation of a large-



scale drainage system in Beira and erosion control measures in Nacala; the green infrastructure works along the Chiveve river basin were added under an AF in October 2014. This intervention and the proposed priority drainage works in Maputo are notably smaller and do not involve significant adverse environmental impacts. The Project remains, therefore, a Category B.

The green infrastructure works will be developed in an area of about 19 hectares along the Chiveve river basin located in the downtown area of Beira, which had been largely degraded due to urban use, waste disposal and land use changes. The Polana Caniço drainage system in Maputo will be developed in urbanized areas, and the construction works will not interfere directly with natural habitats. However, the system's outfall will be in a region known as the Costa do Sol mangrove, a 15-km large low land area along the coast, flooded during the rainy season. Mangrove degradation in this area is at an advanced stage, due to long-term use for agriculture and ongoing conversion to urban use. The updated ESMF prepared for the Restructuring found that there was no other feasible option for the outfall location and determined the construction of a retention basin ("debris trap") aiming to reduce the storm water discharge impact on the mangrove water quality.

Natural Habitats (OP) (BP 4.04)

Yes

Phase 1 of the Chiveve river basin rehabilitation (financed by KfW) was subject to a comprehensive environmental assessment, which laid out detailed mitigation measures to minimize habitat loss within the vicinity of the basin. The Chiveve basin is located in the Beira downtown area and occupies around 143 ha, mostly already degraded due to urban use, waste disposal and land use changes. The area of the basin not urbanized (but partially occupied) was around 45 ha and the remaining mangrove encompassed around 5.8 ha. Given that the rehabilitation works would partially and temporarily affect the mangrove, a protected and ecologically sensitive ecosystem, OP 4.04 was triggered to set forth procedures and measures to address OP 4.04 requirements. The area affected during the construction phase of the basin rehabilitation works financed by KfW (completed



in December 2016) was about 2.75 ha, including the removal of around 1,110 trees, mainly in the area of the new retention basin. Notwithstanding, a restoration plan was implemented to mitigate/compensate the project impacts, comprising the recuperation of the degraded mangrove, revegetation of 2,2 ha inside the Chiveve river basin (plantation of 2,745 trees in sub-basin one). The permanent impacts on the mangrove are restricted to the retention basin, with an area of approx. 0,6 hectares. The EA prepared under the restructuring project found that this conversion was needed for the project to achieve its objectives on urban flood protection (no other feasible alternatives). To compensate this impact, the project included additional mitigation measures with the revegetation of 3.2 ha in another site, outside the Chiveve river basin, planting around 3,500 mangrove trees.

Phase 2 of the Chiveve River Rehabilitation (financed by the Bank and KfW) includes development of so-called green infrastructure along the river basin (i.e. development of pedestrian paths, park, botanical garden, sport courts, social centers, and plantation of exotic trees along the river basin). It will also include the revegetation of the mangroves in sub-basins two and three. The proposed works will not result in significant impacts on native vegetation, notably on the remaining mangroves areas, but aim to maintain and protect them. The works do not require mangrove cleaning or removal. The Green Infrastructure ESMP has specific directions for mangrove monitoring and restoration, including additional revegetation of sub-basins 2 and 3.

It is important to note that the EA (2017 ESMF) concluded that the Project may result in net positive impacts on the health and quality of the Chiveve mangroves, interrupting its continuous degradation due to the urban pressure and uncontrolled use, as well as revegetating previously degraded areas.

