

Cover Page for Project/Program Approval Request

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| 1. Country/Region: | Mozambique | 2. CIF Project ID#: | (Trustee will assign ID) |
| 3. Source of Funding: | <input checked="" type="checkbox"/> FIP | <input type="checkbox"/> PPCR | <input type="checkbox"/> SREP |
| 4. Project/Program Title: | Mozambique Forest Investment Project | | |
| 5. Type of CIF Investment: | <input checked="" type="checkbox"/> Public | <input type="checkbox"/> Private | <input type="checkbox"/> Mixed |
| 6. Funding Request in million USD equivalent: | <i>Grant:</i> 8.8 million | | <i>Non-Grant:</i> 13.2 million |
| 7. Implementing MDB(s): | <i>IBRD</i> | | |
| 8. National Implementing Agency: | Ministry of Land, Environment and Rural Development, FIP Focal Point, Momade Nemane, Tel: 258843124210 | | |
| 9. MDB Focal Point and Project/Program Task Team Leader (TTL): | <i>Headquarters- Focal Point:</i> Gerhard Dieterle, Meerim Shakirova | | <i>TTL:</i> Andre Rodrigues de Aquino, Werner L. Kornexl |

10. **Project/Program Description (including objectives and expected outcomes):**

- The Project Development Objective is to improve the enabling environment for, and practices of, forest and land management in targeted landscapes in Mozambique.
- MozFIP will finance activities at two levels:** (i) landscape-level activities focused on promoting integrated management of two landscapes; and (ii) national-level activities focused on strengthening the enabling conditions for sustainable forest management. Interventions at these two levels form a holistic approach: investments on the ground initiate transformation in the forest and land use sectors, while conditions are created at the national level to allow the implementation of activities on the ground.
- The Mozambique Forest Investment Project has three components which are described below.

Component 1: Promotion of Integrated Landscape Management

Regularizing land tenure, promoting community-level land use planning and promoting integrated landscape management tools to strengthen land tenure of local communities and of small and medium landholders., to improve local communities' capacity to plan the use of natural resources over which they have rights and to enhance the capacity of local actors on land use planning and on multi-stakeholder planning, through:

Provision of support for the land delimitation of about 160 communities, including the issuance of about 160 community delimitation certificates, preparation of about 160 community-level land use plans, and strengthening of natural resources committees (CGRNs). The Project will finance consultancy, operational costs and equipment acquisition;

Issuance of about 3100 DUATs (Land Use and Benefit Rights) to small and medium landholders engaged in forest plantation and agro-forestry. The Project will finance consultancy and operational costs to ensure DUAT issuance;

Provision of institutional support to the provincial land administration service in Cabo Delgado province. The Project will finance office equipment and the maintenance of the land management system.

Strengthening of the multi-stakeholder landscape forums (MSLF) in Zambézia and Cabo Delgado to facilitate

multi-stakeholder coordination and dialogue, and landscape-level monitoring. The Project will finance the operational costs of such Forums;

Promotion of the use of geo-spatial tools at the provincial and district levels to improve land use planning through the acquisition of equipment and training to targeted provinces and districts.

Promoting multi-purpose planted forests, agroforestry systems and sustainable biomass production to establish commercial tree planting for several purposes (sawn wood, poles, wood chips, charcoal, pulp) among local communities, small- and medium-landholders, to restore degraded areas on productive land, to promote the adoption of agro-forestry practices among small landholders as a way to improve food security and reduce slash-and-burn agriculture expansion, and to produce charcoal in a more sustainable way.

Promoting the Planted Forests Grant Scheme, a performance-based grant scheme to promote the establishment of around 5,000 hectares of sustainable, multi-purpose plantations amongst communities and small and medium landholders, and of 500 hectares of restored lands, through:

Provision of performance-based grants to small and medium landholders and inputs to communities for the establishment of multi-purpose plantations; and

Provision of technical assistance on tree planting and maintenance to beneficiaries.

