

PROJECT INFORMATION DOCUMENT (PID)

ADDITIONAL FINANCING

Report No.: PIDA1417

Project Name	Mozambique Roads and Bridges Management and Maintenance Project Phase 2 - Additional Financing (P146402)
Parent Project Name	Roads and Bridges Management and Maintenance Program - Phase II (P083325)
Region	AFRICA
Country	Mozambique
Sector(s)	Rural and Inter-Urban Roads and Highways (80%), Central government administration (20%)
Theme(s)	Rural services and infrastructure (70%), Climate change (20%), Natural disaster management (10%)
Lending Instrument	Investment Project Financing
Project ID	P146402
Parent Project ID	P083325
Borrower(s)	Ministry of Planning and Development
Implementing Agency	Administração Nacional de Estradas (ANE), ROAD FUND (Fundo de Estradas)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	01-Oct-2013
Estimated Date of Board Approval	19-Dec-2013
Decision	
Other Decision	

I. Project Context

Country Context

Mozambique is experiencing continuous and increased vulnerability to extreme weather events and to longer-term climate change. The country is experiencing long dry spells, severe floods and frequent coastal storms. Future climate scenarios suggest that levels of climatic variability will increase further in the years ahead. The sudden and extreme floods of the Lower Limpopo valley and other areas of southern Mozambique in January 2013 were the worst disaster to hit the country since the floods in 2000. Government of Mozambique responded by announcing a Red Alert on January 22, 2013 and requested the World Bank to undertake a Flood Assessment Mission. The report of the Flood Assessment Mission and subsequent estimates assessed short-term reconstruction needs at approximately US\$403.0 million. It also estimated that the floods would result in GDP growth 1.4 percentage points lower than pre-flood estimates - from 8.4 percent pre-flood, to currently estimated 7 percent for 2013. Inflation is projected to accelerate to 7.1 percent towards the end of the year - two

percentage points higher than pre-floods projections.

The vulnerability of the population living around the affected areas was recognized by the Government of Mozambique. In response to the floods in early 2013 that devastated a number of provinces, in particular the Lower Limpopo valley, the Government submitted a revised budget in order to rebuild destroyed infrastructure and thus mitigate the vulnerability of those affected. This additional financing will contribute to financing the revised state budget and therefore will contribute substantially to poverty reduction.

Sectoral and institutional Context

The majority of Gaza's provincial road network is located in the southern area of the province mostly concentrated in the districts of Xai-Xai, Bilene, Chókwe, Guijá, Chibuto and Manjacaze. These areas are in the Limpopo lower basin and thus roads in this part of the network are typically built on embankments. The flood impacted at least 18 stretches of paved roads and bridges, including three sections of the main national road (N1). Many flooded communities remain inaccessible, while others are cut off from any vehicular transport and are accessible only by boats. The impacts are spread over about 70% of the entire province road network, which means 2,200 km of roads, including 30 bridges and culverts, 14 drifts and 62 aqueducts.

Government estimation of the damages to the road infrastructure is about US\$183.0 million, affecting the main road corridors in province; the south-north/west corridor connecting Chokwe with Chicualacuala at the border with Zimbabwe, west-east corridor in the North of the province impacting the districts of Chicualacuala and Massangena, and the dense road network in the south of the province affecting the districts of Chokwe, Guija, Chibuto, Xai-Xai and Manjacaze.

The additional financing proposed in this Project Paper will rebuild infrastructure in order to facilitate access of households to markets as well as facilitate the transportation of goods (in particular food) which constitute a substantial proportion of the budget of poor households. This fact, together with the expected decline in the cost of transport services, will likely counteract the current upward trend in inflation and will ultimately benefit the entire population affected by the lack of accessibility and in particular, the poor.

Project Context:

This is the second additional financing (AF2) to this project; the first additional financing (AF) was approved on April 7, 2011 in the amount of US\$41 million. The original project was a credit of US\$100 million which was approved on May 23, 2007 and declared effective on October 5, 2007. The proposed AF2 would finance the costs associated with scaled up and additional activities required to mitigate the damages to road infrastructure emergency works in the Gaza province following the January 2013 Limpopo floods. This includes piloting and developing infrastructure that will be more resilient to future climate-related damage. In addition, it is proposed to extend the project's closing date by 36 months from December 31, 2013 to December 31, 2016, to allow the completion of scaled up activities.

The main purposes of the Project Restructuring are to: (a) incorporate the additionally required emergency components related to the current floods in Limpopo River Basin; (b) introduce a pilot programme for climate resilient rural road infrastructure; and (c) extend the project closing date, to allow for implementation of the planned mitigation activities.

II. Project Development Objective(s)

A. Current Project Development Objectives - Parent

The primary objective of the overall Roads and Bridges Management and Maintenance Program (RBMMP), is to stimulate growth and contribute to poverty reduction through improved road

infrastructure, better sector policies, and enhanced roads sector management. More specifically by (i) improving the coverage and conditions of roads and bridges in the territory of the Recipient; (ii) strengthening the Recipient's institutional capacity to manage and administer the road sector; (iii) establishing financing mechanisms for road maintenance; (iv) promoting the use of local resources in roads construction and management; and (v) improving road transport safety.

The project development objective of this phase of the APL is to improve access of the population to all-season roads through maintenance, rehabilitation and upgrading of the classified road network.

The indicators to assess the achievement of the PDO are (i) the percentage of classified roads in good and fair condition, and (ii) the percentage of the rural population within 2 km of an all-season road.

Intermediate outcomes have been defined as follows: (a) improved road sector management capacity; (b) enhanced execution of the road maintenance program; and (c) timely and cost-effective implementation of the IDA financed rehabilitation and upgrading of sections of the National Road N1.

B. Proposed Project Development Objectives - Additional Financing (AF)

No proposed Change.

III. Project Description

Component Name

Emergency related works in the Limpopo River Basin:

Comments (optional)

These works can be categorized into two major groups:

1. Immediate Emergency Works (approx. US\$ 16.5 million)
2. Medium Term Restoration /Rehabilitation Works (approx. US\$ 146.0 million)

Component Name

Pilot Program for Climate Resilient Rural Road infrastructure

Comments (optional)

There are two distinct activities planned: (i) development of improved design and construction standards for classified roads; and (ii) pilot on select rural roads to build climate resilience.

Component Name

Incremental Operating Costs and Training of Road Fund and ANE staff

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	183.75	Total Bank Financing:	93.70
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			40.00
IDA Grant			36.00
Climate Investment Funds			15.75

UK British Department for International Development (DFID)	15.00
IDA reallocated as a credit	37.60
IDA Credit from CRW	20.10
IDA Grant from CRW	19.30
Total	183.75

V. Implementation

Current implementation arrangements applied in RBMMP 2 will be enhanced, to correspond to the emergency nature and scope of the required services for the planned additional activities. The Road Fund (RF) will continue to be responsible for the financial management of the Project while the National Road Administration (ANE) will be responsible for the implementation (engineering, social and environmental safeguard procurement and contracts management). In order to respond faster to the post-disaster situation, a dedicated Flood Response Team (FRT) will be set up within ANE organization. FRT will involve a group of fully empowered and experienced professionals, supported by a consulting Firm- Technical Support Group (TSG) composed of 4 professionals in specific area of expertise, who will work on- line and provide the necessary on-job training (FRT members will be dedicated fully to the implementation of flood related components included in AF, for a duration of the project.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11	X	
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12	X	
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

Comments (optional)

VII. Contact point

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