Forests (OP) (BP 4.36)

Yes

The implementation of Phase 1 (funded by KfW) did not affect the rights and welfare of people depending on interaction with forests, as the remaining mangrove area in the Chiveve basin was highly degraded and was not used as a source of



			raw material by the surrounding population. The second phase (green infrastructure funded jointly by the Bank and KfW) presents an analogous situation. OP 4.36 was triggered aiming to assist the client to conduct the mangrove restoration in a sustainable manner, as supporting socially beneficial and economically viable activities associated to the basin rehabilitation.
Pest Management (OP 4.09)	No		n/a
Physical Cultural Resources (OP) (BP 4.11)	No		n/a
Indigenous Peoples (OP) (BP 4.10)	No		n/a
Involuntary Resettlement (OP) (BP 4.12)	Yes		<p>OP 4.12, on Involuntary Resettlement, was triggered at Project Appraisal, due to the potential for impacts on households and small-scale economic activities under Component 2. The RPF and implementing arrangements in Component 2 have generally worked well and will continue unchanged under this Restructuring. A RAP for the storm-water drainage improvement works in Beira was prepared (disclosed in InfoShop on August 7, 2014) and fully implemented: 21 families were permanently resettled; small structures of another 19 families were rehabilitated/rebuilt in place, and 589 people were compensated for the loss of cultivation area. Several smaller, unforeseen affectations caused by the construction works are being handled in accordance with Bank Safeguards policies as they occur (e.g. reconstruction of walls damaged by vibration caused by construction works).</p> <p>A RAP for the green infrastructure works was prepared and disclosed in InfoShop on March 6, 2017. Nine (9) families will be permanently resettled, and latrines of another 18 families will be rehabilitated/reconstructed. An associated resettlement action of 44 families from precarious dwellings in the informal settlement of Mangal along the Chiveve river, financed by KfW before the start of the Bank-financed project, was subject</p>



to an agreement between KfW and the Bank and a subsequent independent audit. The audit was reviewed (including site visits) and approved by the Bank. The resettlement was deemed to have been carried out in accordance with the principles of the Bank Resettlement Policy and the PAPs were successfully relocated to improved conditions.

The priority drainage works in Maputo (which will be added to the Project under the proposed Restructuring after their financing was cancelled under the Maputo Municipal Development Project closed on June 30, 2017) would have required the resettlement of approximately 5 families living in an informal settlement along Ravine 3. This resettlement was to have been carried out by AIAS (the PIU for Component 2) in coordination with the Municipality based on a RAP acceptable to the Bank. However, before the RAP was prepared, the Municipality facilitated a direct negotiation between a private developer and the affected families along Ravine 3, who left the area on payment of monetary compensation in March 2017. The Bank has requested an audit to verify the compensation values and process followed, and to identify any additional measures as needed. The Bank will receive the audit findings before the end of September 2017. No permanent resettlement will be needed along Ravine 4, but a limited number of small structures located along the corridor of the works may have to be removed, relocated on site, repaired or compensated for due to damages caused by vibration from construction equipment during the construction phase. These affectations will be treated according to the provisions of the RPF as they arise.

Safety of Dams (OP) (BP 4.37)	No	n/a
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Projects on International Waterways (OP) (BP 7.50)	No	n/a
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Projects in Disputed Areas (OP) (BP 7.60) No n/a

II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. SUMMARY OF KEY SAFEGUARD ISSUES

1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts.

It is proposed to finance drainage works in Maputo instead of the civil works in Nacala. The ISDS also addresses the Chiveve River rehabilitation, included as an AF in 2014. The new works comprise the development of drainage systems that are significantly smaller than the one in Beira. Phase 1 of the Chiveve rehabilitation required the permanent conversion of 0.6 ha of native vegetation in the area of the new retention basin (no other feasible alternative for the project to achieve its objectives on urban flood protection), but the long-term impacts on the ecosystem may be positive as the rehabilitation aims to avoid complete degradation and conversion of the basin to urban use and includes mangrove revegetation of previously degraded areas. The Maputo drainage canals will be developed in urbanized areas. One of the system's outfalls is in a wetland known as Costa do Sol Mangrove that occupies 15 kilometers along the coast, but is at an advanced stage of degradation due to long-term use for agriculture and ongoing conversion to urban use. The project includes measures to mitigate the impact of the drainage on its water quality. The revised EA found that expected impacts would be localized and limited in scope. The Project thus remains Category B. Both works, however, result in impacts on mangroves, requiring the triggering of additional Safeguard policies OP/BP 4.04 (Natural Habitats) and OP/BP 4.36 (Forests).