Establishing agroforestry systems over about 1,500 hectares by smallholders to enhance yield productivity and food security and reduce slash-and-burn agriculture, through the provision of technical assistance and agro-forestry inputs to beneficiaries.

Supporting Sustainable Charcoal Production to increase wood transformation efficiency into charcoal and to reduce the overall use of **wood**, through:

Provision of support for (i) the elaboration of 10 forest management plans in 10 associations for charcoal production; (ii) acquisition of licenses for biomass exploration; and

The provision of training and assistance in the use of more efficient charcoal-making kilns to 750 charcoal producer organizations and/or individual producers. The Project will finance consultancy, operational costs and equipment acquisition.

Component 2: Strengthening of the Enabling Conditions for Sustainable Forest Management

Developing Mozambique's National Land Use Plan to promote more balanced and long-term land use decisions, through support to the preparation of a National Land Use Plan prepared in close consultation with relevant stakeholders. The Project will finance consultancy and operational costs.

Strengthening of forest governance to reduce forest-related crimes and illegal activities in the sector, to increase benefits to government and local communities from forest management, and to ensure compliance with sustainable forest management practices, through:

Strengthening of inspection, detection and control in the forest sector through support to the Recipient's forest law enforcement institutions (particularly AQUA and ANAC) ¹, so as to improve forest areas patrolling and inspecting, infractions prevention, detection and prosecution. This support includes: (i) capacity strengthening of forest rangers at AQUA and ANAC; (ii) establishment of AQUA's provincial delegations in Zambezia and Cabo Delgado, including equipment acquisition, staff financing and training and operational costs; (iii) strengthening the management of two conservation areas (Gile National Reserve and the Quirimbas) through equipment and operational costs; (iv) promoting inter-agency coordination to tackle forest illegal activities.

Implementation of a forest information system to increase transparency and accountability in the sector

system by providing updated geo-referenced information on forest licensing, forest management plans implementation, inspection and law enforcement. The support will include equipment and data management infrastructure acquisition, and capacity building.

Strengthening of multi-stakeholder forest sector decision making to improve forest policies and regulations through a well-functioning National Forest Forum. The Project will support the operational costs of such a Forum.

Regular assessment of forest governance to monitor progress on implementation of the forest governance reforms. The Project will finance the costs associated with carrying out these regular assessments at the national level, including the assessment of forest operators' compliance with regulations.

Strengthening natural forest management to ensure sustainable use of forest resources, to increase benefits to local communities and to government and to add value to forest products, through:

Provision of technical assistance to forest operators engaged in sustainable forest management, so as to support them in obtaining forest certification and in adding value to forest products. The project will finance the costs of training and skill development initiatives through consultancies and operational costs;

Strengthening of the capacity of forest administration authorities, particularly at the provincial level on different aspects of forest management, including on forest management plan implementation and on piloting new forest concession allocation systems. The project will finance staffing and operational costs, consultancies and equipment acquisition;

Promotion of sustainable small-scale forest businesses (timber and non-timber forest products), including support to community enterprises, to community-private sector partnerships and to participatory forest monitoring. The Project will finance capacity building, staffing, operational costs, equipment acquisition and consultancies.

Component 3: Project Coordination and Management

4. The Project will finance the additional costs of FNDS related to the Project management, including the costs of the Landscape Coordination Units (LCUs) at the provincial level. This includes support for project coordination and management, including fiduciary and safeguards management, monitoring and evaluation (M&E), and communications.

11. Consistency with Investment Criteria:

The projects objectives and activities are in line with the FIP objectives and modalities.