The revised Comp 2 ESMF concluded that the Chiveve River rehabilitation was an environmentally feasible alternative for restoring the river basin and overall project benefits far outweigh environmental costs, as the remaining mangroves could be completely degraded in a few years without the implementation of the rehabilitation works. The riverbed rehabilitation works, river mouth opening, sea-gate construction, and cleaning of the riverbanks required the removal of 1,110 native mangrove trees that were compensated by planting over 6,200 mangrove trees in the basin and nearby mangroves.

The Maputo works are expected to cause limited and temporary adverse impacts, mostly related to construction (such as noise, dust, vibration). One canal outfall may cause permanent impacts on the downstream Costa do Sol mangrove, a wetland partially occupied by houses and plantations and surrounded by urbanized areas. The technical design includes a retention basin to catch waste before it can reach the mangroves, mitigating the impact on the mangrove water quality.

Issues related to involuntary resettlement for the new works remain unchanged. No physical cultural resources at risk were identified in the pre-feasibility studies for the Chiveve and Maputo works.

There is, however, a recent health and safety-related issue regarding the ongoing drainage improvement works in Beira that merits attention. In April 2017, the bodies of two children were found (later determined to have drowned) in drainage ditches that are part of the storm water drainage to be rehabilitated by the Project in Beira. Although investigation of the incident confirmed that Project facilities were fenced, signed, and under surveillance, AIAS has since taken additional measures to strengthen both physical control and surveillance of the area surrounding the works and to re-emphasize community information regarding safety. At the Bank's request, a Health and Safety Audit of the works is being undertaken to identify any remaining safety issues and security enhancement needs to be addressed and included in the ESMP and Health and Safety Plans for the remainder of the construction and operations phase.



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

Institutional strengthening activities and macro-drainage system development will reduce risks and vulnerability associated with climate-related impacts in the selected cities. Project-supported activities will improve the quality of life of the beneficiary population, reducing flood damages and public health impacts. Flood control may, however, potentially result in real-estate valuation, favoring an influx of more affluent residents to areas benefited by the drainage works.

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

The designs for the Chiveve River rehabilitation and the Maputo drainage system are based on technical feasibility studies, which include an evaluation of social and environmental impacts. Both studies consider non-development scenarios, such as other dimensioning alternatives.

The Chiveve Rehabilitation feasibility study has a separate item assessing environmental and social aspects, which concluded that the selected alternative had no “significant negative impacts that could impede the project implementation, providing instead a highly relevant intervention in view of the need of Beira City to face extreme weather events, predicted to occur with more frequency and intensity in the decades to come.” It noted, however, that “the success of the project in terms of socioeconomic and environmental viability will be directly linked to the rigorous application of the Environmental and Social Management Plan and subsequent compliance with mitigation measures.”

The Polana Caniço Drainage system non-implementation scenario was not considered, as it would have resulted in the persistence of recurrent flooding problems, with serious public health and safety impacts. The denominated System 9, however, had at least two main design alternatives. The first would entail an outfall directly into the ocean, with a canal crossing downhill from Julius Nyerere Avenue. This alternative was rejected, due to high resettlement and compensation costs. The adopted alternative outfall involves less intervention in occupied areas, but is located in a nearby wetland, the Costa do Sol Mangrove. The engineering design contemplated measures to minimize impacts on the mangrove, such as a retention basin to hold solid waste transported by the drainage.

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 GoM has considerable experience with Bank Safeguard requirements from the implementation of several Bank and other externally-financed projects following Bank Safeguards policies. For Project Appraisal, it prepared 3 environmental and social assessment instruments: (1) an Environmental and Social Management Framework (ESMF) for Component 2 activities; (2) a separate ESMF for both Component 1 and initially-envisioned Nacala works under Component 2; and (3) a Resettlement Policy Framework (RPF) for Component 2.

The Component 2 ESMF was updated in October 2013 and February 2015 to reflect changes in project design, such as the addition of green infrastructure works in Beira. It was amended and complemented in 2017 to include a comprehensive EA of the Chiveve and Maputo works considering OPs 4.04 and 4.36, assess the environmental feasibility of the new drainage works, and define the environmental management procedures applicable to these works. The 2017 ESMF was consulted in Beira and Maputo and disclosed in Mozambique and the Bank InfoShop on May 23, 2017. Both works were also object of specific EIAs and EMPs, which were reviewed by the Bank and are being updated by AIAS to attend to the Bank's comments and fully comply with OPs 4.04 and 4.36. EIA and EMP for the drainage improvement works in Beira had been prepared and disclosed in November 2014. The Chiveve Rehabilitation Phase 1 EAs (funded by KfW) were reviewed and considered consistent with the Bank requirements. In addition, the Chiveve Phase 1 works financed by the KfW were inspected by the Bank task team, confirming that



its environmental management practices were consistent with Bank safeguards policies.

In Component 1, the screening out of all minor and temporary resettlement-related impacts proved too limiting on the selection of urban infrastructure subprojects under the Municipal Performance Grants. Bank implementation support missions, while finding no evidence of major resettlement impacts, grievances or conflicts, did identify the potential for minor impacts in sub-projects (e.g., movement of walls, removal of trees, temporary relocation of street vendors, etc.). Actions taken to date include: the preparation of an Addenda to the RPF in March 2017 and revision of the Project Operational Manual to strengthen screening procedures and mitigation measures (e.g., consultation, compensation, and documentation) for minor/temporary resettlement impacts associated with the small works under Component 1; as well as the hiring by the PIU of a dedicated Safeguards Specialist. The updated RPF was consulted and disclosed in Mozambique on June 16, 2017, and the Bank InfoShop on June 19, 2017. In addition, the following actions are underway: the hiring by the PIU of a dedicated Social Safeguard Specialist (to prepare and implement retroactive ARAPs in cases in which gaps in past implementation are identified, oversee future impact screening and mitigation, and provide supervision and technical support to the municipalities); and the undertaking of a comprehensive review of all sub-projects executed to date, to: (i) identify any potential unidentified and/or unsatisfactorily addressed minor resettlement impacts; (ii) confirm and document how these were managed, and identify any gaps with regard to OP/BP 4.12; and (iii) develop an action plan to address any gaps identified. Bank social safeguards support to the client has also been strengthened.

To date, two Resettlement Action Plans (RAP) have been prepared under the RPF in Component 2, both in Beira: (1) one for the storm-water drainage improvement works (disclosed in InfoShop on August 7, 2014); and (2) one for the green infrastructure works (disclosed in InfoShop on March 6, 2017).

The Project has two separate PIUs. The Component 1 PIU under MAEFP has dedicated technical and administrative staff but has faced challenges complying with Safeguards requirements on some works funded under the Municipal Performance Grants. In 2016, on the Bank's recommendation, the PIU hired a full-time Safeguards specialist, with technical support and capacity building from Bank Specialists, and strengthened technical support to the municipalities via routine monitoring and supervision visits.

AIAS (Component 2 PIU) has highly qualified dedicated staff for Environmental and Social Safeguards, and has consistently demonstrated strong performance in the application of Bank Safeguard Policies. The Beira construction works include challenging environmental and risk conditions, and the PIU staff, supported by the Engineer's social and environmental specialists, has responded well to new issues as they arise and designed and implemented resettlement actions that can be considered good practice. The revised ESMF has a budgetary provision for environmental management activities, including the allocation of social and environmental specialists, independent audits, and several environmental and social programs.

Both PIUs and contractor staff attended Bank environmental and social Safeguards trainings in Maputo in 2017; more in-depth training on key aspects, such as Health and Safety, is planned going forward. Additional training efforts are also planned for staff of the municipalities benefiting from grants under Component 1.