The Forest Investment Plan represents the Government's ambition for transformational change to address the drivers of deforestation and promote sustainable rural development. Mozambique's Forest Investment Plan² is a large-scale, modular framework for implementing the National REDD+ Strategy across the country, including supporting ambitious reforms in the forest sector. The Investment Plan is going to be implemented through three projects, for which funding has been secured from the Climate Investment Fund (CIF) and other sources: i) this Project, MozFIP, to be implemented by the Government with support from the World Bank; ii) the second project, Emissions Reductions in the Forest Sector through Planted Forests, to be implemented with IFC;³ and iii) the Dedicated Grant Mechanism for Local Communities (MozDGM), implemented by a civil society organization (to

¹ The financing will categorically exclude any kind of support for activities that are prohibited by the Bank's policies and rules as outlined in "Legal Vice Presidency Annual Report FY 2013: The World Bank's Engagement in the Criminal Justice Sector and the Role of Lawyers in the "Solutions Bank"".

² The Investment Plan was approved by the FIP Sub-Committee in June of 2016.

³ The second project, Emissions Reductions in the Forest Sector through Planted Forests with Major Investors, is managed by IFC. The IFC project is focused on leveraging the private sector to support community forest management and outgrower schemes around planted forests.

be identified) with support from the World Bank (P161241).⁴ These three projects are highly complementary and will be implemented in coordination, led by MITADER's FNDS.

Consistency with the FIP guidelines. The project design is consistent with the Guidelines for the FIP in how the project is demand driven and operates with the governance structure recommended in the guidelines.

Alignment with FIP approach: The proposed activities are aligned with all the FIP thematic areas: climate change mitigation potential, demonstration potential at scale, cost-effectiveness and co-financing, integrating sustainable development (co-benefits), safeguards, and capacity development.

Alignment with MDB processes: The project proposal is compliant with the relevant operational and safeguards policies of the World Bank and received support from World Bank management.

Linkage between MozFIP and the other Forest Investment Plan projects (IFC and MozDGM). Part of the IFC project aims to boost functional literacy on plantation forestry, combined with the formation and strengthening of natural resource committees and land use planning. These will create the enabling conditions needed for the implementation of planted forests schemes in MozFIP, and complement the efforts of both MozFIP and MozDGM to strengthen community groups. The IFC project will also pilot fuel-efficient wood fuel stoves, which is complementary to MozFIP's interventions in the production end of the biomass energy value chain. Both the IFC project and MozFIP will contribute to the Technological Center for Excellence for the forest industry (detailed below). These projects will also build on and enhance existing initiatives and platforms, including using similar Service Providers working across the thematic issues in the landscapes. The MozDGM will promote synergies by boosting civil society participation in FIP-financed activities, empowering and actively involving community organizations in the governance of forest resources. The projects will work in a coordinated fashion to target complementary beneficiary groups, specific geographic areas and distinct technologies, training or interventions.

12. Stakeholder engagement:

⁴ The MozDGM is currently under preparation, and aims to build the capacity of local communities and community-based organizations to participate in forest and landscape management.

The project preparation process involved extensive national and subnational consultations and dialogues, technical assessments. The process of project design was conducted in an open, transparent and inclusive manner, with extensive consultation at both national and regional level involving multiple stakeholder groups in an effort to engage different stakeholder and build their partnership of the project.

The Project preparation team has engaged in stakeholder consultations and dialogue to communicate Project objectives and approach, so as to ensure all stakeholders could provide inputs that can lead to improved implementation performance. Consultations will continue during Project implementation at the national, provincial, district and local levels, across the country. Consultations covered three provinces evenly distributed across the three main regions of Mozambique. In the south, Gaza; the central zone, Zambezia; and the north zone, Cabo Delgado. Nine communities were consulted in six districts. 1904 community members were consulted as part of the SESA preparation, of which 1240 were male and 664 were female. In terms of demographic groups, 175 young people, 409 adults, and 136 elderly people were consulted. A focus group discussion guide was developed and applied, based on the best practices. It was used to explore issues around the drivers of deforestation and forest degradation, land use and land tenure, social and environmental protection and sustainable forest management. Additional consultations also took place during project design at both Maputo and province level. So far, 3370 people were consulted, of which 978 were women⁵.