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

The main stakeholders are people living in the municipalities participating in the Project. The beneficiaries of the Chiveve River rehabilitation are the inhabitants of Beira (mainly those living and working in the Chiveve basin area), and the beneficiaries of the priority drainage works in Maputo are inhabitants of the Polana Caniço, Sommerschild, and Hulene neighborhoods. Other key stakeholders include public entities, civil society organizations involved in urban planning and environmental protection, international organizations supporting public health, hospital, schools, and neighborhood associations.

Mozambique has a well-established culture of consultation, as set forth in the Directive for the General Case on Public Participation in the EIA Process, requiring, for example, that public consultation include all interested and affected parties. The general methodology established by the 2012 Directive on Resettlement to govern the public



participation process to ensure effective consultation consists of five steps: (1) identification of stakeholders and affected persons; (2) dissemination of information; (3) dialogue with stakeholders and affected persons; (4) incorporation of comments raised during consultations; and (5) providing feedback.

The Project carried out extensive participatory consultations with stakeholders and PAPs during preparation and appraisal (particularly, for the Chiveve River rehabilitation and the environmental licensing of priority drainage works in Maputo), in which participants were briefed on the Project scope and given the opportunity to comment, ask questions, and express concerns. The revised Component 2 ESMF was also extensively consulted in accordance with the national directives, both locally (on December 8, 2016) and at the Central level (on December 14, 2016). Preliminary versions of the revised ESMF were publicly disclosed and consulted with PAPs, and feedback captured and included in the ESMF. The final version of the revised ESMF was publicly disclosed in Mozambique and in InfoShop on May 23, 2017. Public consultations were also carried out for the Addenda to the RPF for Component 1 on April 13, 2017.

A RAP and an ESIA for the green infrastructure works were prepared in 2016. Consultations on both documents were held on August 24 and on November 15, 2016. The RAP was publicly disclosed in Mozambique on February 21, 2017, and in the World Bank's InfoShop on March 6, 2017. The ESIA was reviewed by the Bank and is being updated by AIAS to attend to the Bank's comments and fully comply with the newly triggered safeguards policies OP/BP 4.04 and 4.36. An ESIA was also prepared for the priority drainage works in Maputo, publicly consulted on December 21, 2015, and disclosed in Mozambique on March 28, 2016. It is currently being updated by AIAS to attend to the Bank's comments and fully comply with the newly triggered safeguards policies OP/BP 4.04 and 4.36. The updated ESIA's will be disclosed in country and in the Bank's InfoShop.

B. DISCLOSURE REQUIREMENTS

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank

10-Feb-2017

Date of submission for disclosure

23-May-2017

For Category 'A' projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

Country

Mozambique

Date of Disclosure

23-May-2017

Comments

The original ESMF was disclosed in-country on December 8, 2011. The revised ESMF, which includes was disclosed on AIAS website and the Bank InfoShop on May 23, 2017.

Resettlement Action Plan/Framework Policy Process



Date of receipt by the Bank	Date of submission for disclosure
01-Sep-2011	19-Jun-2017
"In country" Disclosure	
Country	Date of Disclosure
Mozambique	16-Jun-2017
Comments	
<p>The original RPF was disclosed in-country on December 8, 2011. The addenda to the RPF was disclosed nationally in the Noticias newspaper on June 16, 2017, and in the Bank's InfoShop on June 19, 2017.</p> <p>The RAP for the green infrastructure works in Beira was disclosed in-country and in the Bank's InfoShop on March 6, 2017.</p>	

C. COMPLIANCE MONITORING INDICATORS AT THE CORPORATE LEVEL

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?	Yes
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?	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

III. APPROVALS

Task Team Leader(s)	Michel Matera Andre Herzog
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Approved By

Safeguards Advisor	Nathalie S. Munzberg	11-Sep-2017
Practice Manager/Manager	Bernice K. Van Bronkhorst	12-Sep-2017