Such consultations will continue during Project implementation and will aim at maintaining dialogue and information sharing about Project intervention. Stakeholders to be consulted will include civil society groups, provincial and district level associations, local and international NGOs, private sector operators, development partners, and national, provincial and district level governments directly concerned with the Project. The project will promote a national Forest Forum to allow for continued multi-stakeholder consultations at national level, while the MSLFs allow that at the provincial level.

The government is actively engaging with a variety of ministries and sector agencies in the project preparation process, including the Ministry of Agriculture and Food Security (DNEA, DNAS), the National Agency for Environmental Quality Control (AQUA), the National Energy Fund (FUNAE) and the National Agency for Conservation Areas (ANAC). This coordination and engagement will continue throughout the preparation and implementation of the programs. At the landscape level, the government has also made considerable strides toward developing channels of cross-sectoral communication, such as through the provincial multi-stakeholder forums.

The private sector has been closely engaged during Project preparation, given the emphasis of the Project on support to SMEs in the natural and planted forests sectors. The Government has organized several consultations with forest operator associations, including the Mozambique Timber Operators Association (*Associação Moçambicana de Operadores Madeiros*, AMOMA) and the Zambezia Timber Operators Association (*Associação Madeiros da Zambézia*, AMAZA), planted forest companies, and communicates frequently with IFC, which is working closely with Portucel. Dialogue with this stakeholder group has been critical in informing Project design, and has been conducted through interviews, workshops and forums. Communication and consultations will continue extensively during Project implementation to ensure that their inputs are received, to allow for improved implementation.

During the Project preparation process, the Government has convened development partners, who had attended all national consultations related to the development of the Forest Investment Plan and also participated in joint missions to the Zambezia and Cabo Delgado program areas. During a joint visit to Zambézia in February 2016, for instance, the Government, the World Bank and the Embassy of Sweden visited interventions that could be harnessed to address deforestation, including cashew and other fruit tree nurseries. They also participated in the Zambézia REDD+ Forum, a multi-stakeholder platform geared towards sustainable natural resources management and rural development. This and other opportunities have enabled advancing mutual understanding amongst development partners of the Project and its links to the vision, mandate and mission of MITADER and its programs.

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| 13. Gender considerations: | | |
| <p>Gender aspects will be taken into consideration in the support provided to the issuing of community, family group, and individual land titles. According to Mozambique's Land Law, customary rules and governance structures within collective holdings may be used as long as they do not contravene principles of the constitution, which include gender equality in land ownership. However, implementation is limited. Customary laws favor male access/control over land, with women having particular difficulties in defending their rights in the delimitation process. The Project will promote gender-responsive practices, such as ensuring that both husbands' and wives' names are listed on land documents and registered. A gender-sensitive approach will be applied in every stage of the program, from the identification of beneficiaries to any subsequent support provided. This would include having a targeted proportion of women involved in AFSs schemes and accessing technical support, as well as priority given to AFSs with species that are mostly grown by women such as legumes.</p> | | |
| 14. Indicators and Targets (consistent with results framework): | | |
| Core Indicator | Target | |
| Indicator 1: Land area under sustainable landscape management practices | - | |
| Indicator 2: Land users adopting sustainable land management practices as a result of the Project | - | |
| Indicator 3: Average score in targeted landscapes from forest governance assessment | 4.00 | |
| Indicator 4: Target beneficiaries in selected landscapes with rating 'Satisfied' or above with project | - | |
| 15. Parallel Financing: | | |
| | <i>Amount (in USD million):</i> | <i>Type of contribution:</i> |
| International Development Association (IDA) | 15 million | IDA credit |
| Integrated Landscape & Forest Management MDTF | 10 million | Grant |
| | | |
| Co-Financing Total: | 25.00 | |
| 16. Expected Board/MDB Management approval date: | | |
| 06-Mar-2017 | | |

⁵ A summary of all consultations can be found here: <http://www.redd.org.mz/page.php?id=59>